



Erie County Industrial Development Agency
Meeting of the Membership
August 23, 2017
@ 9:00 a.m.
95 Perry Street
5th Floor ESD Conference Room
Buffalo, New York 14203

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of the June 28, 2017 Joint Annual Meeting of the Membership (Pages 2-6)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Pages 7-10)
- 3.2 2017 Tax Incentive Induced/Closing Schedule/ Estimated Real Property Tax Impact (Pages 11-12)
- 3.3 Policy Committee Update (Pages 13-17)
- 3.4 Finance & Audit Committee Update (Information) (Page 18)
- 3.5 Banking Request for Proposal (Action) (Pages 19-22)
- 3.6 Gordon Restaurant Market, LLC (Information)

4.0 Inducement Resolutions:

| | Private Investment | ECIDA Incentives | Municipality |
|--|-------------------------------|-----------------------------|---------------------|
| 4.1 166 Chandler Holding, LLC (Pages 23-69) | \$4,695,000 | \$94,765 | Buffalo |
| 4.2 Pearl Group, LLC (Pages 70-123) | \$7,245,000 | \$225,406 | Buffalo |
| 4.3 WNY FTZ Operations/Punto Franco Ltd. (Pages 124-162) | \$1,760,000 | \$358,000 | Lackawanna |

5.0 Management Team Reports:

6.0 Adjournment - Next Meeting September 27, 2017

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

DATE AND PLACE: June 28, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: James F. Doherty, Dottie Gallagher-Cohen, Tyra Johnson, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, David L. Lowrey, Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Louis Panzica, Sister Denise Roche, and Hon. Barry A. Weinstein

EXCUSED: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Byron W. Brown, Hon. Joseph H. Emminger, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen and Paul V. Vukelic

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer; Gerald Manhard, Chief Lending Officer, and Robert G. Murray, Secretary

GUESTS: Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist; Laura Smith, Buffalo Niagara Partnership

At 9:01 a.m., there being a quorum present, Ms. McDuffie, called the meeting to order.

MINUTES

The minutes of the April 26, 2017 meeting of the members, and the May 24, 2017 meeting of the members, were presented. Mr. Nellis moved and Mr. Lowrey seconded, to approve of both the April 26, 2017 and May 24, 2017 meeting minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the May 2017 financial statements noting that the balance sheet shows that the Agency finished the month with total assets of \$34.1 million and net assets of \$28.2 million. The monthly income statement shows a net loss of \$21,000 before depreciation. Operating revenue for the month of May was \$379,000 putting the Agency ahead of budget by \$173,000 due to the timing of fees received. Operating expenses for May were over budget by \$125,000 mainly as a result of costs incurred related to the Net Zero building design costs. After depreciation, there was a net loss of \$33,000 for the month. The year to date

income statement reflects operating revenue of \$1.4 million, which is \$357,000 ahead of budget for the year. The driver of that variance is receipt of administrative fees, which, at \$1.1 million, are in excess of budget by approximately \$365,000 through the month of May. Operating expenses of \$1.6 million are under budget by \$154,000. Net special project grant revenue of \$255,000 brings net income for the year to \$72,000. After factoring in strategic investments and depreciation, there is a year to date net loss of \$111,000. Ms. McDuffie requested that the report be received and filed.

2017 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Ms. Fiala presented this report. There being no questions, Ms. McDuffie requested that the report be received and filed.

Grant Approval for Rail Work out at Sumitomo. Mr. Cappellino described an action item for the Agency seeking approval to enter into a contract with the New York State Department of Transportation to receive a grant of approximately \$365,950 to restore to a state of good repair the rail spur at the Sumitomo Rubber facility located in Tonawanda, New York. Mr. Cappellino explained that the Agency applied for the grant on behalf of Sumitomo Rubber in the Fall of 2016 and Sumitomo is in the process of a major capital expansion that will significantly expand their production capacity, and as a result, the current rail infrastructure needs to be rehabilitated to allow for the increase in raw materials storage and railcar movements. Mr. Lowrey moved and Sister Denise seconded to approve of the proposal. Ms. McDuffie then called for the vote, and the following resolution was then unanimously approved.

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT AGREEMENT FOR THE DESIGN, CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT AND REHABILITATION OF CERTAIN RAILROAD FACILITIES.

Nominating Committee Update: Election of Officers/Committee Appointments. Mr. Lipsitz confirmed that the Nominating Committee, at its most recently conducted meeting, unanimously approved the slate of proposed committee members and officers as presented to the board today for its approval. Mr. Lipsitz moved and Mr. Mudie seconded, to approve of the proposed 2017-2018 ECIDA/RDC/ILDC board committees and officers as contained within the materials presented to the board members and included within these minutes. Ms. McDuffie called for the vote and the 2017-2018 ECIDA/RDC/ILDC board committees and officers were unanimously approved.

Policy Committee Update. Mr. Lipsitz provided members with an update on the most recently completed Policy Committee meeting noting that the committee unanimously approved the 467 Richmond Avenue project which is before the board today and reviewed, and recommended for approval, the ECIDA Best Practice recommendations to be discussed at today's meeting. Ms. McDuffie requested that the report be received and filed.

Best Practices Recommendations. Mr. Cappellino reviewed the Core Principles recommendations, dated as of June 28, 2017, and as presented to the members and incorporated into the minutes. Mr. Cappellino reviewed the six core principles that have been developed by the Agency's working group and in particular, Mr. Cappellino thanked Deputy County Executive

Maria Whyte and Buffalo Niagara Partnership Vice President of Economic Development, Ms. Laura Smith, for their guidance and input. Mr. Cappellino explained that the goal is to use the core principles to guide the Agency as it pursues new policies and to assist the agency as it measures the results of such new policy endeavors. Ms. Gallagher-Cohen moved and Mr. Lowrey seconded to approve of the core principles. Ms. McDuffie called for the vote and the following resolution was unanimously approved:

**RESOLUTION AUTHORIZING THE ADOPTION OF CORE PRINCIPLES TO
GUIDE AND SHAPE ECONOMIC DEVELOPMENT POLICY AND
PROGRAMMING FOR THE ERIE COUNTY INDUSTRIAL DEVELOPMENT
AGENCY AND ITS AFFILIATED ENTITIES**

INDUCEMENT RESOLUTIONS

467 Richmond Avenue, LLC/Rosanna Elizabeth Visual & Performing Arts Campus (REVPAC), 467 Richmond Avenue, Buffalo, New York. Ms. Fiala reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the renovation and adaptive reuse of the existing facility located at 467 Richmond Avenue which is the former Richmond Methodist Episcopal Church. The facility will be renovated as a campus for the utilization by performing arts groups and will include corporate and business meeting space and a recording studio.

As a condition precedent of receiving financial assistance and as a material term and condition established by the Agency in connection with its approval of the project, Ms. Fiala noted that the Company must, subject to potential termination and/or modification and/or recapture of financial assistance, submit, on an annual basis or as otherwise indicated below, through the conclusion of the later of two years following either the construction completion date or the termination of the Agent 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 \$9,159,290.00 (which represents the product of 85% multiplied by \$10,775,636.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least three (3) 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 the Company has maintained and created FTE employment at the Facility equal to four (4) FTE employees [representing the sum of the Baseline FTE plus one (1) (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company’s application for Financial Assistance)]. 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.

Mr. Weinstein moved and Mr. Lorigo seconded to approve of the project as proposed. Ms. McDuffie thanked the company for undertaking its project.

Ms. Johnson noted that in the past, she provided certain consulting services to REVPAC and as a result, will recuse herself from participating in discussing the project and abstain from voting on the project.

Ms. McDuffie called for the vote and the following resolution was unanimously approved with Ms. Johnson abstaining:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 467 RICHMOND AVENUE, LLC/ROSANNA ELIZABETH VISUAL & PERFORMING ARTS CAMPUS (REVPAC), 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 MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

LATE ITEMS:

Bethlehem Steel Rail Phase II Authorizing Resolution. Mr. Cappellino explained to members that the Agency is seeking approval to enter into a contract with Erie County, and to take all actions reasonably necessary to complete the Bethlehem Steel Rail Improvements project including contracting for engineering, construction and construction management services in an amount not to exceed approximately \$4,550,000. Mr. Cappellino noted that, in partnership with Erie County, the Agency is presently serving as Project Administrator for the design and engineering of the rail relocation and removal project at the former Bethlehem Steel site. Mr. Cappellino explained that it is anticipated that the project will be moving to the bidding and construction phase over the next two months and explained that the rail relocation is an important part of the overall redevelopment of the Bethlehem Steel site which will allow for the construction of the new access road and utility corridor to be located at Dona Street. Mr. Weinstein moved and Mr. Vukelic seconded, to approve of the resolution. Ms. McDuffie called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE AGENCY TO ENTER INTO CONTRACTS WITH THE COUNTY OF ERIE AND/OR THE NYSDOT, OTHER STATE AND FEDERAL AGENCIES, AND APPROPRIATE CONTRACTORS OR CONSULTANT(S), IN AMOUNTS NOT TO EXCEED A TOTAL OF \$4,550,000, FOR THE PURPOSE OF CONSTRUCTION RELATED TO PHASE II RAILROAD WORK ON THE FORMER BETHLEHEM STEEL SITE

Real Property Tax Cap PILOT Legislation. Mr. Cappellino provided members with an update of New York State proposed legislation that would allow assessed property under a PILOT Agreement to be factored into the calculation for determining the Tax Levy Growth Factor, which governs how much a local taxing jurisdiction can increase its tax levy. Mr. Cappellino explained that this legislation would allow for properties that are subject to a PILOT to be included within the Tax Levy Growth Factor and is a measure that IDAs across the state should support. Mr. Weinstein moved and Mr. Lorigo seconded to authorize the Chair to send a letter of support to the Governor urging the Governor to support the new legislation. Ms. McDuffie called for the vote and the resolution as unanimously approved.

MANAGEMENT TEAM REPORT

Mr. Weathers provided members with an update of the status of the Agency's history of administrative fee receipts for the 2006-2016 time period. Mr. Weathers stated the report is to be presented in final form at the next meeting of the members.

There being no further business to discuss, the meeting was adjourned at 9:20 a.m.

Dated: June 28, 2017

Robert G. Murray, Secretary

Erie County Industrial Development Agency
Financial Statements
As of July 31, 2017

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

July 31, 2017

| | July 2017 | June 2017 | December 2016 |
|--|---------------------|---------------------|---------------------|
| ASSETS: | | | |
| Cash * | \$ 8,886,276 | \$ 8,982,294 | \$ 9,569,925 |
| Restricted Cash & Investments * | 17,189,438 | 18,906,432 | 19,636,104 |
| Due from Affiliates | 208,892 | 176,751 | 362,329 |
| Due from Buffalo Urban Development Corp. | 30,216 | 29,716 | 50,940 |
| Other Receivables | 618,813 | 632,389 | 1,104,277 |
| Total Current Assets | 26,931,635 | 28,727,581 | 30,723,575 |
| Grants Receivable | 7,066,747 | 7,066,747 | 2,000,000 |
| Loans Receivable, net of allowance | 20,493 | 21,482 | 27,344 |
| Venture Capital Investments, net of reserves | 684,064 | 684,064 | 684,064 |
| Fixed Assets | 1,596,957 | 1,608,624 | 1,664,878 |
| Total Long-Term Assets | 9,368,261 | 9,380,917 | 4,376,286 |
| TOTAL ASSETS | \$36,299,895 | \$38,108,498 | \$35,099,861 |
| LIABILITIES & NET ASSETS | | | |
| Accounts Payable & Accrued Exp. | \$ 257,464 | \$ 269,902 | \$ 499,853 |
| Deferred Revenues | 6,947,313 | 6,968,650 | 2,400,000 |
| Other Payables | 131,354 | 131,354 | 168,884 |
| Funds Held on Behalf of Others | 3,545,083 | 3,504,712 | 3,712,452 |
| Total Liabilities | 10,881,215 | 10,874,618 | 6,781,189 |
| Net Assets | 25,418,681 | 27,233,880 | 28,318,672 |
| TOTAL LIABILITIES & NET ASSETS | \$36,299,895 | \$38,108,498 | \$35,099,861 |

* Cash and restricted cash is invested in checking accounts at KeyBank. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of July 2017

| | Actual vs. Budget | | |
|---|--------------------------|-----------------------|------------------|
| | Actual | Budget | Variance |
| REVENUES: | | | |
| Administrative Fees | \$ 255,816 | \$ 150,000 | \$ 105,816 |
| Affiliate Management Fees | 32,959 | 32,958 | 0 |
| Interest Income - Loans | 572 | 600 | (28) |
| Interest Income - Cash & Investments | 1,938 | 2,042 | (103) |
| Rental Income | 18,561 | 18,167 | 394 |
| Other Income | - | 1,875 | (1,875) |
| Total Revenues | 309,845 | 205,642 | 104,203 |
| EXPENSES: | | | |
| Salaries & Benefits | \$ 154,587 | \$ 164,517 | \$ (9,929) |
| General Office Expenses | 19,077 | 28,725 | (9,648) |
| Building Operating Costs | 21,785 | 14,213 | 7,572 |
| Professional Services | 11,077 | 19,167 | (8,090) |
| Public Hearings & Marketing | 11,812 | 8,333 | 3,479 |
| Travel, Mileage & Meeting Expenses | 4,742 | 6,833 | (2,092) |
| Other Expenses | 716 | 1,250 | (534) |
| Total Expenses | 223,797 | 243,039 | (19,242) |
| SPECIAL PROJECT GRANTS: | | | |
| Revenues | \$ 22,137 | \$ 20,833 | \$ 1,304 |
| Expenses | (98,740) | (27,083) | (71,657) |
| | (76,603) | (6,250) | (70,353) |
| NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION: | 9,445 | (43,647) | 53,092 |
| OTHER STRATEGIC INVESTMENTS AND INITIATIVES: | | | |
| Zero Net Energy costs (Z7+) | (76,178) | (95,344) | 19,165 |
| UDAG Bethlehem Steel Industrial Park Grant | (1,736,800) | (1,736,800) | - |
| | (1,812,978) | (1,832,144) | 19,165 |
| NET INCOME/(LOSS) BEFORE DEPRECIATION: | (1,803,533) | (1,875,791) | 72,258 |
| Depreciation | (11,667) | (11,668) | 1 |
| NET INCOME/(LOSS): | \$ (1,815,199) | \$ (1,887,458) | \$ 72,259 |

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: July 31, 2017

| | Actual vs. Budget | | | Actual vs. Prior Year | | |
|---|-----------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|
| | Actual | Budget | Variance | Actual | Prior Year | Variance |
| REVENUES: | | | | | | |
| Administrative Fees | \$ 1,417,780 | \$ 1,050,000 | \$ 367,780 | \$ 1,417,780 | \$ 1,131,003 | \$ 286,777 |
| Affiliate Management Fees | 230,710 | 230,708 | 1 | 230,710 | 224,292 | 6,418 |
| Interest Income - Loans | 4,075 | 4,200 | (125) | 4,075 | 3,350 | 725 |
| Interest Income - Cash & Investments | 13,975 | 14,292 | (317) | 13,975 | 12,608 | 1,367 |
| Rental Income | 129,428 | 127,167 | 2,262 | 129,428 | 129,631 | (203) |
| Other Income | 12,266 | 23,125 | (10,859) | 12,266 | 22,291 | (10,025) |
| Total Revenues | 1,808,234 | 1,449,492 | 358,742 | 1,808,234 | 1,523,175 | 285,059 |
| EXPENSES: | | | | | | |
| Salaries & Benefits | 1,232,484 | 1,311,522 | (79,038) | 1,232,484 | 1,164,792 | 67,692 |
| General Office Expenses | 179,919 | 201,075 | (21,156) | 179,919 | 221,904 | (41,985) |
| Building Operating Costs | 104,478 | 111,743 | (7,266) | 104,478 | 101,352 | 3,126 |
| Professional Services | 105,175 | 163,366 | (58,191) | 105,175 | 139,315 | (34,139) |
| Public Hearings & Marketing | 44,371 | 58,333 | (13,962) | 44,371 | 33,627 | 10,744 |
| Travel, Mileage & Meeting Expenses | 47,740 | 47,833 | (94) | 47,740 | 39,701 | 8,039 |
| Other Expenses | 5,077 | 8,750 | (3,673) | 5,077 | 6,345 | (1,268) |
| Total Expenses | 1,719,244 | 1,902,623 | (183,380) | 1,719,244 | 1,707,036 | 12,208 |
| SPECIAL PROJECT GRANTS: | | | | | | |
| Revenues | 507,128 | 145,833 | 361,295 | 507,128 | 47,884 | 459,244 |
| Expenses | (186,024) | (145,833) | (40,190) | (186,024) | (31,393) | (154,631) |
| | 321,104 | - | 321,104 | 321,104 | 16,491 | 304,613 |
| NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION: | | | | | | |
| | \$ 410,095 | \$ (453,132) | \$ 863,227 | \$ 410,095 | \$ (167,370) | \$ 577,465 |
| OTHER STRATEGIC INVESTMENTS AND INITIATIVES: | | | | | | |
| Zero Net Energy costs (Z7+) | \$ (477,870) | \$ (667,406) | 189,536 | \$ (477,870) | \$ (145,626) | \$ - |
| UDAG Bethlehem Steel Industrial Park Grant | (2,600,550) | (2,600,550) | - | (2,600,550) | - | (2,600,550) |
| UDAG BUDC BBRP Grant | (75,000) | (75,000) | - | (75,000) | - | (75,000) |
| UDAG Gain/(Loss) on Venture Investments | - | - | - | - | 5,366,076 | (5,366,076) |
| Other Strategic Initiatives | (75,000) | - | (75,000) | (75,000) | (385,000) | 310,000 |
| | (3,228,420) | (3,342,956) | 114,536 | (3,228,420) | 4,835,450 | (7,731,626) |
| NET INCOME/(LOSS) BEFORE DEPREC: | | | | | | |
| | (2,818,325) | (3,796,088) | 977,763 | (2,818,325) | 4,668,080 | (7,154,162) |
| Depreciation | (81,667) | (81,673) | 6 | (81,667) | (81,674) | 7 |
| NET INCOME/(LOSS): | \$ (2,899,992) | \$ (3,877,760) | \$ 977,769 | \$ (2,899,992) | \$ 4,586,406 | \$ (7,154,154) |

