



Policy Committee

December 6, 2018

8:30 am

95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order
2. Approval of the November 1, 2018 Policy Committee Minutes (Pages 2-4)
3. Project Matrix (Page 5)
4. Unpaid Tax Procedures (Page 6)
5. Unifrax Employment Discussion (7-16)
6. 2019 Meeting Schedule (Page 17)
7. Adjournment – Next Meeting January 6, 2019 at 9:00 a.m. (New Time)

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

- MEETING:** November 1, 2018, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York
- PRESENT:** Hon. April Baskin, Rev. Mark E. Blue, Hon. Johanna Coleman, Mr. Richard Cummings, Colleen DiPirro, Hon. William J. Krebs, Richard Lipsitz, Jr., Laura Smith and Maria Whyte
- ABSENT:** Hon. Byron W. Brown, Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis and David J. State
- OTHERS PRESENT:** John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Bonnie Danni, on behalf of 467 Richmond Avenue, LLC

There being a quorum present at 8:54 a.m., Mr. Lipsitz called the meeting of the Policy Committee to order.

MINUTES

The minutes of the October 4, 2018 Policy Committee meeting were presented. Upon motion made by Mr. Krebs, and seconded by Ms. Whyte, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Lipsitz reviewed the Agency's project matrix and directed that the report be received and filed.

PROJECT PRESENTATIONS

467 Richmond Avenue, LLC/Rosanna Elizabeth Visual & Performing Arts Campus (REVPAC)-Amendment. Mr. Cappellino reviewed the 467 Richmond Avenue, LLC project proposed at 467 Richmond Avenue in Buffalo, New York involving the renovation and adaptive reuse of the property known as the former Richmond Methodist Episcopal Church involving the revitalization of the facility to consist of a commercial and retail campus for the utilization by performing arts groups as well as for business meeting space and work space for artists.

Mr. Cappellino reminded members that the project as just described was approved by the Agency on June 28, 2017. Mr. Cappellino then informed committee members that the project is

being modified and will now include a single approximately 400 sq. ft. apartment to be leased at approximately \$800 per month. Thus this project is being proposed, as amended, to now include this residential unit as a component part of the project description. Mr. Cappellino also confirmed that the company will now be applying to the City of Buffalo for a 485-a real property tax abatement benefit. All other components of the project remain unchanged.

Ms. DiPirro moved and Ms. Whyte seconded to approve of the project as amended. Mr. Lipsitz called for the vote and the project was then unanimously approved, as amended, for recommendation to members of the Agency for final approval.

467 Richmond Avenue, LLC/Rosanna Elizabeth Visual & Performing Arts Campus (REVPAC)-Tax Certification. Mr. Cappellino reminded committee members that the REVPAC project, as just described, was originally approved by the ECIDA on June 28, 2017. At the time of the June 2017 application, the company submitted a signed unpaid tax certification indicating there were no unpaid taxes on the property. Upon verification by Agency staff, it was determined that at the time the certificate was given, there were past due taxes owing on the property to the county and the city in the amount of approximately \$18,000. Agency staff has been in contact with the company and the company was made aware that the certificate was signed while back taxes were due and owed. The company indicated to staff that their intentions were to pay off the remaining unpaid taxes as part of an overall financing for the project. On October 24, 2018, the company did pay off the remaining unpaid taxes on the property and provided proof of payment to the Agency. To date, all taxes on the subject property are paid and current. Although the company was approved for a mortgage benefit on a \$5 million financing for the project, Agency staff informed the company that no benefits including the mortgage recording tax exemption benefit, could be provided until the Agency considered the tax certification issue. REVPAC moved forward with its mortgage financing on the property without the benefit of the Agency's mortgage recording tax exemption. To date, the company has not received any of the Agency financial assistance approved in June 2017.

Mr. Cappellino continued to explain that as part of the Agency's application process, the certification of unpaid taxes is treated as a material term. The unpaid tax policy adopted by the Agency states that the Agency, in its discretion, will consider the disclosure information and any additional information relating to unpaid real property taxes as a critical component in its determination as to whether to issue financial assistance. Mr. Cappellino then stated that staff recommends that the Policy Committee review the relevant facts regarding the company's tax certification, unpaid taxes, current tax status of the proposed project and determine whether the committee would make a recommendation for the Agency to reaffirm its original approval for the project issued in June 2017. Agency staff also recommends that prior to any action taken by the Agency Board that the Company provide an updated unpaid real property tax certification. Mr. Cappellino also reminded committee members that a recent review of a different project in which the tax certification was not accurate at the time of application resulted in the Agency Board voting to reaffirm the previously approved inducement resolution upon evidence provided that all taxes were current.

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

Ms. Whyte asked if the company had always planned to pay the back taxes with loan proceeds. Ms. Danni then spoke on behalf of the company and noted that the company had always intended to use loan proceeds to pay back taxes owed.

Ms. Whyte then stated that she would like to distinguish this company's erroneous tax certification confirmation from that of the other project recently approved by the Board despite a similar unpaid tax certification problem primarily because the latter company publicly stated that it purposely chose not to pay taxes for business purposes.

General discussion ensued regarding the process by which the Agency can confirm the accuracy of the unpaid real property tax certification provided to the Agency at the time an application is submitted.

Ms. Whyte then moved and Mr. Krebs seconded to make a motion to recommend that the members of the Agency ratify and confirm the June 2017 inducement resolution in consideration of submission of a new unpaid real property tax certification and confirmation that all real property taxes are now current.