Tax Incentives Induced 2017

| Project Name | Project City | Inducement Amount | Jobs at App. | Projected Year 2 Jobs | Closing Date | Project Status |
|---|--------------|-------------------|--------------|-----------------------|--------------|----------------|
| Pilgrim Village* | Buffalo | \$ 95,907,387 | 4 | 35 | | Pending |
| 791 Washington Street, LLC/Trico* | Buffalo | \$ 80,535,000 | 0 | 30 | | Pending |
| 683 Northland/WNY Workforce Training Center | Buffalo | \$ 58,067,917 | 0 | 8 | | Pending |
| Moog, Inc. | Elma | \$ 32,600,000 | 251 | 293 | | Pending |
| Unifrax 1, LLC | Tonawanda | \$ 26,000,000 | 0 | 25 | | Pending |
| Curtiss Buffalo* | Buffalo | \$ 24,130,000 | 0 | 55 | 9/25/2014 | Active |
| 570 Associates VI, LLC | Cheektowaga | \$ 20,745,000 | 0 | 124 | | Pending |
| 497 Richmond Avenue, LLC | Buffalo | \$ 10,775,636 | 3 | 4 | | Pending |
| R&M Leasing Pierce Arrow Business Park | Buffalo | \$ 10,591,000 | 50 | 70 | | Pending |
| Latina Boulevard Foods, Inc. | Cheektowaga | \$ 10,000,000 | 172 | 177 | | Pending |
| Sumitomo Rubber USA, LLC | Tonawanda | \$ 9,709,000 | 1241 | 1241 | | Pending |
| Shea's Seneca Street, LLC | Buffalo | \$ 9,041,730 | 0 | 4 | | Pending |
| Pine Pharmaceuticals, Inc. | Tonawanda | \$ 5,600,000 | 15 | 27 | | Pending |
| Glendale Development | Buffalo | \$ 4,992,000 | 0 | 2 | | Pending |
| Double Eagle Kenmore, LLC | Kenmore | \$ 4,250,000 | 0 | 2 | | Pending |
| Tecumseh Redevelopment, LLC | Lackawanna | \$ 3,455,556 | 0 | 0 | | Pending |
| Aakron Rule | Akron | \$ 2,670,000 | 142 | 155 | | Pending |
| Silos at Elk Street | Buffalo | \$ 2,055,000 | 32 | 36 | | Pending |
| 128 Pearl Street/St. Paul's Apartments | Buffalo | \$ 1,840,427 | 0 | 1 | | Pending |
| Delaware Lodge, LLC | Kenmore | \$ 1,246,000 | 0 | 0 | | Pending |

20 Projects

379 Projected New Jobs \$ 414,211,653 1910 2289

*Amendatory Inducement (Pilgrim Village) from 2015 approval increasing dollar amount from \$94,778,000 to \$95,907,387

*Amendatory Inducement (791 Washington Street, LLC) from 2016 approval decreasing dollar amount from \$90,490,542 to \$80,535,000

*Amendatory Inducement (Curtiss Buffalo) from 2014 approval increasing dollar amount from \$18,100,000 to \$24,130,000

Tax Incentives Closings - 2017

| Project Name | Project Amount at Closing | Jobs at App | Projected Year 2 Jobs | Project City | Induced Date | Est. Project Completion Date |
|------------------------------------|----------------------------------|--------------------|------------------------------|---------------------|---------------------|-------------------------------------|
| Flexovit USA | \$ 8,349,492 | 45 | 81 | Angola | 11/18/2015 | 12/31/2016 |
| Flexo Transparent | \$ 6,559,158 | 115 | 121 | Buffalo | 12/21/2016 | 12/31/2018 |
| 93 NYRPT, LLC | \$ 6,331,256 | 0 | 35 | Cheektowaga | 4/22/2015 | 8/31/2017 |
| Calspan Corporation | \$ 6,095,500 | 113 | 124 | Cheektowaga | 5/5/2017 | 12/31/2017 |
| Trahwen-G, LLC | \$ 4,772,611 | 0 | 35 | Cheektowaga | 5/25/2016 | 12/31/2018 |
| The Alexandre Apartments, LLC | \$ 4,630,393 | 0 | 3 | Buffalo | 5/5/2017 | 1/31/2018 |
| Pine Pharmaceuticals, LLC | \$ 4,300,000 | 15 | 27 | Tonawanda | 5/10/2017 | 6/30/2018 |
| Shell Fab | \$ 3,179,000 | 45 | 55 | West Seneca | 8/24/2016 | 12/31/2017 |
| Gordon Market Restaurant | \$ 2,081,000 | 0 | 19 | Buffalo | 1/27/2016 | 12/31/2016 |
| Shevlin Land & Cattle Company | \$ 1,602,950 | 70 | 80 | West Seneca | 9/16/2015 | 6/30/2016 |
| David Gordon/Gordon Companies, Inc | \$ 1,425,000 | 82 | 88 | Cheektowaga | 5/20/2015 | 7/31/2017 |

11 Projects \$ 49,326,360 485 668
 183 Projected New Jobs

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

- MEETING:** August 3, 2017, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York
- PRESENT:** Rev. Mark E. Blue, Hon. Johanna Coleman, Colleen DiPirro, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, John J. Mudie, David J. State, and Maria Whyte
- ABSENT:** Hon. Byron W. Brown, Hon. Glenn R. Nellis, Laura Smith, Hon. Geoffrey M. Szymanski and Paul V. Vukelic
- OTHERS PRESENT:** John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer; Dawn Boudreau, Compliance Officer, and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Rocco Termini, on behalf of 166 Chandler Holdings, LLC; Tom Fox, on behalf of Pearl Group, LLC

In the absence of the presence of a quorum, Mr. Lipsitz called the meeting to order at 8:39 a.m.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's project matrix. Mr. State queried if there are any recapture issues relating to any of the projects as presented on the matrix. Mr. Cappellino responded that in January 2016 the Agency approved financial assistance for Alt Store/Gordon Food Services to rehabilitate an existing facility for the purposes of establishing a wholesale restaurant supply commercial business for restaurant owners and operators. ECIDA staff became aware of a change in business such that the facility is now entirely retail and open to the general public and no longer a wholesale supplier to restaurant owners. Ms. Boudreau then provided further background noting that the violation here is not a recapture event violation, meaning it has nothing to do with an investment or job creation issue, rather it is a violation and default of the Agency's approval and Agent Agreement that the Agency entered into with the company. Ms. Boudreau noted that staff has spoken with the company and the company has asked for the Agency to consider written correspondence with respect to its new business plan that it will be submitting to the Agency today. Ms. Boudreau explained that if the company does not provide the business explanation, and/or, does not provide an explanation that shows the company's operations are in keeping with the project as approved, then staff will ask the Agency's counsel to initiate legal action to recover the sales tax that was improperly obtained. Mr. Cappellino stated that there is approximately \$180,000 in sales tax benefits at issue. Mr.

Lipsitz stated that he believes the Agency should take action to recover the sales tax exemption amount so claimed because the company did not apply as a retail project. Mr. Cappellino confirmed that this is a contractual violation and as such, does not fall under the Agency's recapture policy.

At this point in time, Ms. McDuffie joined the meeting. Mr. Lipsitz noted that a quorum is now present and officially called the meeting to order.

MINUTES

The minutes of the June 1, 2017 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie, and seconded by Mr. Mudie, the aforementioned Policy Committee meeting minutes were unanimously approved.

Mr. Lipsitz then welcomed new Policy Committee member, Mr. Lorigo.

PROJECT PRESENTATIONS

166 Chandler Holdings, LLC, 166 Chandler Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales and use tax and mortgage recording tax exemption benefits project involving the renovation of an existing 40,000 facility along with the construction of a 10,000 sq. ft. addition thereto, that, once complete, will house the Thin Man Brewery which will occupy approximately 20,000 sq. ft. with the remaining 30,000 sq. ft. to ultimately be leased to incubator type tenants. Mr. Cappellino noted that Thin Man Brewery has experienced tremendous growth and that it was the tenant at the 155 Chandler Street project, however, it now requires greater space to undertake its operations and will be moving to this 166 Chandler Street location. Mr. Cappellino also noted that the facility is currently zoned industrial, such that no retail operations will be permitted at the site.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax exemption benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to 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 = \$4,695,000 85% = \$3,990,750 |
| Employment | 2 years after project completion | Maintain Base = 7 FTE Create 85% of Projected Recapture Employment: 13 FTE |
| Local Labor | Construction Period | Adherence to policy including quarterly reporting |

| | | |
|------------------|----------------------------------|---|
| Unpaid Tax | Same as Recapture Period | Adherence to policy |
| Pay Equity | Same as Recapture Period | Adherence to policy |
| Recapture Period | 2 years after project completion | State and Local Sales Taxes Mortgage Recording Tax |

Ms. Whyte thanked the company for undertaking the project and expressed support for the continued creative use of the Agency's adaptive reuse program.

At this point in time, Mr. Rocco Termini spoke on behalf of the company and clarified that the project will also consist of an approximately 2,000 sq. ft. tasting room, which is retail by nature. Mr. Cappellino then asked Mr. Termini to confirm that costs allocated to the 2,000 sq. ft. tasting room will be less than 1/3 of the costs of the total project, and if it is, Mr. Cappellino stated that the project will not trigger any of the retail prohibitions.

Ms. McDuffie thanked Mr. Termini for undertaking the project and for his commitment to new job creation.

Ms. McDuffie then moved and Ms. DiPirro seconded to approve of the project. Mr. Lipsitz called for the vote and the project was then unanimously approved.

Pearl Group, LLC, 512 Pearl Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales and use tax and mortgage recording tax exemption benefits project involving the adaptive reuse of the former Buffalo Christian Center into a mixed use facility that will include professional meeting and banquet space, office space, a combination lounge, café and bar, indoor pool, fitness center and a steam room and sauna.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax exemption benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to 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 the project amount. Project Amount = \$7,245,000 85% = \$6,158,250 |
| Employment | Same as Recapture Period | Create 85% of Projected: Projected = 30 FT / 10 PT Recapture Employment = 29 FTE |
| Local Labor | Construction Period | Adherence to policy including quarterly reporting |

| | | |
|------------------|----------------------------------|---|
| Unpaid Tax | Same as Recapture Period | Adherence to policy |
| Pay Equity | Same as Recapture Period | Adherence to policy |
| Recapture Period | 2 Years After Project Completion | State and Local Sales Taxes Mortgage Recording Tax |

Mr. Cappellino confirmed that the project is a retail project, however, Mr. Cappellino also confirmed that the project is located in a highly distressed area and, upon obtaining the consent of the Erie County Executive, the project can be approved as a permitted retail project. Mr. Cappellino also confirmed that the request for financial assistance is only related to the project as described herein and is not for the adjacent hotel and parking garage project. Mr. Cappellino then introduced Mr. Tom Fox who spoke on behalf of the company and provided a PowerPoint presentation with respect to the project.

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

Ms. Whyte asked who will be able to use the pool, spa and conference space. Mr. Fox responded that the space is primarily available for hotel guests who will be staying in the adjacent facility.

Ms. Whyte then stated that this project, as a retail project, will require the consent of the County Executive and also stated that the County Executive will want to know what will happen if the Agency does not provide financial assistance to the project. Mr. Fox responded that the company does not yet have lending approvals, and obtaining Agency financial assistance will assist in obtaining lending approval such that if we cannot secure financing, the company will not undertake the project.

Ms. McDuffie referenced the return on investment noting that it is a risky project and also queried as to the cost of the adjacent hotel project. Mr. Fox responded that the company is making an approximately \$50,000,000 investment in the adjacent hotel project.

Ms. McDuffie then moved and Mr. Lorigo seconded to approve of the project.

Mr. Blue then expressed support for the project and asked Mr. Fox if the company intends to hire minorities. Mr. Fox responded that the construction contract will entail an open bid process for any and all companies and trades.

Mr. Lipsitz queried as to the average wage of employees. Mr. Fox responded that the average wage is approximately \$33,000 and pay will range from approximately \$22,000 for part-time work to up to \$75,000 for full time management positions.

Ms. DiPirro confirmed her support for this adaptive reuse project.

Mr. Lipsitz then stated that the committee and the board is acutely aware of who one of the owners of the company is, and is aware of the perceptions that that person holds, and while

the project does qualify for IDA financial assistance, Mr. Lipsitz expressly stated that he wants the company to understand that the affiliation of this one particular person is on every board member's mind and then stated that this does not come into consideration regarding whether to vote in favor of the project. Mr. Fox responded that that particular person has no involvement or equity stake in this particular project.

Ms. McDuffie expressed her support for Mr. Lipsitz's comments and noted that this particular person is not listed in the ownership of the project presented to the Agency.

Mr. Blue stated that he would like to place on the record and be clear that projects that are attached to this particular person are difficult for Mr. Blue to consider, despite the fact that this is a good project.

Mr. Lorigo then spoke noting that this particular person has no ownership in the project and that, while he appreciates that Mr. Lipsitz won't let this factor into his vote, as a person who also bears the "sins of a father", he asked for the Committee to consider that this is a great project in and of itself and he also asked that the Committee consider that this certain person is not involved with this particular project.

Mr. Lipsitz called for the vote and the project was then unanimously approved with one abstention by Mr. Blue.

There being no further business to discuss, the meeting was adjourned at 9:38 a.m.

Dated: August 3, 2017

Robert G. Murray, Secretary

To: ECIDA, RDC & ILDC Board of Directors
From: Michael Szukala, Chair
Date: August 23, 2017
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 August 17, 2017. The following items were reviewed:

1) Banking Request for Proposals

Mollie Profic, Controller, reported on the five proposals that were received in response to ECIDA & Related Entities’ Banking RFP. Following discussion, the Finance & Audit Committee recommended that the Board approve the selection of M&T Bank as the primary bank for ECIDA, RDC, and ILDC.

2) Bethlehem Steel Site Transaction

Mollie Profic, Controller, reported on the status of the Bethlehem Steel Site land acquisition. To date, \$2.6 of the \$6.7 million granted to ILDC from ECIDA’s UDAG Fund have been utilized toward the land purchase and related legal costs.

3) Financial Report

Mollie Profic, Controller, gave an update on the status of ECIDA’s financials with respect to the annual budgets for 2017.



MEMORANDUM

TO: ECIDA, RDC & ILDC Boards of Directors
FROM: Mollie Profic, Controller & Treasurer
SUBJECT: Banking Request for Proposals
DATE: August 23, 2017

In accordance with the ECIDA's Professional Services Request for Proposals (RFP) Process, ECIDA and its affiliated entities have conducted a joint RFP for banking services.

Request for Proposal Process:

The top ten largest banks in Erie County as ranked by the Business First Book of Lists were contacted to inquire whether they have a government banking area, three did not. RFPs were sent to eight banks, seven from the top ten largest banks and one bank was sent the RFP based on past verbal expression of interest. Ads were placed in The Buffalo News and The Challenger Community News. Notice of the RFP was also posted on the ECIDA's website.

Five responses to the RFP were received as follows:

- 1) Community Bank N.A.
- 2) Citizens Bank
- 3) Evans Bank N.A.
- 4) KeyBank N.A.
- 5) M&T Bank

Bank of America, Five Star Bank, and JP Morgan Chase did not respond.

Evaluation Process:

An internal ECIDA staff committee composed of Bradley Bach, Jerry Manhard, Mollie Profic, and Pat Smith scored the proposals based on the following criteria as specified in the RFP:

- 1) Proposed Account Structure / Investment Program (50% of total score)
- 2) Qualifications, public sector banking experience and office location of the individuals to be assigned (25% of total score)

- 3) Public Sector experience, CRA rating and local branch network of Financial Institution (25% of total score)

Based upon the first-round score ratings, a short-list of three banks was developed. The staff committee requested the three banks to answer additional questions to clarify their proposals. After receiving answers to those questions, the top two were still extremely close. The staff committee then met with the top two banks to view a demonstration of their web banking system and ask additional questions.

Results:

The internal staff committee unanimously recommends M&T Bank due to the following:

- M&T offered competitive interest rates and the highest earnings credit rate.
- M&T has a dedicated government banking team headquartered in Buffalo. The principal relationship manager for ECIDA has over 11 years of government banking experience. Clients include other IDAs, state agencies, counties, and public authorities.
- M&T Bank offered a no service charge proposal if they were selected as the prime deposit bank.
- M&T has received an “outstanding” CRA rating since 1989.
- M&T offers a dedicated project management team to assist us with our banking transition. The committee also felt M&T’s web-based banking, transaction services, and positive pay features were superior.

On August 17, 2017, the Joint Finance & Audit Committee reviewed the RFP results and recommended that their respective Boards approve the selection of M&T Bank as the prime bank of the ECIDA.

Resolution:

See attached.

**RESOLUTION OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
REGARDING DEPOSITS OF MONEY AND THE INVESTEMENT OF FUNDS**

WHEREAS, the Erie County Industrial Development Agency (“Agency”) desires to adopt a resolution which will provide the necessary authority for the Agency to fully comply with the applicable provisions of Section 10 and Section 11 of the New York General Municipal Law with respect to deposits and investments of public money in the name of the Agency for use in normal business operations, in the furtherance of the corporate purposes of the Agency; and

WHEREAS, in accordance with the Agency’s Professional Services Requests for Proposals Process (the “RFP Process”) adopted on September 8, 2008, the Agency has conducted an RFP for Banking Services, entitled “Joint Request for Proposals for Public-Sector Cash Management & Investment Services” (hereinafter referred to as the “Banking Services RFP”); and

WHEREAS, the Banking Services RFP was submitted to the ten largest banks located in Erie County and noticed on the Agency’s website; and

WHEREAS, Community Bank N.A., Citizens Bank, Evans Bank N.A., KeyBank N.A. and M&T Bank responded to the Banking Services RFP; and

WHEREAS, Agency staff reviewed and scored the Banking Services RFP responses and a short list of three banks was selected to answer additional questions after which the Agency staff requested two of the three banks to demonstrate their web banking system and to answer additional questions to clarify their proposals; and

WHEREAS, Agency staff unanimously recommends M&T Bank as the prime bank, to provide banking, cash management, and investment services to the Agency; and

WHEREAS, on August 17, 2017, the Agency’s Finance & Audit Committee reviewed the Banking Services RFP process, the Agency’s staff memorandum regarding the recommendation of M&T Bank, and unanimously resolved to recommend to the Agency that M&T Bank be chosen as the prime bank to provide banking, cash management, and investment services to the Agency.

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

Section 1: The Agency hereby affirms that it is hereby authorized to open and close such bank and investment accounts and to maintain such banking relations as may be determined by the President/Chief Executive Officer, from time to time, to be necessary or appropriate for the transaction of the Agency’s business.

Section 2: Effective with the adoption of this resolution, the Agency hereby finds, in comparison to the other Banking Services RFP respondents, that M&T Bank offers requires no service charges, has greater governmental banking experience, an “outstanding” CRA rating, and a dedicated project management team to assist with the banking transition as well as web-based banking, transaction services and positive pay features superior to the other Banking Services RFP respondents and as such, hereby designates M&T Bank as the Agency’s official depository of funds and to provide cash management and investment services as described within the Banking Services RFP.

Section 3. Each bank and investment account authorized by this resolution shall provide that no withdrawals shall be made from such accounts nor shall any checks be drawn thereon unless withdrawal slips or checks (as applicable) are signed by such individual or individuals as may be designated by both the Chair and the CEO.

Section 4. Each bank and investment account authorized by this resolution shall adhere to the current Investment and Deposit Policy as approved by the Agency.

Section 5. This Resolution shall take effect immediately and shall remain in effect and be binding until revoked by written notice given by the Agency to M&T Bank.

ADOPTED: August 23, 2017

166 Chandler Holding, LLC
\$4,695,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Up to 3/4 of 1% of the final mortgage amount estimated at \$23,890
- Approximately \$70,875 in sales tax savings.

EMPLOYMENT

- Thin Man
- Current Jobs = 5 FT / 5 PT
 - Projected Jobs = 5 FT / 5 PT
 - Total Jobs = 10 FT / 5 PT

PROJECT HISTORY

- 7/31/17 - Public Hearing held. Transcript attached.
- 8/23/17 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.

Project Title: 166 Chandler Holding, LLC

Project Address: 166 Chandler Street
 Buffalo, New York 14207
 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the construction of a brewery and packaging plant.

| | |
|-------------------------|-------------|
| Building Acquisition | \$ 300,000 |
| Addition | \$ 350,000 |
| Renovation | \$1,000,000 |
| Manufacturing Equipment | \$2,000,000 |
| Soft Costs | \$1,045,000 |

TOTAL PROJECT COST \$4,695,000

85% \$3,990,750

Company Description

166 Chandler Holding, LLC was formed by Mr. Termini for the purpose of undertaking the proposed project. Mr. Termini is the owner of Signature Development, a local development company focused on inner-city development.

Project Description

The proposed project includes the renovation of an existing 40,000 sq. ft. facility along with the construction of a 10,000 sq. ft. addition. Once complete, the building will house the Thin Man Brewery which will occupy approximately 20,000 sq. ft. 28,000 sq. ft. will be leased to incubator-type tenants and a 2,000 sq. ft. tasting room is planned for the project. ECIDA benefits will be limited to only the manufacturing and incubator space.

Thin Man, which was originally slated to move into the 155 Chandler Street location, will be moving into this location since it better serves their needs. The 155 Chandler location was approved by this board earlier this year under the name R&M Leasing. Since the business began in August 2016, Thin Man sales have grown and they have signed distribution agreements with T.J. Sheehan and Remarkable Liquids which will distribute these products throughout New York State.

The existing building has been vacant for over 10 years and has been accepted into the Brownfield Cleanup Program. Past uses at the site along with a fire in 2001 has created an environmental hazard.

This project complements the work currently underway across the street to convert the former Linde Air manufacturing complex into an industrial incubator.

Retail Determination

| Use | Sq. Ft. | Cost | % of Project Cost |
|--------------------------|---------------|--------------------|-------------------|
| Manufacturing/Processing | 20,000 | \$2,000,000 | 60% |
| Industrial Incubator | 28,000 | \$1,505,000 | 31% |
| Retail/Tasting Room | 2,000 | \$ 300,000 | 9% |
| Total | 50,000 | \$3,350,000 | 100% |

Since the retail component of the project represent 6% of the project cost, no sign off by the County is required.

New Tax Revenue Estimated

| Current Yearly Taxes | Estimated New Assessed Value | Additional County Revenue over 485-b Abatement Period | Additional Local Revenue over 485-b Abatement Period. | New Yearly Taxes Upon Expiration of Abatement Period |
|-------------------------|------------------------------|---|---|--|
| \$2,100 | \$500,000 | \$23,000 | \$98,000 | \$16,700 |
| Combined Tax Rate: \$33 | | | | |

Draft Recapture Material Terms

| Condition | Term | Recapture Provision |
|--------------------------------------|----------------------------------|--|
| Total Investment Review with Company | At Project Completion | Investment Amount Equal to or Greater than 85% of Project Amount. Total Project Amount = \$4,695,000 85% : \$3,990,750 |
| Employment | 2 Years After Project Completion | Maintain Base: 7 FTE Create 85% of Projected: Recapture Employment: 13 FTE |
| Local Labor | Construction Period | Adherence to Policy Including Quarterly Reporting |
| Unpaid Taxes | Same as Recapture Period | Adherence to Policy |
| Pay Equity | Same as Recapture Period | Adherence to Policy |
| Recapture Period | 2 Years After Project Completion | Mortgage Recording Tax State and Local Sales Taxes |

Recapture applies to:

Mortgage Recording Tax
State and Local Sales Tax

Recapture

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

At project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm tenants have maintained base employment of 7 FTE jobs and created 85% of projected employment or a total of 6 FTE; iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.

ADDENDUM TO PROJECT LOG

166 CHANDLER HOLDING, LLC

| Evaluative Criteria | Notes |
|---|---|
| Wage Rate (above median wage for area) <ul style="list-style-type: none"> ■ The wage rate given is for the Thin Man employees | Erie County per capita income: \$28,879 Company estimated average salary of jobs to be created: \$35,000 |
| Regional Wealth Creation (% sales/customers outside area) | Sales: All developer activity is within Erie County. |
| In Region Purchases (% of overall purchases) | 100% of total annual supplies, raw materials and vendor services are purchased from firms located within Erie County. |
| Research & Development Activities | N/A |
| Investment in Energy Efficiency | N/A |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The land is currently zoned for industrial use. |
| LEED/Renewable Resources | NA |
| Retention/Flight Risk | N/A |
| MBE/WBE Utilization | N/A |
| Workforce Access – Proximity to Public Transportation | Facility is on bus route 3A City Line. |

August 23, 2017

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-166 Chandler Holding, LLC- 2017

| 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 |
|---|--|----------------------|---|----------------------|
| \$1,350,000 | N/A | | | |

*Apply equalization rate to value

It is expected company will apply to City of Buffalo for 485-b exemption

| PILOT Year | % Payment | County PILOT Amount | Local PILOT Amount | School PILOT Amount | Total PILOT | Full Tax Payment w/o PILOT | Net Exemption |
|------------|-----------|---------------------|--------------------|---------------------|-------------|----------------------------|---------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

***** 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.) |
|--------------------|--------------------------|--|---|--|
| \$4,695,000 | N/A | \$70,875 | \$23,890 | \$1,536,100 |

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 35 %



Internal Report: 166 Chandler Holding, LLC - 166 Chandler Holding, LLC

Table 1: Basic Information

| | |
|----------------------------------|---------------------------|
| Project Name | 166 Chandler Holding, LLC |
| Project Industry | (531) Real Estate |
| Municipality | Buffalo City |
| School District | Buffalo |
| Project Cost | \$4,695,000 |
| Construction Budget | \$1,350,000 |
| Direct Employment Expected | 8 |
| Direct Labor Income | \$249,676 |
| Direct Construction Jobs | 10 |
| Direct Construction Labor Income | \$518,838 |
| Total Labor Income | \$768,514 |

Table 2: Estimated State & Regional Benefits*

| | |
|--------------------------------|------------------|
| Region | |
| Sales Tax Revenue | \$120,871 |
| State | |
| Income Tax Revenue | \$296,763 |
| Sales Tax Revenue | \$101,786 |
| TOTAL Estimated Revenue | \$519,420 |

Table 3: Estimated Project Incentives*

| | |
|-----------------------------------|-----------------|
| Property Tax Savings | \$0 |
| Sales Tax Savings | \$70,875 |
| Mortgage Tax Savings | \$23,890 |
| TOTAL Estimated Incentives | \$94,765 |

Table 4: Employment Breakdown

| | |
|--------------|----|
| Project | |
| Direct** | 8 |
| Indirect*** | 10 |
| Induced**** | 5 |
| Construction | |
| Direct | 10 |
| Indirect | 4 |

Table 5: Ratios

| | |
|-----------------------|----------------|
| Benefit to Cost Ratio | 5.5:1 |
| Overall ROI | 101.4:1 |

* Figures over 10 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

© Center for Governmental Research 2017. All rights reserved.

Powered by **informANALYTICS** 

PUBLIC HEARING SCRIPT

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

Public Hearing to be held on July 31, 2017 at 10:00 a.m.,
at the Erie County Industrial Development Agency's offices, at 95 Perry Street,
Suite 403, Buffalo, NY 14203

ATTENDANCE

Rocco Termini, Signature Development

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

Hearing Officer: *Welcome. This public hearing is now open; it is 10:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.*

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on 166 Chandler Holdings, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Wednesday, July 19, 2017.*

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

Hearing Officer: *The proposed project (the "Project") consists of: (i) a parcel of land located at 166 Chandler Street in the City of Buffalo, Erie County, New York (the "Land") improved with an existing 40,000+/- SF building (the "Existing Improvements"), (ii) the construction and equipping of a new 10,000+/- SF addition and the renovation, upgrading, and equipping of the Existing Improvements thereon into a total of approximately 20,000+/-*

SF of manufacturing space and 30,000+/- SF of commercial space (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption 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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on August 22, 2017. There are no limitations on written comments.*

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

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

Rooco Termini, Signature Development. What we are proposing here is to convert a vacant building at 166 Chandler Street into a multi-use building to be used predominately for incubator space. 30,000 square feet of the space will be taken by Thin Man Brewery, which is a startup company that started approximately one year ago. This will be the brewery and a packaging plant and storage for Thin Man Brewery. Their product will be distributed throughout New York State and Northern Pennsylvania and Southern Ohio. The rest of the building we are out seeking tenants but they will be start up companies. We plan to start this project in about four months and will be part of an overall development that we are doing on Chandler Street that are basically business incubators.

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 10:15 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

July 31, 2017 at 10:00 a.m.,
at the Erie County Industrial Development Agency's offices, at 95 Perry Street,
Suite 403, Buffalo, NY 14203, regarding:

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

Project Location: 166 Chandler Street in the City of Buffalo, Erie County, New York

| Name | Company and/or Address | X box to speak/ comment |
|---------------|-------------------------------------|----------------------------|
| Rocco Termini | 391 Washington Buffalo, New York | X |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



166 Chandler Holding, LLC (2)

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

| | |
|--|----------------------------------|
| Project Name | Thin Man Brewery of Buffalo, LLC |
| Applicant Name | 166 Chandler Holding, LLC |
| Applicant Address | 391 Washington Street |
| Applicant Address 2 | Suite 800 |
| Applicant City | Buffalo |
| Applicant State | New York |
| Applicant Zip | 14203 |
| Phone | 716-861-5385 |
| Fax | 716-768-1829 |
| E-mail | |
| Website | rtermini@wnylofts.com |
| Federal ID# | 81-1247741 |
| NAICS Code | |
| Will a Real Estate Holding Company be utilized to own the Project property/facility | Yes |
| What is the name of the Real Estate Holding Company | 166 Chandler Holding, LLC |
| Federal ID# | 81-1247741 |
| State and Year of Incorporation/Organization | 2,016 |
| List of stockholders, members, or partners of Real Estate Holding Company | Rocco Termini |

Individual Completing Application

| | |
|------------------|-----------------------|
| Name | Rocco Termini |
| Title | Managing Member |
| Address | 391 Washington Street |
| Address 2 | Suite 800 |
| City | Buffalo |
| State | New York |
| Zip | 14203 |

8/17/2017

The Erie County Industrial Development Agency (ECIDA)

Phone

7165108391

Fax

7165108391

E-Mail

retermini@wnylofts.com

Company Contact (if different from individual completing application)

Name
Title
Address
Address 2
City
State
Zip
Phone
Fax
E-Mail

Company Counsel

Name of Attorney John T Agate
Firm Name Law Office of John T Agate
Address 4476 Main Street
Address 2 Suite 201
City Snyder
State New York
Zip 14226
Phone 716-839-3200
Fax
E-Mail

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business Business Incubator
Type of Ownership
Year Established 2016
State of Organization New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Rocco Termini - 100%

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

166 Chandler Holding, LLC was formed by Mr. Termini for the purpose of undertaking the proposed project. Mr. Termini is the owner of of Signature Development, a local development company focused on inner-city development.

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

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

100%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

n/a

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

No

In which Municipality will the proposed project be located

Buffalo, NY

Address

166 Chandler Street, Buffalo, NY 14207

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 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 Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

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

\$2,000

Assessed value of land

20,000

Assessed value of building(s)

100,000

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Does the Applicant or any related entity currently hold fee title to 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

project site is vacant.

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, 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 project includes the renovation of an existing 40,000 sq. ft. facility along with the construction of a 10,000 sq. ft. addition. Once complete, the building will be the home of Thin Man Brewery which will occupy appx. 20,000 sq. ft. 28,000 sq.ft. will be utilized as an industrial incubator and a 2,000 sq. ft. Tasting Room is planned. Thin Man was started in August, 2016 at 486 Elmwood Avenue. Since its inception beer sales have grown beyond the capacity at that location. Since the business began, they signed distribution agreements. with T. J. Sheehan and Remarkable Liquids which will distribute these products throughout New York State. The existing building has been vacant for over 10 years. It has been accepted into the Brownfield Cleanup Program. Past uses at the site along with a fire in 2001 has created an environmental hazard. This project complements the work currently underway across the street to convert the former Linde Air manufacturing complex into an industrial incubator.

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

The building has been vacant for over 10 years and is in very bad condition. The building is not eligible for historic tax credit which normally would help defray some of the extraordinary expenses. Without assistance from ECDIA this project would not be possible.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

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

Yes

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

The project will not proceed and 20 jobs would not be created/

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

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?

Yes

If yes, please explain

N. Y. Brownfield

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

<BLANK>

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?

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

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

Yes

If yes, please explain.

they will be developing new beer and yeast strains

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

10%

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

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales Yes **Services** No

For purposes of this question, 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.

- | | | |
|---|------------------------|---|
| Yes Manufacturing | No Multi-Tenant | No Mixed Use |
| Yes Acquisition of Existing Facility | Yes Commercial | No Facility for the Aging |
| No Housing | No Back Office | No Civic Facility (not for profit) |
| Yes Equipment Purchase | Yes Retail | No Other |

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

| | | |
|------------|--------------------|-------|
| \$ 300,000 | 40,000 square feet | acres |
|------------|--------------------|-------|

New Building Construction

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

New Building addition(s)

| | | |
|------------|--------------------|--|
| \$ 350,000 | 10,000 square feet | |
|------------|--------------------|--|

Infrastructure Work

| | | |
|------|--|--|
| \$ 0 | | |
|------|--|--|

Renovation

| | | |
|--------------|--------------------|--|
| \$ 1,000,000 | 40,000 square feet | |
|--------------|--------------------|--|

Manufacturing Equipment

| | | |
|--------------|--|--|
| \$ 2,000,000 | | |
|--------------|--|--|

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

| | | |
|------|--|--|
| \$ 0 | | |
|------|--|--|

Soft Costs: (professional services, etc.)

| | | |
|--------------|--|--|
| \$ 1,045,000 | | |
|--------------|--|--|

Other Cost

| | | |
|------|--|--|
| \$ 0 | | |
|------|--|--|

Explain Other Costs**Total Cost**

| | | |
|--------------|--|--|
| \$ 4,695,000 | | |
|--------------|--|--|

Project Refinancing; estimated amount (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:Sources of Funds for Project Costs:**Equity (excluding equity that is attributed to grants/tax credits):**

| | | |
|------------|--|--|
| \$ 413,100 | | |
|------------|--|--|

Bank Financing:

| | | |
|--------------|--|--|
| \$ 3,323,900 | | |
|--------------|--|--|

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):

| | | |
|------------|--|--|
| \$ 958,000 | | |
|------------|--|--|

Identify each state and federal grant/credit:

BCP

Total Sources of Funds for Project Costs:

\$4,695,000

Has a financing preapproval letter or loan commitment letter been obtained?

No

Mortgage Recording Tax Exemption Benefit:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge).

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

\$ 3,185,000

Lender Name, if Known

Five Star

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):

\$31,850

Construction Cost Breakdown:

Total Cost of Construction

\$ 1,350,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 810,000

% sourced in Erie County

100%%

% sourced in State

% (including Erie County)

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

\$ 810,000

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

\$ 70,875

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:

485B

For proposed facility please include # of sq ft for each of the uses outlined below

| | | Cost | % of Total Cost |
|-----------------------------------|--------------------|--------------|-----------------|
| Manufacturing/Processing | 20,000 square feet | \$ 2,000,000 | 60 |
| Warehouse | square feet | \$ 0 | 0 |
| Research & Development | square feet | \$ 0 | 0 |
| Commercial | 28,000 square feet | \$ 1,050,000 | 31 |
| Retail | 2,000 square feet | \$ 300,000 | 9 |
| 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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

8/1/2017

End date : Estimated completion date of project

5/1/2018

Project occupancy : estimated starting date of operations

5/1/2018

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

Yes

Has the Project received site plan approval from the appropriate planning department?

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

| | Current # of jobs at proposed project location or to be relocated at project location | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion | Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion ** |
|--------------|---|---|--|---|
| Full time | 0 | 5 | 5 | 10 |
| Part time | 0 | 5 | 5 | 10 |
| Total | 0 | 10 | 0 | |

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***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).

Salary and Fringe Benefits for Jobs to be Retained and Created:

| Category of Jobs to be Retained and Created | Average Salary | Average Fringe Benefits |
|--|-----------------------|--------------------------------|
| Management | \$ 40,000 | \$ 4,000 |
| Professional | \$ 0 | \$ 0 |
| Administrative | \$ 38,000 | \$ 4,000 |
| Production | \$ 35,000 | \$ 4,000 |
| Independent Contractor | \$ 0 | \$ 0 |
| Other | \$ 0 | \$ 0 |

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

| | | | |
|------------------|--------------------------------------|---|---|
| Address | 486 Elmwood Ave Buffalo, NY 14207 | | |
| Full time | 5 | 0 | 0 |
| Part time | 5 | 0 | 0 |
| Total | 10 | 0 | 0 |

Will any of the facilities described above be closed or subject to reduced activity?

Yes

Payroll Information

Annual Payroll at Proposed Project Site

\$ 350,000

Estimated average annual salary of jobs to be retained

\$ 0

Estimated average annual salary of jobs to be created

\$ 35,000

Estimated salary range of jobs to be created

From \$ 20,000 **To** \$ 40,000

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

What competitive factors led you to inquire about sites outside of New York State?

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

No

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

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

485 B, Brownfields, National Grid

Section III: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility

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

This is the second incubator building to be started on Chandler. The first 155 Chandler is 100% occupied

Have any tenant leases been entered into for this project?

Yes

If yes, please fill out a tenant form in section VII, for each tenant.

| Tenant Name | Current Address (city, state, zip) | # of sq ft and % of total to be occupied at new projet site | SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co. |
|--------------------|---|--|---|
|--------------------|---|--|---|

Section IV: Tenant Information

Section V: Environmental Questionnaire

General Background Information

Address of Premises 166 Chandler

Name and Address of Owner of Premises Chandler Holding, LLC 391 Washington Street Buffalo, NY 14203

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

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

Describe all known former uses of the Premises

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

No

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

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

No

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

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

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

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

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

<BLANK>

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

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

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

<BLANK>

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 VI: 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.

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 or abandonment of an existing facility?

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?

<BLANK>

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

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

<BLANK>

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

n/a

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

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 VII: Adaptive Reuse Projects

| | |
|---|---------|
| Are you applying for tax incentives under the Adaptive Reuse Program? | No |
| What is the age of the structure (in years)? | 100 |
| Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) | Yes |
| If vacant, number of years vacant. | 6 |
| If underutilized, number of years underutilized. | 0 |
| Describe the use of the building during the time it has been underutilized: | |
| Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) | <BLANK> |
| If yes, please provide dollar amount of income being generated, if any | \$ |
| Does the site have historical significance? | No |
| Are you applying for either State/Federal Historical Tax Credit Programs? | No |
| If yes, provide estimated value of tax credits | \$ |
| Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages) | |
| Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities | |
| Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments | |

Section VIII: Senior Citizen Rental Housing Projects

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

No

Has the project received written support from the city, town or village government in which it is located?

No

Describe the location of the project as it relates to the project’s proximity to the town / village / city center or to a recognized hamlet.

Is the project consistent with the applicable municipal master plan?

No

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

No

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

No

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

No

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

No

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project’s return on investment?

No

If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

No

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: Retail Determination

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? Yes

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 9 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? <BLANK>

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? <BLANK>

If yes, please provide a third party market analysis or other documentation supporting your response.

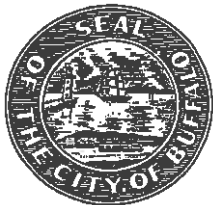
Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? <BLANK>

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? <BLANK>

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>



CITY OF BUFFALO
BYRON W. BROWN
MAYOR



July 26, 2017

Mr. Steven W. Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: 166 Chandler Holding, LLC
Thin Man Brewery of Buffalo, LLC

Dear Mr. Weathers:

The City of Buffalo supports 166 Chandler Holding, LLC's application to the Erie County Industrial Development Agency to renovate the former warehouse building at 166 Chandler Street into a mixed-use complex. We believe this commercial redevelopment project will strengthen Buffalo's support of entrepreneurs and its appeal to new and emerging businesses.

Buffalo is a great place to do business. Our region has a vibrant economy and a history of being a strong industrial center. We are a hub for the manufacturing, energy and tourism industries and we are attracting more retailers and entrepreneurs who are ready for business. It is important that we continue to revive the neighborhoods that were once the focal points of our great city. This project takes advantage of a development strategy that the Black Rock area has mastered in recent years. The neighborhood has been fully engaged in mixed-use developments which gives residents and businesses more options to spend their time and resources.

This project fully compliments the economic resurgence that Buffalo has been experiencing over the last decade. Providing opportunities to businesses both large and small and encouraging entrepreneurship is the backbone of our growing economy. Projects like this show the rest of the country that Buffalo is indeed ready for business.

Sincerely,

A handwritten signature in black ink that reads "Byron W. Brown".

Byron W. Brown
Mayor

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

| | | | |
|--|--|------------------------------------|---|
| Part 1 - Project and Sponsor Information | | | |
| Name of Action or Project: <i>Thin Man Brewery</i> | | | |
| Project Location (describe, and attach a location map): <i>166 Chandler But 421 - NY</i> | | | |
| Brief Description of Proposed Action: <i>A 20,000 sq ft Brewery and 30,000 sq ft of incubator space</i> | | | |
| Name of Applicant or Sponsor: <i>166 Chandler Holdings LLC</i> | | Telephone: <i>716 861-5383</i> | |
| | | E-Mail: <i>RPerkins@wml0fb.com</i> | |
| Address: <i>291 Washington Buffalo</i> | | | |
| City/PO: <i>Buffalo</i> | | State: <i>NY</i> | Zip Code: <i>14203</i> |
| 1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2. | | | NO <input checked="" type="checkbox"/> |
| | | | YES <input type="checkbox"/> |
| 2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: | | | NO <input checked="" type="checkbox"/> |
| | | | YES <input type="checkbox"/> |
| 3.a. Total acreage of the site of the proposed action? | | <i>9</i> acres | |
| b. Total acreage to be physically disturbed? | | <i>4</i> acres | |
| c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? | | <i>19</i> acres | |
| 4. Check all land uses that occur on, adjoining and near the proposed action. | | | |
| <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) | | | |
| <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ | | | |
| <input type="checkbox"/> Parkland | | | |

| | | | | |
|--|---|-------------------------------------|-------------------------------------|--|
| 5. Is the proposed action, a. A permitted use under the zoning regulations? | NO | YES | N/A | |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Consistent with the adopted comprehensive plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 6. Is the proposed action consistent with the predominant character of the existing built or natural landscape? | NO | YES | | |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: <u>Brownfield Corridor</u> | NO | YES | | |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 8. a. Will the proposed action result in a substantial increase in traffic above present levels? | NO | YES | | |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| | b. Are public transportation service(s) available at or near the site of the proposed action? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: <u>ENERGY EFFICIENT FURNACES</u> | NO | YES | | |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____ | NO | YES | | |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____ | NO | YES | | |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places? | NO | YES | | |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| b. Is the proposed action located in an archeological sensitive area? | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? | NO | YES | | |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| | b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| 14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input checked="" type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban | | | | |
| 15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered? | NO | YES | | |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 16. Is the project site located in the 100 year flood plain? | NO | YES | | |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES | NO | YES | | |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| | | | | |
| | | | | |

| | | |
|--|----|-----|
| <p>18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)?</p> <p>If Yes, explain purpose and size: _____</p> <p>COMPLY WITH NYS STORMWATER REGULATIONS</p> | NO | YES |
| <p>19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?</p> <p>If Yes, describe: _____</p> | NO | YES |
| <p>20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?</p> <p>If Yes, describe: <u>Diagnose Lubricant Clean Up</u></p> | NO | YES |
| <p>I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor name: _____ Date: <u>7-14-17</u></p> <p>Signature: <u>Rocco Termini</u></p> | | |

PRINT FORM

| | |
|----------|--------------|
| Project: | 166 Chandler |
| Date: | 8-23-17 |

**Short Environmental Assessment Form
Part 2 - Impact Assessment**

Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

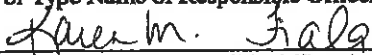
| | No, or small impact may occur | Moderate to large impact may occur |
|--|-------------------------------------|------------------------------------|
| 1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Will the proposed action result in a change in the use or intensity of use of land? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Will the proposed action impair the character or quality of the existing community? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Will the proposed action impact existing: a. public / private water supplies? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. public / private wastewater treatment utilities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Will the proposed action create a hazard to environmental resources or human health? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

PRINT FORM

Project: Wolfe Chandler
 Date: 8-23-17

**Short Environmental Assessment Form
 Part 3 Determination of Significance**

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

| | |
|---|---|
| <input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required. | |
| <input checked="" type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts. | |
| ERIE COUNTY IDA | 8-23-17 |
| Name of Lead Agency | Date |
| KAREN M. FIALA | ASST. TREASURER |
| Print or Type Name of Responsible Officer in Lead Agency | Title of Responsible Officer |
|  | _____ |
| Signature of Responsible Officer in Lead Agency | Signature of Preparer (if different from Responsible Officer) |

PRINT FORM

STATE ENVIRONMENTAL QUALITY REVIEW ACT RESOLUTION
(The 166 Chandler Holding, LLC 2017 Project)

A regular meeting of the Erie County Industrial Development Agency was convened on August 23, 2017 at 9:00 a.m.

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

**RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY THAT
ACTION TO UNDERTAKE THE 166 CHANDLER HOLDING, LLC PROJECT WILL NOT HAVE
A SIGNIFICANT ADVERSE IMPACT ON THE ENVIRONMENT**

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, The 166 Chandler Holding, LLC (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) a parcel of land located at 166 Chandler Street in the City of Buffalo, Erie County, New York (the "Land") improved with an existing 40,000+/- SF building (the "Existing Improvements"), (ii) the construction and equipping of a new 10,000+/- SF addition and the renovation, upgrading, and equipping of the Existing Improvements thereon into a total of approximately 20,000+/- SF of manufacturing space to be utilized as a production brewery, 28,000+/- SF of commercial space, and 2,000+/- SF of retail space to house a tasting room (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); 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"); and

WHEREAS, the City of Buffalo Planning Board (the "City") 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 uncoordinated review with respect to the Project, determined that the Project was an Unlisted Action, and issued a negative declaration under SEQR on July 3, 2017, with respect to the Project; and

WHEREAS, the Agency, pursuant to SEQR, must satisfy the applicable requirements set forth in SEQR, as necessary, prior to making a final determination on whether to undertake the Project.

NOW, THEREFORE, BE IT RESOLVED by the Erie County Industrial Development Agency, as follows:

Section 1. Based upon the review by the Agency of the Application and the EAF, and other representations made by the Company to the Agency in connection with the Project, and the City Negative Declaration, the Agency hereby finds that (i) the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) the Project will improve the vibrancy of the area, will not have significant impacts to air, surface, or groundwater quality as heating and cooling systems impacts are minor and the project will have no impact on already existing impervious surfaces, will have no adverse effect on existing traffic levels, will have no impact on vegetation or fauna or any natural resources and is not within or adjacent to a critical environmental area, is consistent with the City's comprehensive plan, will cause no human health hazards, will not result in the attraction of a large number of people to the site, and there are no project related cumulative impacts, or other related actions, that when considered cumulatively, will cause a substantial adverse impact; (iv) construction related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; and (vi) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action.

Section 2. The Agency thus issues a Negative Declaration pursuant to 6 N.Y.C.R.R. § 617.7 of the SEQR regulations, which concludes the Agency's uncoordinated review of the Project.

Section 3. 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 distribute copies of this Resolution to the Company, and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 4. This Resolution shall take effect immediately.

Dated: August 23, 2017

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**166 CHANDLER HOLDINGS, LLC, 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, August 23, 2017 at 9:00 a.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 166 CHANDLER HOLDINGS, 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) 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 MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK 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, 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) a parcel of land located at 166 Chandler Street in the City of Buffalo, Erie County, New York (the "Land") improved with an existing 40,000+/- SF building (the "Existing

Improvements”), (ii) the construction and equipping of a new 10,000+/- SF addition and the renovation, upgrading, and equipping of the Existing Improvements thereon into a total of approximately 20,000+/- SF of manufacturing space to be utilized as a production brewery, 28,000+/- SF of commercial space, and 2,000+/- SF of retail space to house a tasting room (the “Improvements”), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment,” and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on July 26, 2017, at 9:00 a.m., at Agency’s offices located at 95 Perry Street, Suite 403, Buffalo, New York 14203, 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, renovation, upgrading or equipping of the Facility but excluding personal property, including furniture, fixtures, and equipment, included in or incorporated into the Facility or used in the renovation or equipping of the Facility related to “tasting room” purposes and operations, and (b) a mortgage recording tax exemption benefit for the financing related to the Project, (collectively, the sales and use tax exemption benefit and the mortgage recording tax exemption benefit are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, subsequent to the holding of the Public Hearing, the Company revised its application to now include the approximately 2,000+/- SF of retail space as described above, and revised its construction costs as related thereto by decreasing the estimated costs for goods and services that would be subject to State and local sales and use taxes, such that the revised project description (as described above) and related Financial Assistance being contemplated by the Agency shall not exceed \$100,000, until a Public Hearing is held, if at all, and a subsequent resolution is passed pursuant to General Municipal Law Section 859-a; and

WHEREAS, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act (“SEQR”), the Company has submitted to the Agency an Environmental Assessment Form (the “EAF”) with respect to the Project;

WHEREAS, by resolution adopted August 23, 2017, the Agency adopted a negative declaration in compliance with the New York State Environmental Quality Review Act; 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 and recommendations of the Project and its August 3, 2017 resolution to approve the project subject to the terms and conditions as described herein, 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, renovating, upgrading 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 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 the Act.

(I) The Agency hereby approves the subleasing of space in the Project as stated within the Application and authorizes the Company to proceed with the Project as herein authorized; and

(J) The Project is compliant with the Countywide IDA Eligibility Policy, constitutes a commercial facility as defined in the General Municipal Law and will promote employment opportunities and prevent economic deterioration in the City of Buffalo.

(K) The project is located in a highly distressed area as defined in the New York General Municipal Law.

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, renovate, upgrade 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 appointment of the Company as agent of the Agency, if utilized, 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 Executive Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

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 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 estimated amount up to \$810,000.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$70,875.00.

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.

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 (i) cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

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 conclusion of the later of two (2) years following either (i) the construction completion date, or (ii) the termination of the Agent 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 \$3,990,750.00 (which represents the product of 85% multiplied by \$4,695,000.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) **Employment Commitment** - that there are at least 7 existing full-time equivalent ("FTE") employees [representing 5 FTE employees plus 5 part-time equivalent ("PTE") employees (with 2 PTE employees counting as 1 FTE employee)] located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the "Baseline FTE/PTE"); and
 - the number of current FTE/PTE employees in the then current year at the Facility; and
 - that the Company has maintained and created FTE/PTE employment at the Facility equal to 13 FTE employees [representing the sum of Baseline FTE/PTE plus 6 (the product of 85% multiplied by 7, being the total number of 5 new FTE employee positions and 5 new PTE employee positions (with 2 PTE employees counting as 1 FTE employee) as proposed to be created by the Company as stated in the Company's application for Financial Assistance)]. 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 Executive 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) 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.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive 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 Executive 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 Executive 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 Executive 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 Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: August 23, 2017

Pearl Group, LLC
\$7,245,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Up to 3/4 of 1% of the final mortgage amount estimated at \$41,000
- Approximately \$184,406 in sales tax savings.

EMPLOYMENT

- Projected Jobs = 30 FT / 10 PT

PROJECT HISTORY

- 7/31/17 - Public Hearing held. Transcript attached.
- 8/23/17 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.

Project Title: Pearl Group, LLC

Project Address: 512 Pearl Street
 Buffalo, New York 14202
 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of the former Buffalo Christian Center.

| | |
|---------------------------|--------------------|
| Building Acquisition | \$2,575,000 |
| Renovation | \$4,215,000 |
| Soft Costs | \$ 455,000 |
| TOTAL PROJECT COST | \$7,245,000 |
| 85% | \$6,158,250 |

Company Description

Pearl Group, LLC is a corporation formed by Ellicott Development with each of the following owning 33.3 percent. 7112 Group, LLC, Castle Mosey and Jerry Williams.

Project Description

The proposed project includes the historic renovation and adaptive reuse of the former Buffalo Christian Center. At one point the building was also owned by the Fraternal Order of Eagles.

Renovation work includes masonry repairs on the building's exterior, restoration of original windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation and new fire suppression systems to bring the building into current-day code compliance.

Once complete, the facility will include a mix of uses including professional meeting and banquet space, office space, a combination lounge, café and bar, indoor pool, fitness center including locker rooms, a steam room and sauna.

The above uses will complement and service an adjacent development currently underway at a new 12-story building located at 500 Pearl Street which includes a new hotel, commercial and office space along with structured parking for approximately 380 vehicles. The ECIDA is not providing benefits for this development.

Road Less Traveled Productions ("RLTP") currently utilizes a portion of the building historically known as the Forbes Theater. The developers intend to keep them as a tenant at the property.

RLTP is dedicated to the development and production of new theatrical works by Western New York and Southern Ontario playwrights, as well as presentations of esteemed modern dramas of outstanding literary merit. Its mission is to tell stories which are important to our community and reveal common relationships and diverse humanity.

Employment Impact

Projected Jobs: 30 FT / 10 PT

Retail Determination

| Use | Sq. Ft. | Cost | % of Project Cost |
|-----------------|---------|-------------|-------------------|
| Retail / Office | 67,000 | \$4,215,000 | 100% |

The facility totals 67,000 sq. ft. and is located in a highly distressed census tract. According to State law, if more than 1/3 of the cost of the total project is devoted to retail the IDA must make a retail finding on the project. This requires a sign off from the County Executive.

On August 23, 2017, the Board determined the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County provided written confirmation confirming the financial assistance.

Draft Recapture Material Terms

| Condition | Term | Recapture Provision |
|--------------------------------------|----------------------------------|--|
| Total Investment Review with Company | At Project Completion | Investment Amount Equal to or Greater than 85% of Project Amount. Total Project Amount = \$7,245,000 85% : \$6,158,250 |
| Employment | Same as Recapture Period | Create 85% of Projected: Projected: 30 FT / 10 PT Recapture Employment: 29 FTE |
| Local Labor | Construction Period | Adherence to Policy Including Quarterly Reporting |
| Unpaid Taxes | Same as Recapture Period | Adherence to Policy |
| Pay Equity | Same as Recapture Period | Adherence to Policy |
| Recapture Period | 2 Years After Project Completion | Mortgage Recording Tax State and Local Sales Taxes |

Recapture applies to:

Mortgage Recording Tax
State and Local Sales Tax

Recapture

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

At project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) 29 FTE's, iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.

**ADAPTIVE REUSE REPORT &
EVALUATIVE CRITERIA
Pearl Group, LLC**

| | |
|---|--|
| Age of Structure (must be at least 20 years old and present functional challenges to redevelopment) | The building was constructed in approximately 1914 and is over 100 years old. |
| Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes the elimination of slum and blight. | The building had been underutilized by the previous owners, Buffalo Christian Center, for a period of 10 years. Only a portion of the 1 st floor of the building was used by the occupant with upper floors essentially locked out. Since ownership by Pearl Group, LLC, approximately 20% of the total square footage in the building has been utilized by Road Less Traveled Productions on a limited basis. The remaining space is vacant. |
| Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class) | Since the only tenant in the building is Road Less Traveled, there is no significant rental income. |
| Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans | The Framework states that investment should be targeted to “developed areas” and “regional centers”. This project falls within the developed area as designated by the Regional Framework |
| Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages) | Because of the building’s age and its status on the National Register, very specific construction methods and materials must be utilized that conform to state and federal historical standards which raises the cost of construction considerably. The developer has submitted an ROI which indicates below average rate of return on the investment |
| Demonstrated support of local government entities | Mayor Brown has provided a letter supporting the project. City Planning Board has approved project. |
| LEED/Renewable Resources | N/A |
| Site or structure has delinquent property or other local taxes | Taxes are current |
| MBE/WBE Utilization | N/A |
| Transit Oriented Development | Facility accessible by Metro Rail |
| | |

| OTHER FACTORS TO CONSIDER: | |
|---|---|
| Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs | The facility must be compliant with current building code requirements including abating environmental contamination removing lead based paint and installation of all new mechanicals. |
| Site or structure is located in a distressed census tract | The building is located in census tract 165 and is considered highly distressed under the State statute |
| Structure presents significant costs associated w/ building code compliance. | All new heating, ventilation, air and fire safety systems must be installed |

August 23, 2017

Pearl Group LLC

Return on Investment

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value \$184,406
- Approximately \$41,000 in mortgage tax savings
- Historic Tax Credits in the amount of \$764,500

ROI

The developer has submitted a pro forma documenting the expenses and revenues and ROI for the project.

Annual ROI for the project with ECIDA assistance is 7.5%

Annual ROI for the project without ECIDA assistance is 7.1%

Historic Status

None

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-Pearl Group, LLC - 2017

| 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 |
|---|--|----------------------|---|----------------------|
| \$4,215,000 | | | | |

*Apply equalization rate to value
Company will apply to the City of Buffalo for 485-a exemption

| PILOT Year | % Payment | County PILOT Amount | Local PILOT Amount | School PILOT Amount | Total PILOT | Full Tax Payment w/o PILOT | Net Exemption |
|------------|-----------|---------------------|--------------------|---------------------|-------------|----------------------------|---------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

| Total Project Cost | Estimated Value of PILOT | Estimated Value of Sales Tax Incentive | Estimated Value of Mortgage Tax Incentive | Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.) |
|--------------------|--------------------------|--|---|--|
| \$7,245,000 | N/A | \$184,406 | \$41,000 | \$764,500 |

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 13.7 %



Internal Report: Pearl Group, LLC - Pearl Street, LLC

Table 1: Basic Information

| | |
|----------------------------------|-------------------|
| Project Name | Pearl Street, LLC |
| Project Industry | (531) Real Estate |
| Municipality | Buffalo City |
| School District | Buffalo |
| Project Cost | \$7,245,000 |
| Construction Budget | \$4,215,000 |
| Direct Employment Expected | 35 |
| Direct Labor Income | \$1,092,331 |
| Direct Construction Jobs | 31 |
| Direct Construction Labor Income | \$1,619,928 |
| Total Labor Income | \$2,712,260 |

Table 2: Estimated State & Regional Benefits*

| | |
|--|--------------------|
| Region | |
| New Property Tax Revenue (PILOT or Improvements) | \$618,326 |
| Sales Tax Revenue | \$517,165 |
| State | |
| Income Tax Revenue | \$1,265,941 |
| Sales Tax Revenue | \$435,508 |
| TOTAL Estimated Revenue | \$2,836,941 |

Table 3: Estimated Project Incentives*

| | |
|-----------------------------------|------------------|
| Property Tax Savings | \$0 |
| Sales Tax Savings | \$184,406 |
| Mortgage Tax Savings | \$41,000 |
| TOTAL Estimated Incentives | \$225,406 |

Table 4: Employment Breakdown

| | |
|--------------|----|
| Project | |
| Direct** | 35 |
| Indirect*** | 42 |
| Induced**** | 23 |
| Construction | |
| Direct | 31 |
| Indirect | 11 |

Table 5: Ratios

| | |
|-----------------------|---------|
| Benefit to Cost Ratio | 12.6:1 |
| Overall ROI | 185.1:1 |

* Figures over 10 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

© Center for Governmental Research 2017. All rights reserved.

Powered by **InformANALYTICS**

PUBLIC HEARING SCRIPT

**Pearl Group, LLC and/or Individual(s)
or Affiliate(s), Subsidiary(ies), or
Entity(ies) formed or to be formed on its
behalf Project**

Public Hearing to be held on July 31, 2017 at 9:00 a.m.,
at the Erie County Industrial Development Agency's offices, at 95 Perry Street,
Suite 403, Buffalo, NY 14203

ATTENDANCE

Tom Fox, Ellicott Development

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

Hearing Officer: *Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.*

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on Pearl Group, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Wednesday, July 19, 2017.*

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

Hearing Officer: *The proposed project (the "Project") consists of: (i) a parcel of land located at 512 Pearl Street in the City of Buffalo, Erie County, New York (the "Land") together with an existing 67,000+/- SF building (the "Existing Improvements"), (ii) the construction, equipping, renovation, upgrading, and equipping of the Existing Improvements thereon into a total of approximately 60,300+/- SF of mixed-use including professional*

meeting and banquet space, commercial/theatre space, combination lounge, café and bar, an indoor pool, a fitness center including locker rooms, a steam room and sauna, and 6,700+/- SF of office space (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption 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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on August 22, 2017. There are no limitations on written comments.*

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

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

The Hearing Officer calls on those who raise their hand.

Tom Fox, Ellicott Development Company. I'm here today to talk about the adaptive reuse of 512 Pearl Street, the former Buffalo Christian Center. The proposed project at 512 Pearl Street is a full-scale renovation of the existing underutilized structure. Historically home of the Fraternal Order of Eagles, 512 Pearl is eligible for NYS and Federal historic tax credits which we are pursuing. Accordingly, the Secretary of Interiors Standards for Historic Preservation will be

followed in the buildings rehabilitation. While the overall scope of work is extensive, some of the key rehabilitation costs will include masonry repairs on the building's exterior, restoration of original windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation and stairs and elevator, a fire suppression system and restroom facilities among other items, in order to bring the building into code compliance. 512 Pearl Street was vacated by its former owner, the Buffalo Christian Center, prior to our purchase of the property in September of 2014. At the time of their departure from 512 Pearl, Buffalo Christian Center was utilizing approximately 30% of the building's net useable footage and for minimal programming as their operations had been in decline for several years prior. In the redevelopment of 512 Pearl, we will establish a mix of uses including professional meeting and banquet space, office space, a combination of lounge, café and bar, an indoor pool and a fitness facility and locker rooms with a steam room and sauna. In addition, Road Less Traveled Productions currently utilizes a portion of the building historically known as the Forbes Theatre. We intend to keep them as a tenant at the property long term although we may relocate them within the facility. Several of the proposed uses for 512 Pearl will complement and service the uses and future tenants of our new 12-story building currently under construction at 500 Pearl Street. The two properties will internally connect. The new 12 story building will include retail, commercial office, residential and hotel space along with structured parking for approximately 380 vehicles. The adaptive reuse of 512 Pearl Street that includes the proposed jobs creation of 30 full-time, 10 part time. Total project cost is about \$7.245 M and what we're looking, we're asking for assistance in this project would equal to a sales tax certificate in the amount total possible amount of \$184,000 and a mortgage recording tax of \$40,753 which is at ¾% of the mortgage amount of \$5.433M. Thank you.

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

July 31, 2017 at 9:00 a.m.,
at the Erie County Industrial Development Agency's offices, at 95 Perry Street,
Suite 403, Buffalo, NY 14203, regarding:

Pearl Group, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 512 Pearl Street in the City of Buffalo, Erie County, New York

| Name | Company and/or Address | X box to speak/ comment |
|-------------|---|------------------------------------|
| Tom Fox | Ellicott Development Co. 295 Main Street, Suite 210 Buffalo, New York 14202 | X |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



Buffalo Christian Center

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

| | |
|--|--|
| Project Name | 512 Pearl Street Adaptive Reuse |
| Applicant Name | Pearl Group, LLC |
| Applicant Address | 295 Main St, Suite 210 |
| Applicant Address 2 | |
| Applicant City | Buffalo |
| Applicant State | New York |
| Applicant Zip | 14203 |
| Phone | 7168540060 |
| Fax | 7168522829 |
| E-mail | jwassel@ellicottdevelopment.com |
| Website | www.ellicottdevelopment.com |
| Federal ID# | |
| NAICS Code | |
| Will a Real Estate Holding Company be utilized to own the Project property/facility | Yes |
| What is the name of the Real Estate Holding Company | Pearl Group, LLC |
| Federal ID# | 38-3937881 |
| State and Year of Incorporation/Organization | New York, |
| List of stockholders, members, or partners of Real Estate Holding Company | 7112 Group, LLC, Castle Mosey, LLC, Jerry Williams |

Individual Completing Application

| | |
|------------------|----------------------------------|
| Name | Jeremy P. Wassel |
| Title | Planning & Development Assistant |
| Address | 295 Main St, Suite 210 |
| Address 2 | |
| City | Buffalo |
| State | New York |
| Zip | 14203 |

8/2/2017

The Erie County Industrial Development Agency (ECIDA)

Phone

7168540060

Fax

7168522829

E-Mail

jwassel@ellicottdevelopment.com

Company Contact (if different from individual completing application)

Name Thomas M. Fox
Title Director of Development
Address 295 Main St, Suite 210
Address 2
City Buffalo
State New York
Zip 14203
Phone 7168540060
Fax 7168522829
E-Mail tfox@ellicottdevelopment.com

Company Counsel

Name of Attorney Joseph Cavan
Firm Name Paladino, Cavan, Quinlivan & Pierce
Address 295 Main St, Suite 210
Address 2
City Buffalo
State New York
Zip 14203
Phone 7168528222
Fax 7168522829
E-Mail jrc1015@aol.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business Limited Liability Company
Type of Ownership
Year Established 2014
State of Organization New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

7112 Group, LLC 33 1/3 (7112 Group, LLC is owned 100% by Sarabel Development Group, LLC - Additional breakdown available upon request) Castle Mosey, LLC 33 1/3 Jerry Williams- 33 1/3

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

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

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

100

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo

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

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

512 Pearl Street

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 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 Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

111.30-6-14

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

\$50,539.27

Assessed value of land

\$207,000.00

Assessed value of building(s)

\$1,439,100.00

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo School District

Does the Applicant or any related entity currently hold fee title to the Project site?

Yes

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

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

Yes

Describe the present use of the Proposed Project site

Formerly the Buffalo Christian Center, the 67,000 square foot building is vacant with exception to the use of the theater space by

Road Less Traveled Productions.

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

The proposed project at 512 Pearl Street is a full-scale renovation of the existing underutilized structure. Historically home of the Fraternal Order of Eagles, 512 Pearl Street is eligible for NYS and Federal historic tax credits which we are pursuing. Through that effort, we are working towards having the structure listed on the National Register of Historic Places. Accordingly, the Secretary of Interiors Standards for Historic Preservation will be followed in the building's rehabilitation. While the overall scope of work is extensive, some of the key rehabilitation costs will include masonry repairs on the building's exterior, restoration of original windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation, a fire suppression system and restroom facilities among other item in order to bring the building into code compliance. 512 Pearl Street was vacated by its former owner, the Buffalo Christian Center, prior to our purchase of the property in 2014. At the time of their departure from 512 Pearl Street, the Buffalo Christian Center was only utilizing approximately 30% of the building's net useable square footage and for minimal programming as their operations had been in decline for several years prior. In the redevelopment of 512 Pearl Street, we will establish a mix of uses including professional meeting and banquet space, office space, a combination lounge, café and bar, an indoor pool, and a fitness center including locker rooms, a steam room and sauna. In addition, Road Less Traveled Productions currently utilizes a portion of the building historically known as the Forbes Theatre. We intend to keep them as a tenant at the property long term. Several of the proposed uses at 512 Pearl Street will complement and service the uses and future tenants at our new 12-story building currently under construction at 500 Pearl Street. The two properties will internally connect. The new 12-story building will include retail, commercial office, residential and a hotel space along with structured parking for approximately 380 vehicles.

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 how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Like other adaptive reuse developments that we have undertaken, the viability of this project is plagued in many ways requiring a need for every available resource to finance and yield a modest return. Redeveloping a timeworn and long underutilized structure results in a series of extraordinary costs that are not confronted in new ground-up development. These costs include, but are not limited to, bringing the building into code compliance, abating environmental contamination, structural repairs and the need to reverse previous modifications to the building that would otherwise complicate its marketability to the requirements of prospective tenants in today's market. While construction costs in our area are generally in line with and in some cases higher than in other major American cities, our rental market significantly lags behind in what developers can charge for rent. These low market rates result in an unwillingness by lenders to commit to the projected need for project financing resulting in a loan-to-value shortfall. The requested funding is further challenged when our lenders rely on further discounted rental rates than those we feel we can comfortably achieve in the project area. With the ECIDA's assistance, we are able to tighten the gap in project financing and breathe new life into a long underutilized and poorly maintained structure.

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?

We cannot proceed with the project as current market rates for commercial retail does not support the high cost of redevelopment here.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

The project site is located in an N-1C zone

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

N/A

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, please explain.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

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

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales Yes **Services** Yes

For purposes of this question, 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.

- | | | |
|--|-------------------------|---|
| No Manufacturing | Yes Multi-Tenant | Yes Mixed Use |
| No Acquisition of Existing Facility | No Commercial | No Facility for the Aging |
| No Housing | Yes Back Office | No Civic Facility (not for profit) |
| No Equipment Purchase | Yes Retail | No Other |

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

| | | |
|--------------|--------------------|-------|
| \$ 2,575,000 | 67,350 square feet | acres |
|--------------|--------------------|-------|

New Building Construction

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

New Building addition(s)

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

Infrastructure Work

| | | |
|------|--|--|
| \$ 0 | | |
|------|--|--|

Renovation

| | | |
|--------------|--------------------|--|
| \$ 4,215,000 | 67,350 square feet | |
|--------------|--------------------|--|

Manufacturing Equipment

| | | |
|------|--|--|
| \$ 0 | | |
|------|--|--|

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

| | | |
|------|--|--|
| \$ 0 | | |
|------|--|--|

Soft Costs: (professional services, etc.)

| | | |
|------------|--|--|
| \$ 455,000 | | |
|------------|--|--|

Other Cost

| | | |
|------|--|--|
| \$ 0 | | |
|------|--|--|

Explain Other Costs**Total Cost**

| | | |
|--------------|--|--|
| \$ 7,245,000 | | |
|--------------|--|--|

Project Refinancing; estimated amount (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:

| |
|---|
| Purchase and carry costs, design fees, asbestos abatement, selective demolition and clean out |
|---|

Sources of Funds for Project Costs:**Equity (excluding equity that is attributed to grants/tax credits):**

| |
|--------------|
| \$ 1,811,250 |
|--------------|

Bank Financing:

| |
|--------------|
| \$ 5,433,750 |
|--------------|

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):

\$ 764,500

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

\$8,009,500

Has a financing preapproval letter or loan commitment letter been obtained?

No

Mortgage Recording Tax Exemption Benefit:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge).

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

\$ 5,433,750

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):

\$54,337

Construction Cost Breakdown:

Total Cost of Construction

\$ 4,215,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 2,107,500

% sourced in Erie County

100%

% sourced in State

100% (including Erie County)

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

\$ 2,107,500

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

\$ 184,406

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:

We will apply for a 485a upon completion of the project

For proposed facility please include # of sq ft for each of the uses outlined below

| | | Cost | % of Total Cost |
|-----------------------------------|-------------|--------------|------------------------|
| Manufacturing/Processing | square feet | \$ 0 | 0 |
| Warehouse | square feet | \$ 0 | 0 |
| Research & Development | square feet | \$ 0 | 0 |
| Commercial | square feet | \$ 0 | 0 |
| Retail | square feet | \$ 6,520,500 | 90 |
| Office | square feet | \$ 724,500 | 10 |
| | | \$ 0 | 0 |

Specify Other

square feet

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

9/1/2017

End date : Estimated completion date of project

7/1/2018

Project occupancy : estimated starting date of operations

7/1/2018

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

Yes

Has the Project received site plan approval from the appropriate planning department?

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

| | Current # of jobs at proposed project location or to be relocated at project location | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion | Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion ** |
|--------------|---|---|--|---|
| Full time | 0 | 0 | 30 | 30 |
| Part time | 0 | 0 | 10 | 10 |
| Total | 0 | 0 | 40 | |

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***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).

Salary and Fringe Benefits for Jobs to be Retained and Created:

| Category of Jobs to be Retained and Created | Average Salary | Average Fringe Benefits |
|--|-----------------------|--------------------------------|
| Management | \$ 75,000 | \$ 18,750 |
| Professional | \$ 0 | \$ 0 |
| Administrative | \$ 29,000 | \$ 7,250 |
| Production | \$ 22,000 | \$ 5,500 |
| Independent Contractor | \$ 0 | \$ 0 |
| Other | \$ 0 | \$ 0 |

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 |

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 1,320,000

Estimated average annual salary of jobs to be retained

\$ 0

Estimated average annual salary of jobs to be created

\$ 33,000

Estimated salary range of jobs to be created

From \$ 22,000 **To** \$ 75,000

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

What competitive factors led you to inquire about sites outside of New York State?

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

No

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

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

Historic Tax Credits at approximately \$764,500 and a 485a RPTC

Section III: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

Yes

If yes, please fill out a tenant form in section VII, for each tenant.

| Tenant Name | Current Address (city, state, zip) | # of sq ft and % of total to be occupied at new projet site | SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co. |
|-------------|------------------------------------|---|--|
|-------------|------------------------------------|---|--|

 **Section IV: Tenant Information**

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Road Less Traveled Productions

Property Address:

512 Pearl Street

City/Town/Village

Buffalo

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

Amount of space to be leased (square feet)

13,431

What percentage of the building does this represent?

20

Are terms of lease:

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

Estimated date of occupancy

1/1/2012

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Road Less Traveled Productions

Local Contact Person:

Scott Behrend

Title:

Executive Director

Current Address:

MAILING—PO Box 542, Buffalo, NY 14205; PERFORMANCE—500 Pearl Street, Buffalo, NY 14202

Phone:

CELL (SCOTT BEHREND)—716.352.5877; BOX OFFICE—716.629.3069

Fax:

NA

E-Mail:

sbehrend@roadlesstraveledproductions.org

Website:

www.roadlesstraveledproductions.org

Company President/General Manager:

Scott Behrend, Executive Director; Ellen Hassett Cahill, Board of Directors, Chair Emeritus

Number of employees moving to new project location:

Full-Time:

3

Part-Time:

60-75

Total:

63

Do you anticipate increasing employment within the next two years?

If yes, how many additional employees moving to new project location?

Full-Time:

0

Part-Time:

10-15

Total:

10

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

Road Less Traveled Productions (RLTP) is a professional, 501c3, not-for-profit theatre company dedicated to the development and production of new theatrical works, and to the presentation of esteemed modern dramas of outstanding literary merit. RLTP is recognized as a key county cultural asset and best-practice regional theatre. RLTP offerings include an annual live-play season, ongoing performing arts educational and development programming, a large artistic ensemble, and community collaboration. RLTP is a member of the National New Play Network, the Theatre Communications Group, and the Theatre Alliance of Buffalo. RLTP operates the Road Less Traveled Theater in Downtown Buffalo, New York's Historic Theatre District. The applicable NAICS category is Arts, Entertainment, and Recreation - Performing Arts and the associated NAICS code is 711110 (Theater Companies). 100% of RLTP ticket sales are in Erie County.

Attach additional information as necessary.

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

Road Less Traveled Productions was founded in 2003 and became a professionally run 501c3 in 2004. Qualified managerial and operational staff, as well as a dedicated Board of Directors, oversee both strategic and day-to-day operations. Up to 1,500 patrons attend each individual season production, of which there are at least five annually; when combined with ongoing events and programs, RLTP annual patronage is approximately 10,000. RLTP regularly receives three- and four-star (perfect) reviews from professional arts critics.

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

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

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

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

No

Where is company relocating from?

Address:

City/Town/Village:

State:

Zip:

If yes, please provide reason for move; i.e. larger/smaller facility required, competitive position, lease expiration, etc.

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

NA

If leased, when does lease expire?

1/1/2012

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

No

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

NA

Is location necessary to:

Discourage your company from moving out of New York State

Yes

Maintain your company's competitiveness within the industry:

Yes

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)

Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility

Yes

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods

Yes

Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?

Yes

If yes, who was contacted and what was the outcome?

City of Buffalo (Mayor's Office, Office of Strategic Planning); no other appropriate and affordable facility available.

If no, why not?

Will present location be your company's headquarters?

Yes

If No, Where is the location of HQ:

City:

State:

Form Completed By:

Relationship to Company:

Section V: Environmental Questionnaire

General Background Information

Address of Premises 512 Pearl Street Buffalo, NY

Name and Address of Owner of Premises Pearl Group, LLC 295 Main Street, Suite 210 Buffalo, NY 14203

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

The property is located in downtown Buffalo, a fully developed urban area.

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

Describe all known former uses of the Premises

Assembly

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

A portion is currently occupied by Road Less Traveled Productions.

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

No

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

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

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

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section VI: 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.

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 or abandonment of an existing facility?

Within New York State <BLANK>

Within Erie County <BLANK>

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

<BLANK>

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

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

<BLANK>

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

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

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section VII: Adaptive Reuse Projects

| | |
|--|---|
| Are you applying for tax incentives under the Adaptive Reuse Program? | Yes |
| What is the age of the structure (in years)? | 103 |
| Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) | Yes |
| If vacant, number of years vacant. | 0 |
| If underutilized, number of years underutilized. | 10 |
| Describe the use of the building during the time it has been underutilized: | The building was underutilized by the Buffalo Christian Center prior to our purchase of the building in 2014. Only a portion of the 1st floor of the building was used by the occupant with upper floors essentially locked out. Since our ownership, about 20% of the total square footage in the building has been utilized by Road Less Traveled Productions. The remaining space is vacant. |
| Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) | Yes |
| If yes, please provide dollar amount of income being generated, if any | \$ |
| Does the site have historical significance? | Yes |
| Are you applying for either State/Federal Historical Tax Credit Programs? | Yes |
| If yes, provide estimated value of tax credits | \$ 764,500 |
| Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages) | |
| Current rental rates do not support the cost of the proposed commercial adaptive reuse of 512 Pearl Street | |
| Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities | |
| We have secured approval from City of Buffalo Planning Board and Common Council which advocates for positive urban development. | |
| Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments | |
| The redevelopment of 512 Pearl Street faces many issues that when paired with weak rental rates complicate a feasible redevelopment of the property. Among these issues is the cost of bringing the building into current code compliance, updating outdated infrastructure, repair of structural issues and the heightened cost associated with complying to the Secretary of Interior Standards for rehabilitation of historic structures. | |

Section VIII: Senior Citizen Rental Housing Projects

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

No

Has the project received written support from the city, town or village government in which it is located?

<BLANK>

Describe the location of the project as it relates to the project's proximity to the town / village / city center or to a recognized hamlet.

Is the project consistent with the applicable municipal master plan?

<BLANK>

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

<BLANK>

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

<BLANK>

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

<BLANK>

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

<BLANK>

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project's return on investment?

<BLANK>

If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: Retail Determination

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? Yes

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 100 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? Yes

If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? No

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? Yes

If yes, explain

The project will create a total of 40 new private sector jobs.

Is the project located in a Highly Distressed Area? Yes



ROADLESSTRAVELED PRODUCTIONS

BUFFALO, NEW YORK

Executive & Artistic Director

Scott Behrend

Managing Director

Gina Gandolfo

Associate Artistic Director

John Hurley

Literary Director

Jon Elston

Board of Directors

Ellen Hassett Cahill, Chair

Emeritus

Monish Bhattacharyya, Chair

Joan Rice, Vice Chair

Paul Shosho, Treasurer

Robert Hairston, Secretary

Dr. Gary DiNezza

Jane C. Hamilton

Bernhard J. Huber

Carolyn Human

Elaina Monte

Hank Sokol

Sarah Tanbakuchi

Lamont Williams

National Advisory Board

Alec Baldwin

Eric Bogosian

Scott Ellis

Stephen McKinley Henderson

A.R. Gurney*

Donald Margulies

James Rebhorn*

Mailing Address

PO Box 542, Buffalo, NY 14205

Performance Space

500 Pearl St, Buffalo, NY 14202

Box Office & Subscriber Line

(716) 629-3069

Web

roadlesstraveledproductions.org

Twitter

@RLTPPLAYS

Facebook

Road Less Traveled Productions

July 10, 2017

Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Ellicott Development 500 Pearl Street Application

Dear Agency Members;

We submit this letter in our capacities, respectively, as Chair Emeritus and as Executive Director of Road Less Traveled Productions (RLTP) to offer our full support for Ellicott Development and its 500 Pearl Street project; in concert, we submit the following.

Ellicott Development's 500 Pearl Street project includes a building of historic and architectural significance, commonly referred to as the former Buffalo Christian Center. 500 Pearl Street houses the Road Less Traveled Theater, which presently occupies a space that previously has been the home of the Forbes Theater. RLTP moved into the space two years ago, on an emergency basis, following the closure of a publicly-owned building housing our operations (the City of Buffalo-owned Market Arcade Film & Arts Centre, at 639 Main Street, who sold the property to Benchmark Properties).

RLTP patrons and constituents, of all ages and backgrounds, the City of Buffalo, County of Erie, and virtually every area cultural entity and philanthropic foundation have been highly supportive of Ellicott Development's willingness to provide RLTP with a new home and of RLTP's hard work in transitioning to the new space—thus preserving our operations in the Historic Downtown Buffalo Theatre District, central to our artistic mission and to our mission of accessibility.

The 500 Pearl Street project exemplifies Ellicott Development's commitment to preserving significant structures, creating regional advantages, honoring cultural assets.

Sincerely,

Ellen Hassett Cahill
Chair Emeritus

Scott Behrend
Executive Director

Cc: Gina Gandolfo, Managing Director, Road Less Traveled Productions
Cc: Tom Fox, Director of Development, Ellicott Development

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

| Part 1 - Project and Sponsor Information | | | |
|--|--|---|--|
| Name of Action or Project: Buffalo Christian Center Reuse | | | |
| Project Location (describe, and attach a location map): 512 Pearl Street, Buffalo, NY 14202 | | | |
| Brief Description of Proposed Action: | | | |
| Name of Applicant or Sponsor: Pearl Group, LLC | | Telephone: 716-854-0060 | |
| | | E-Mail: bpaladino@ellcoftdevelopment.com | |
| Address: 512 Pearl Street | | | |
| City/PO: Buffalo | | State: NY | Zip Code: 14202 |
| 1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2. | | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> |
| 2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: Planning Board | | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> |
| 3.a. Total acreage of the site of the proposed action? | | 0.398 acres | |
| b. Total acreage to be physically disturbed? | | 0.398 acres | |
| c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? | | 1.268 acres | |
| 4. Check all land uses that occur on, adjoining and near the proposed action. | | | |
| <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban) | | | |
| <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ | | | |
| <input type="checkbox"/> Parkland | | | |

| | | | |
|--|---|--|---------------------------------|
| 5. Is the proposed action, a. A permitted use under the zoning regulations? | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| b. Consistent with the adopted comprehensive plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Is the proposed action consistent with the predominant character of the existing built or natural landscape? | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> | |
| 7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____ | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> | |
| 8. a. Will the proposed action result in a substantial increase in traffic above present levels? | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> | |
| b. Are public transportation service(s) available at or near the site of the proposed action? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____ | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> | |
| 10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____ | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> | |
| 11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____ | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> | |
| 12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places? | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> | |
| b. Is the proposed action located in an archeological sensitive area? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> | |
| b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ | <input type="checkbox"/> | <input type="checkbox"/> | |
| 14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input type="checkbox"/> Suburban | | | |
| 15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered? | NO <input type="checkbox"/> | YES <input checked="" type="checkbox"/> | |
| 16. Is the project site located in the 100 year flood plain? | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> | |
| 17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input type="checkbox"/> YES | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> | |
| b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____ _____ | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | |
|---|--|---|
| <p>18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____</p> | <p>NO</p> <p><input checked="" type="checkbox"/></p> | <p>YES</p> <p><input type="checkbox"/></p> |
| <p>19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____</p> | <p>NO</p> <p><input checked="" type="checkbox"/></p> | <p>YES</p> <p><input type="checkbox"/></p> |
| <p>20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ See attached Phase 1</p> | <p>NO</p> <p><input type="checkbox"/></p> | <p>YES</p> <p><input checked="" type="checkbox"/></p> |
| <p>I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor name: <u>Pearl Group, LLC</u> Date: <u>6/30/17</u></p> <p>Signature: <u><i>W. L. ...</i></u></p> | | |

PRINT FORM

| | |
|----------|-----------|
| Project: | 512 Pearl |
| Date: | 8-23-17 |

**Short Environmental Assessment Form
Part 2 - Impact Assessment**

Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

| | No, or small impact may occur | Moderate to large impact may occur |
|--|-------------------------------------|------------------------------------|
| 1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Will the proposed action result in a change in the use or intensity of use of land? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Will the proposed action impair the character or quality of the existing community? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Will the proposed action impact existing: a. public / private water supplies? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. public / private wastewater treatment utilities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Will the proposed action create a hazard to environmental resources or human health? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

PRINT FORM

| | |
|----------|-----------|
| Project: | 612 Pearl |
| Date: | 8-23-17 |

Short Environmental Assessment Form Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

| | |
|---|--|
| <input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required. | |
| <input checked="" type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts. | |
| ERIE COUNTY IDA <small>Name of Lead Agency</small> | 8-23-17 <small>Date</small> |
| KAREN M. FIALA <small>Print or Type Name of Responsible Officer in Lead Agency</small> | ASST. TREASURER <small>Title of Responsible Officer</small> |
| Karen M. Fiala <small>Signature of Responsible Officer in Lead Agency</small> | <small>Signature of Preparer (if different from Responsible Officer)</small> |

PRINT FORM

STATE ENVIRONMENTAL QUALITY REVIEW ACT RESOLUTION
(The Pearl Group, LLC 2017 Project)

A regular meeting of the Erie County Industrial Development Agency was convened on August 23, 2017 at 9:00 a.m.

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

**RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY THAT
ACTION TO UNDERTAKE THE PEARL GROUP, LLC PROJECT WILL NOT HAVE A
SIGNIFICANT ADVERSE IMPACT ON THE ENVIRONMENT**

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, The Pearl Group, LLC (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) a parcel of land located at 512 Pearl Street in the City of Buffalo, Erie County, New York (the "Land") together with an existing 67,000+/- SF building (the "Existing Improvements"), (ii) the construction, equipping, renovation, upgrading, and equipping of the Existing Improvements thereon into a total of approximately 60,300+/- SF of mixed-use including professional meeting and banquet space, commercial/theatre space, combination lounge, café and bar, an indoor pool, a fitness center including locker rooms, a steam room and sauna, and 6,700+/- SF of office space (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); 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"); and

WHEREAS, the Agency, pursuant to SEQR, must satisfy the applicable requirements set forth in SEQR, as necessary, prior to making a final determination on whether to undertake the Project.

NOW, THEREFORE, BE IT RESOLVED by the Erie County Industrial Development Agency, as follows:

Section 1. Based upon the review by the Agency of the Application and the EAF, and other representations made by the Company to the Agency in connection with the Project, the Agency hereby finds that (i) the Project constitutes a "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) the Project will improve the vibrancy of the area, will not have significant impacts to air, surface, or groundwater quality as heating and cooling systems impacts are minor and the project will have no impact on already existing impervious surfaces, will have no adverse effect on existing traffic levels, as the site is served by public transportation, will have no impact on vegetation or fauna or any natural resources and is not within or adjacent to a critical environmental area, is consistent with the City's comprehensive plan, will cause no human health hazards, will not result in the attraction of a large number of people to the site, and there are no project related cumulative impacts, or other related actions, that when considered cumulatively, will cause a substantial adverse impact; (iv) construction related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; and (vi) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action.

Section 2. The Agency thus issues a Negative Declaration pursuant to 6 N.Y.C.R.R. § 617.7 of the SEQR regulations, which concludes the Agency's uncoordinated review of the Project.

Section 3. 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 distribute copies of this Resolution to the Company, and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 4. This Resolution shall take effect immediately.

Dated: August 23, 2017

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**PEARL GROUP, LLC, 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, August 23, 2017 at 9:00 a.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF PEARL GROUP, 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) 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 MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK 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, 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) a parcel of land located at 512 Pearl Street in the City of Buffalo, Erie County, New York (the "Land") together with an existing 67,000+/- SF building (the "Existing Improvements"), (ii) the construction, equipping, renovation, upgrading, and equipping of the

Existing Improvements thereon into a total of approximately 60,300+/- SF of mixed-use including professional meeting and banquet space, commercial/theatre space, combination lounge, café and bar, an indoor pool, a fitness center including locker rooms, a steam room and sauna, and 6,700+/- SF of office space (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on July 31, 2017, at 9:00 a.m., at the Agency's offices located at 95 Perry Street, Suite 403, Buffalo, New York 14203, 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, renovation, upgrading or equipping of the Facility and (b) a mortgage recording tax exemption benefit for the financing related to the Project, (collectively, the sales and use tax exemption benefit and the mortgage recording tax exemption benefit are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, the Project constitutes a "retail" project as defined under Section 862 of the Act and as such requires additional findings; and

WHEREAS, the Agency must, prior to providing any Financial Assistance to such a "retail" Project find that: (1) the Project is likely to attract a significant number of visitors from outside the economic development region in which the Project is located as established by section two hundred thirty of the New York Economic Development Law; or (2) the predominant purpose of the Project would be to make available goods or services which would not, but for the Project, be reasonably accessible to residents of the City of Buffalo because of a lack of reasonably accessible retail trade facilities offering such goods or services; or (3) the Project is located in a "highly distressed area" as such term is defined in Section 854(18) of the Act, and, in addition, find that the undertaking of the Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State; and thereafter obtain the approval of the chief executive officer of the County of Erie, New York, confirming the Agency's finding; and

WHEREAS, by resolution adopted August 23, 2017, the Agency adopted a negative declaration in compliance with the New York State Environmental Quality Review Act; 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 and recommendations of the Project and its August 3, 2017 resolution to approve the project subject to the terms and conditions as described herein, 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, renovating, upgrading 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 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 the Act.

(I) The Agency hereby approves the subleasing of space in the Project and authorizes the Company to proceed with the Project as herein authorized; and

(J) The Project qualifies for Agency Financial Assistance as it is compliant with the Agency's Adaptive Reuse Project Policy as evidenced by the following:

(i) the building is approximately 103 years old and functional issues related to its age present challenges to its reuse;

(ii) the building has been underutilized and the majority vacant for at least the past 10 years;

(iii) the building is not generating significant rental income;

(iv) the Project is in compliance with the investment and growth criteria of the Framework for Regional Growth;

(v) the Applicant has demonstrated evidence of financial obstacles to development of the Project without Agency or other public assistance;

(vi) the Project has received the support of local governmental entities;

(vii) the building is located within a distressed census tract; and

(viii) the structure requires significant costs to comply with building codes; and

(ix) asbestos issues present a public safety hazard related to rehabilitation and redevelopment of the Project; and

(K) The Project is located within a "highly distressed area" as such term is defined in Section 854(18) of the Act and therefore qualifies for Financial Assistance under Section 862(2)(b)(ii) of the Act. The Agency hereby finds that, as required under Section 862(2)(c) of the Act, that the undertaking of the Project will serve the public purpose of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in New York State. In compliance with Section 862(2)(c) of the Act, prior to providing Financial Assistance to the project, the Chief Executive Officer of the County of Erie shall provide written confirmation confirming that the Project will serve the public purpose of the Act

by preserving permanent private sector jobs or increasing the overall number of permanent, private sector jobs in the State of New York.

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, renovate, upgrade 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 appointment of the Company as agent of the Agency, if utilized, 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 Executive Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

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 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 estimated amount up to \$2,107,500.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$184,406.00. 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.

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 (i) cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

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 conclusion of the later of two (2) years following either (a) the construction completion date, or (b) the termination of the Agent 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 \$6,158,250.00 (which represents the product of 85% multiplied by \$7,245,000.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment - that the Company has created full-time equivalent ("FTE") employment at the Facility equal to 29 FTE employees [representing the product of 85% multiplied by 35 (being the 30 new FTE employee positions plus 10 new part-time equivalent ("PTE") employees (with 2 PTE employees counting as 1 FTE employee) as proposed to be created by the Company as stated in the Company's application for Financial Assistance)]. 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 Executive 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) 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.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive 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 Executive 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 Executive 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 Executive 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 Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: August 23, 2017

**Western New York Foreign Trade Zone Operators /Punto Franco Ltd.
\$1,760,000
INDUCEMENT RESOLUTION**

| |
|--|
| ELIGIBILITY |
| <ul style="list-style-type: none"> • NAICS Section - 493110 |
| COMPANY INCENTIVES |
| <ul style="list-style-type: none"> • Approximately \$91,000 in sales tax savings. • Up to \$15,000 in mortgage recording tax exemption. • Approximately 252,000 in real property tax savings |
| EMPLOYMENT |
| <ul style="list-style-type: none"> • Current Jobs FT 4 PT 2 • Projected Jobs FT 6 PT 3 |
| PROJECT HISTORY |
| <ul style="list-style-type: none"> • 5/25/2017 - Public hearing held. Transcript attached • 6/28/2017 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 8/23/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors |

Project Title: Western New York Foreign Trade Zone Operators/Punto Franco Ltd.

Project Address: 10 Gates Avenue
Lackawanna, New York 14218
(Lackawanna Central School District)

Agency Request

A sales tax, mortgage recording tax and real estate tax exemption in connection with the construction of a 20,000 expansion to an existing facility.

| | |
|-----------------------------|---------------------|
| New Building Addition | \$ 1,600,000 |
| Non-Manufacturing Equipment | \$ 80,000 |
| Soft Costs | \$ 80,000 |
| Total Project Cost | \$ 1,760,000 |
| 85% | \$ 1,496,000 |

Company Description

Foreign-Trade Zones (FTZ) are secured, designated locations in the United States (typically near a U.S. Customs Port of Entry) where foreign and domestic merchandise is generally considered to be in international commerce and outside of US Customs territory. Companies located in an approved FTZ can reduce, eliminate or defer duty on imports as well as take advantage of other benefits, to encourage foreign commerce within the United States.

The Western New York Foreign Trade Zone stores and transports various goods and materials for local, national and international companies. The company currently operates warehouses in both Buffalo and Lackawanna both of which are almost to capacity. Canadian companies represent 60% of the company's business.

Project Description

The project consists of the construction of a 20,000 sq. ft. expansion of the company's existing warehousing operations located in the City of Lackawanna along with the purchase of machinery and equipment.

New Tax Revenue Estimated

| Current Yearly Taxes | Estimated Increase in Assessed Value | Additional County Revenue over 7-Year Abatement Period | Additional Local Revenue over 7-Year Abatement Period | Additional Yearly Revenue Upon Expiration of Abatement Period |
|--------------------------------|--------------------------------------|--|---|---|
| \$40,000 | \$660,000 | \$6,600 | \$62,000 | \$46,000 |
| Combined Tax Rate: \$70 | | | | |

Draft Recapture Material Terms

| Condition | Term | Recapture Provision |
|------------------|-----------------------------|---|
| Total Investment | At Project Completion | Investment amount equal to or greater than 85% of project amount Total project Amount = \$1,760,000 85% : \$1,496,000 |
| Employment | See Recapture Term | Maintain Base: 5 FTE Create 85% of Projected: Projected = 3 FTE 85% = 2 Recapture Employment: 7 FTE |
| Local Labor | Construction Period | Adherence to policy including quarterly reporting |
| Unpaid Taxes | Coincides with 7-Year PILOT | Adherence to policy |
| Pay Equity | Coincides with 7-Year PILOT | Adherence to policy |
| Recapture Period | 7-Year PILOT Term | State and Local Sales Taxes Mortgage Recording Tax 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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has maintained 5 FTE's and created 2 FTE's, iii) adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.

ADDENDUM TO PROJECT LOG
WNY FOREIGN TRADE ZONE

| EVALUATIVE CRITERIA | Notes |
|--|---|
| Wage Rate (above median wage for area) | Erie County per capita income: \$28,879 Average wage rate: \$28,500 plus fringe benefits |
| Regional Wealth Creation (% sales/customers outside area) | Canadian customers represent approximately 60% of the company's business |
| In Region Purchases (% of overall purchases) | The developer estimates approximately 80% of purchases are sources from Erie County vendors |
| Research & Development Activities | N/A |
| Investment in Energy Efficiency | N/A |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The current facility was constructed in the then identified Economic Development Zone in Lackawanna. |
| LEED/Renewable Resources | NA |
| Retention/Flight Risk | The company operates foreign trade zones in both Syracuse, NY and Tampa, FL. Company has stated that without incentives, they may look to other areas of the State for expansion. |
| MBE/WBE Utilization | N/A |
| Workforce Access – Proximity to Public Transportation | Facility on bus route 36A Hamburg Bus Line. |

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-WESTERN NEW YORK FOREIGN TRADE ZONE

| 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 |
|---|--|----------------------|---|----------------------|
| \$1,600,000 | \$660,000 | 6.76 | 32.15 | 30.63 |

*Apply equalization rate to value

| PILOT Year | % Payment | County PILOT Amount | Local PILOT Amount | School PILOT Amount | Total PILOT | Full Tax Payment w/o PILOT | Net Exemption |
|--------------|-----------|---------------------|--------------------|---------------------|-----------------|----------------------------|------------------|
| 1 | 10% | \$446 | \$2,122 | \$2,022 | \$4,590 | \$45,896 | \$41,307 |
| 2 | 10% | \$446 | \$2,122 | \$2,022 | \$4,590 | \$45,896 | \$41,307 |
| 3 | 20% | \$892 | \$4,244 | \$4,244 | \$9,179 | \$45,896 | \$36,717 |
| 4 | 20% | \$892 | \$4,244 | \$4,244 | \$9,179 | \$45,896 | \$36,717 |
| 5 | 30% | \$1,338 | \$6,366 | \$6,366 | \$13,769 | \$45,896 | \$32,127 |
| 6 | 30% | \$1,338 | \$6,366 | \$6,366 | \$13,769 | \$45,896 | \$32,127 |
| 7 | 30% | \$1,338 | \$6,366 | \$6,366 | \$13,769 | \$45,896 | \$32,127 |
| TOTAL | | \$6,692 | \$31,829 | \$30,324 | \$68,845 | \$321,275 | \$252,430 |

***** 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.) |
|--------------------|--------------------------|--|---|--|
| \$1,760,000 | \$252,430 | \$91,000 | \$15,000 | \$2,832,547 |

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 20 %



Internal Report: WNY Foreign Trade Zone Operators - Punto Franco, Ltd.

Table 1: Basic Information

| | |
|----------------------------------|----------------------|
| Project Name | Punto Franco, Ltd. |
| Project Industry | (42) Wholesale Trade |
| Municipality | Lackawanna City |
| School District | Lackawanna |
| Project Cost | \$1,760,000 |
| Construction Budget | \$1,600,000 |
| Direct Employment Expected | 8 |
| Direct Labor Income | \$507,651 |
| Direct Construction Jobs | 12 |
| Direct Construction Labor Income | \$614,919 |
| Total Labor Income | \$1,122,570 |

Table 2: Estimated State & Regional Benefits*

| | |
|--|------------------|
| Region | |
| New Property Tax Revenue (PILOT or Improvements) | \$67,085 |
| Sales Tax Revenue | \$84,586 |
| State | |
| Income Tax Revenue | \$233,173 |
| Sales Tax Revenue | \$71,230 |
| TOTAL Estimated Revenue | \$456,075 |

Table 3: Estimated Project Incentives*

| | |
|-----------------------------------|------------------|
| Property Tax Savings | \$254,089 |
| Sales Tax Savings | \$84,000 |
| Mortgage Tax Savings | \$15,000 |
| TOTAL Estimated Incentives | \$353,089 |

Table 4: Employment Breakdown

| | |
|--------------|----|
| Project | |
| Direct** | 8 |
| Indirect*** | 3 |
| Induced**** | 5 |
| Construction | |
| Direct | 12 |
| Indirect | 4 |

Table 5: Ratios

| | |
|-----------------------|---------------|
| Benefit to Cost Ratio | 1.3:1 |
| Overall ROI | 19.3:1 |

* Figures over 7 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

© Center for Governmental Research 2017. All rights reserved.

Powered by **informANALYTICS**

PUBLIC HEARING SCRIPT

**Western New York Foreign Trade Zone
Operators, Inc. and/or Individual(s) or
Affiliate(s), Subsidiary(ies), or Entity(ies)
formed or to be formed on its behalf Project**

Public Hearing to be held on May 25, 2017 at 9:00 a.m.,
at the City of Lackawanna City Hall, 714 Ridge Road (Council Chambers),
Lackawanna, New York 14218

ATTENDANCE

Tim Palisano, WNY Foreign Trade Zone Operations

Drew Shapiro, City of Lackawanna

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 Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.*

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Western New York Foreign Trade Zone Operators, 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 Monday, May 15, 2017.*

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

Hearing Officer: *The proposed project (the "Project") consists of: (i) a portion of land located at 10 N. Gates Avenue, City of Lackawanna, Erie County, New York (the "Land"); (ii) the construction and equipping of a 21,500+/-SF building addition to be comprised of 20,000+/- SF warehouse space and 1,500+/- SF office space (the "Improvements"); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and the Improvements (the "Facility").*

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

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

Hearing Officer: *All those 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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on June 27, 2017. There are no limitations on written comments.*

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

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

The Hearing Officer calls on those who raise their hand.

Tim Palisano – Good morning. I am the president of the Western New York Foreign Trade Zone Operators. We are looking to expand our business in Lackawanna. We have been in business since 1976. We bought the property and expanded the current facility in the late 1980's. So now we are looking to grow our business and we would like to expand and we are looking for benefits because we really think we need these benefits for us to expand. Thank you and have a good day.

Drew Shapiro – Good morning. I am the Director of Development for the City of Lackawanna. I am here talking today in support of the Western New York Foreign Trade Zone expansion. They have been in business in Lackawanna for over 20 years and the expansion that Tim Palisano is looking to do is actually a need and not a want. What I mean by a need is his warehouse right now is at full capacity and he needs more room for storage of his goods to be exported or imported. Tim is paying full taxes in Lackawanna. Tim took advantage of the Empire Zone Program when it was an active program. Now that the benefits have run out he is paying full taxes. Because of our non-homestead rate in Lackawanna he is paying a hefty tax levy right now with his assessment. By this project going through the ECIDA, it will allow him to reduce his initial overhead cost on his project and as I said, this is a need and not a want just because of our high tax rate in Lackawanna and his building is at full capacity.

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

May 25, 2017, at 9:00 a.m.
at the City of Lackawanna City Hall, 714 Ridge Road (Council Chambers), Lackawanna, New York 14218
regarding:

**Western New York Foreign Trade Zone Operators, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 10 N. Gates Avenue, Lackawanna, New York

| Name | Company and/or Address | X box to speak/ comment |
|--------------|--|------------------------------------|
| Tim Palisano | WNY Foreign Trade Zone Operations 10 North Gates Circle Lackawanna, New York 14218 | X |
| Drew Shapiro | City Hall Ridge Road Lackawanna, New York | X |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**WNYFTZ / Punto franco****Section I: Applicant Background Information**Applicant Information - Company Receiving Benefit

| | |
|--|--|
| Project Name | Western New York Foreign Trade Zone Operators. |
| Applicant Name | Western New York Foreign Trade Zone Operators |
| Applicant Address | 10 North Gates Ave |
| Applicant Address 2 | |
| Applicant City | Lackawanna |
| Applicant State | New York |
| Applicant Zip | 14218 |
| Phone | 716-823-2142 |
| Fax | 716-823-2613 |
| E-mail | tpalisano@wnyftz.com |
| Website | www.wnyftz.com |
| Federal ID# | 16-1057599 |
| NAICS Code | 493110 |
| Will a Real Estate Holding Company be utilized to own the Project property/facility | Yes |
| What is the name of the Real Estate Holding Company | Punto Franco Ltd. |
| Federal ID# | 16-1368944 |
| State and Year of Incorporation/Organization | New York |
| List of stockholders, members, or partners of Real Estate Holding Company | Lincoln Securities Inc. |

Individual Completing Application

| | |
|------------------|---------------------|
| Name | Timothy Palisano |
| Title | President |
| Address | 10 North Gates Ave. |
| Address 2 | |
| City | Lackawanna |

| | |
|---------------|----------------------|
| State | New York |
| Zip | 14218 |
| Phone | 716-823-2142 |
| Fax | 716-823-2613 |
| E-Mail | tpalisano@wnyftz.com |

Company Contact (if different from individual completing application)

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney Mike Piette
Firm Name Bond Schoeneck & King
Address 200 Delaware Ave.
Address 2
City Buffalo
State New York
Zip 14202
Phone 716-416-7043
Fax
E-Mail mpiette@bsk.com

Identify the assistance being requested of the Agency

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)

Business Organization

Type of Business Corporation
Type of Ownership
Year Established 1976
State of Organization New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Lincoln Securities Inc. 100%

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

Diversified Transportation and Storage company that has warehouses , trucks , and valued employees that serves this region through its Foreign Trade Zone as well as its Sister companies Lincoln Moving and storage and Lincoln Archives operating in Buffalo since 1914. We store and transport various goods and materials for local . national and international companies. Currently our warehouses in Buffalo and Lackawanna are almost at capacity and we need to grow. We need more space!

Estimated % of sales within Erie County 40%

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

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

Estimated % of sales outside the U.S. 60% Of Business is from Canadian Companies

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

80-90 %

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Lackawanna

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

Yes

In which Municipality will the proposed project be located

Lackawanna

Address

10 North Gates Ave.

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 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 Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

#141.07-4-8.2

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

approximately \$40,000

Assessed value of land

143,900

Assessed value of building(s)

356,100

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Lackawanna , NY

School District of Project Site

Lackawanna

Does the Applicant or any related entity currently hold fee title to the Project site?

Yes

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

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

Yes

Describe the present use of the Proposed Project site

Western New York Foreign Trade Zone Operators Inc .provides Warehousing , distribution, fulfillment &. Ecommerce services for about 10-13 companies on weekly basis.

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, 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)

Current Facility was built In the Economic Development zone in Lackawanna in 1995.. We are looking to expand the current footprint of the Bldg to an additional 20,000 Sqftwhse / 1500 office space . 70-80% of the WNYFTZ customers are Canadian firms utilizing our services to distribute their goods to the US marketplace.. This new space is needed in order for our Foreign Trade Zone to grow. the WNYFTZ Inc will solely lease the building from Punto Franco Ltd.

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 how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The Taxes are very High in Lackawanna due to our property being classified as Non- Homestead. If we don't get the tax breaks that we are requesting we will look at other areas to grow our business..

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?

We would be looking in other areas to grow the Business outside of Erie county. we have businesses in Syracuse NY and Tampa fl that have lower Tax bases than our current Lackawanna property.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

Commercial property currently

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 0 square feet acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 1,500,000 20,000 square feet

Infrastructure Work

\$ 100,000

Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

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

\$ 80,000

Soft Costs: (professional services, etc.)

\$ 80,000

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 1,760,000

Project Refinancing: estimated amount (for refinancing of existing debt only)

\$ 0

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

Yes

If Yes, describe particulars:

Architectural will be paid by the end 5/2017 , \$50, 000.00

Sources of Funds for Project Costs:

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

\$

Bank Financing:

\$ 1,800,000

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:

No grants yet it would be nice to receive one since it appears many projects receive some funds.

Total Sources of Funds for Project Costs:

\$1,800,000

Has a financing preapproval letter or loan commitment letter been obtained?

Yes

Mortgage Recording Tax Exemption Benefit:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge).

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

\$ 1,500,000

Lender Name, if Known

have not selected bank yet.

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):

\$15,000

Construction Cost Breakdown:

Total Cost of Construction

\$ 1,600,000.00 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 960,000

% sourced in Erie County

%

% sourced in State

% (including Erie County)

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

\$ 1040,000

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

\$ 91,000

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:

For proposed facility please include # of sq ft for each of the uses outlined below

| | | Cost | % of Total Cost |
|-----------------------------------|--------------------|--------------|-----------------|
| Manufacturing/Processing | square feet | \$ 0 | 0 |
| Warehouse | 20,000 square feet | \$ 1,700,000 | 0 |
| Research & Development | square feet | \$ 0 | 0 |
| Commercial | square feet | \$ 0 | 0 |
| Retail | square feet | \$ 0 | 0 |

Office 1,500 square feet \$ 60,000 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?

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

9/1/2017

End date : Estimated completion date of project

3/1/2018

Project occupancy : estimated starting date of operations

3/1/2018

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

No

Has the Project received site plan approval from the appropriate planning department?

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

| | Current # of jobs at proposed project location or to be relocated at project location | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion | Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion ** |
|------------------|--|--|---|--|
| Full time | 4 | 4 | 2 | 6 |
| Part time | 2 | 2 | 1 | 3 |
| Total | 6 | 6 | 0 | |

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***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).

Salary and Fringe Benefits for Jobs to be Retained and Created:

| Category of Jobs to be Retained and Created | Average Salary | Average Fringe Benefits |
|--|-----------------------|--------------------------------|
| Management | \$ 50,000 | \$ 15 |
| Professional | \$ 0 | \$ 0 |
| Administrative | \$ 32,000 | \$ 12,000 |
| Production | \$ 28,000 | \$ 10,000 |
| Independent Contractor | \$ 0 | \$ 0 |
| Other | \$ 0 | \$ 0 |

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

| Address | Lincoln Companies | | |
|------------------|-------------------|---|---|
| | 155 great arrow | | |
| | Buffalo, NY | | |
| Full time | 36 | 0 | 0 |
| Part time | 16 | 0 | 0 |
| Total | 52 | 0 | 0 |

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 195,000

Estimated average annual salary of jobs to be retained

\$ 28,500

Estimated average annual salary of jobs to be created

\$ 28,500

Estimated salary range of jobs to be created

From

\$ 28,000

To \$ 50,000

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

If we don't expand in Lackawanna , we may or may not expand in Other locations. We have warehouses and trucking operations in Syracuse NY and Tampa Florida. Also looked into Hamburg IDA

What competitive factors led you to inquire about sites outside of New York State?

The Taxes and workers comp. is very High in New York. we are a small family business operating here since 1914. It always is a challenge with the high costs of doing business in New York State.

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

Hamburg IDA-7yr Pilot

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

Anything that is available that will assist us.

Section III: 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 Western New York Foreign trade Zone operators Inc.
Address 10 North Gates ave. Lackawanna , NY
Contact Person Timothy Palisano
Phone 716-823-2142
Fax 716-823-2613
E-Mail tpalisano@wnyftz.com
Federal ID # 16-1057599
SIC/NAICS Code

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out a tenant form in section VII, for each tenant.

| Tenant Name | Current Address (city, state, zip) | # of sq ft and % of total to be occupied at new projet site | SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co. |
|-------------|------------------------------------|---|--|
|-------------|------------------------------------|---|--|

Section IV: Tenant Information

Section V: Environmental Questionnaire

General Background Information

Address of Premises 10 North Gates Ave Lackawanna NY

Name and Address of Owner of Premises Punto Franco Ltd 155 Great Arrow Buffalo, NY 14207

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

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

Expanding the current Facility

Describe all known former uses of the Premises

Warehousing and Transportation last 20-25 yrs.

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

No

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

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

No

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

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

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

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section VI: 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.

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 or abandonment of an existing facility?

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?

Yes

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 VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program? No

What is the age of the structure (in years)? 0

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) <BLANK>

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) <BLANK>

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

Does the site have historical significance? <BLANK>

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

If yes, provide estimated value of tax credits \$

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

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

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

Section VIII: Senior Citizen Rental Housing Projects

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

No

Has the project received written support from the city, town or village government in which it is located?

No

Describe the location of the project as it relates to the project's proximity to the town / village / city center or to a recognized hamlet.

Is the project consistent with the applicable municipal master plan?

<BLANK>

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

<BLANK>

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

<BLANK>

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

<BLANK>

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

<BLANK>

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project's return on investment?

<BLANK>

If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: Retail Determination

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.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 0 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33,33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? <BLANK>

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? <BLANK>

If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? <BLANK>

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? <BLANK>

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>

SEQR RESOLUTION

(Western New York Foreign Trade Zone Operators/Punto Franco Ltd., Project)

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, August 23, 2017 at 9:00 a.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY THAT ACTION TO UNDERTAKE THE WESTERN NEW YORK FOREIGN TRADE ZONE OPERATORS/PUNTO FRANCO LTD. (THE "COMPANY") PROJECT WILL NOT HAVE A SIGNIFICANT ADVERSE IMPACT ON THE ENVIRONMENT

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, 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) a portion of land located at 10 N. Gates Avenue, City of Lackawanna, Erie County, New York (the "Land"); (ii) the construction and equipping of a 21,500+/- SF building addition to be comprised of 20,000+/- SF warehouse space and 1,500+/- SF office space (the "Improvements"); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and the Improvements, the "Facility"); 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"); and

WHEREAS, the Agency, pursuant to SEQR, must satisfy the applicable requirements set forth in SEQR, as necessary, prior to making a final determination on whether to undertake the Project.

NOW, THEREFORE, BE IT RESOLVED by the Erie County Industrial Development Agency, as follows:

Section 1. Based upon the review by the Agency of the Application and the EAF, and other representations made by the Company to the Agency in connection with the Project, the Agency hereby finds and determines that (i) the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (iv) construction related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; and (vi) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action.

Section 2. The Agency thus issues a Negative Declaration pursuant to 6 N.Y.C.R.R. § 617.7 of the SEQR regulations, which concludes the Agency's uncoordinated review of the Project.

Section 3. 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 distribute copies of this Resolution to the Company, and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 4. This Resolution shall take effect immediately.

Dated: August 23, 2017

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

WESTERN NEW YORK FOREIGN TRADE ZONE OPERATORS/PUNTO FRANCO LTD., 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, August 23, 2017 at 9:00 a.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF WESTERN NEW YORK FOREIGN TRADE ZONE OPERATORS/PUNTO FRANCO LTD., 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) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iv) 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 (v) 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, 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) a portion of land located at 10 N. Gates Avenue, City of Lackawanna, Erie

County, New York (the "Land"); (ii) the construction and equipping of a 21,500+/-SF building addition to be comprised of 20,000+/- SF warehouse space and 1,500+/- SF office space (the "Improvements"); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on May 25, 2017 at 9:00 a.m. at the City of Lackawanna City Hall, 714 Ridge Road (Council Chambers), 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 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 seven (7) year term PILOT Agreement 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, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act ("SEQR"), the Company has submitted to the Agency a Short Environmental Assessment Form (the "EAF") with respect to the Project;

WHEREAS, by resolution adopted August 23, 2017, the Agency adopted a negative declaration in compliance with the New York State Environmental Quality Review Act; 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 and recommendations of the Project and its June 1, 2017 resolution to approve the project subject to the terms and conditions as described herein, 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 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 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 the Act.

(I) Western New York Foreign Trade Zone Operators Inc. (the "Tenant") will occupy the Facility. The Agency hereby approves the subleasing of space in the Project to the Sub-Tenant and authorizes the Company to proceed with the Project as herein authorized.

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 appointment of the Company as agent of the Agency, if utilized, 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 Executive Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

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 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 estimated amount up to \$1,040,000.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$91,000.00. 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.

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 (i) cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

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 conclusion of 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 \$1,496,000.00 (which represents the product of 85% multiplied by \$1,760,000.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least five (5) 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 the Company has maintained and created FTE employment at the Facility equal to seven (7) FTE employees representing the sum of the Baseline FTE plus two (2) (the product of 85% multiplied by three (3), being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company’s application for Financial Assistance). 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 Executive 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 Executive 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 Executive 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 Executive 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 Executive 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 Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: August 23, 2017