Mr. Krebs expressed his support for the project. Mr. Blue also expressed his support for the apartment unit being offered at \$800 per month. Mr. Blue then received confirmation that utility costs were included in the rent.

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

Mr. Lipsitz then asked that Policy Committee members return to consideration of a new policy requiring the confirmation and verification of the unpaid real property tax certification. General discussion ensued. Mr. Lipsitz then asked Agency staff if they could develop recommendations or considerations involving either a "find and cure" or a trust but verify approach, to be presented to the Policy Committee at a future meeting for ultimate consideration.

Mr. Cummings then asked if there was any follow-up from the last Policy Committee meeting regarding minority business enterprise/women business enterprise (MBE/WBE) utilization. Mr. Cappellino responded that Agency staff is currently revising its application to probe deeper into this question. Mr. Cummings responded that his concern is a policy concern such that the Agency should have a policy requiring MBE/WBE commitment if a project is to obtain public assistance and as such, is asking the Agency to commit to MBE/WBE utilization requirements for applicants. Mr. Lipsitz thanked Mr. Cummings for his concerns and asked if Agency staff could lead a discussion on MBE/WBE issues at an upcoming Policy Committee meeting.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:46 a.m.

Dated: November 1, 2018

Robert G. Murray, Secretary

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval D	Project Amount	Investment	Jobs Retained	Factors		Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Adaptive Reuse	Pay Equity
						Job Creation	Jobs Created							
1	Shell Fab	Jan-18	\$3,018,000	85% threshold \$ 2,563,300	45	85%-New 8 jobs	10	PILOT Mortgage Sales Tax	YES	Period of PILOT 7 Years	Amendatory	\$424,469		YES
1	Acquest Development	Feb-18	\$1,575,000	85% threshold \$ 1,338,750	25	85%-New 2 jobs	2	Sales Tax	YES	2 years after Termination of Sales Tax		\$65,625		YES
1	Group V (Athenex)	Feb-18	\$1,517,500	85% threshold \$ 1,289,875	55	85%-New 21 jobs	25	PILOT Mortgage Sales Tax	YES	Period of PILOT 10 Years		\$131,063		YES
1	Niagara Label	May-18	\$1,915,000	85% threshold \$ 1,627,750	49	85%-New 4 jobs	5	PILOT Mortgage Sales Tax	YES	Period of PILOT 10 Years		\$284,036		YES
1	ROAR Logistics	Jun-18	\$2,610,000	85% threshold \$ 2,218,500	43	85%-New 12 jobs	14	PILOT Sales Tax	YES	Period of PILOT 7 Years		\$236,500		YES
1	Column Development	Jul-18	\$3,000,000	85% threshold \$ 2,550,000	30	85%-New 6 jobs	8	PILOT Mortgage Sales Tax	YES	Period of PILOT 7 Years		\$323,250		YES
1	Ebenezer Railcar	Jul-18	\$6,000,000	85% threshold \$ 5,100,000	84	85%-New 11 jobs	13	PILOT Sales Tax	YES	Period of PILOT 7 Years		\$897,500		YES
1	Northland II	Jul-18	\$40,967,094	85% threshold \$ 34,822,030	0	85%-New 8 jobs	10	Sales Tax	YES	2 years after Termination of Sales Tax	Amendatory Phase II	\$1,936,686		YES
1	Michigan Broadway	Aug-18	\$6,614,244	85% threshold \$ 5,662,107	3	85%-New 3 jobs	4	Mortgage Sales Tax	YES	2 years after Termination of Sales Tax		\$197,500	Adaptive Reuse	YES
1	Pierce Arrow Kanaka	Aug-18	\$34,535,000	85% threshold \$ 29,354,750	0	85%-New 2 jobs	3	Mortgage Sales Tax	YES	2 years after Termination of Sales Tax		\$1,244,375	Adaptive Reuse	YES
1	Emerson Huron	Aug-18	\$37,919,442	85% threshold \$ 32,231,525	60		0	Mortgage Sales Tax	YES	2 years after Termination of Sales Tax	Amendatory 2017	\$1,975,750	Adaptive Reuse	YES
1	1485 Niagara, LLC	Oct-18	\$5,600,000	85% threshold \$ 4,760,000	53	85%-New 1 jobs	1	Mortgage Sales Tax	YES	2 years after Termination of Sales Tax		\$243,125	Adaptive Reuse	YES
Count	Project Name	Approval D	Project Amount	Investment	Jobs Retained	Job Creation	Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	Incentive Amount	Adaptive Reuse	Pay Equity

Adaptive Reuse 2018 Sub Total	4		\$84,668,686		116		8					\$3,660,750		
2018 Total	12		\$145,271,280		447		95					\$7,959,879		



To: ECIDA Policy Committee
Date: December 6, 2018
Re: Unpaid Taxes Due Diligence Efforts

The following describes the procedures undertaken by ECIDA staff to ensure that clients do not have unpaid taxes.

Current Procedures

- Prior to submitting their applications, applicants are required to sign a certification stating that they do not have any unpaid real property taxes on any properties located within Erie County.
- When applications are received, ECIDA staff requests that the Erie County Tax Department perform a search on the applicant and on the property address to ensure that there are no outstanding taxes. Staff also conducts a search on Erie County's real property website to determine if there are any outstanding taxes.
- Karen Fiala is a member of the Erie County Assessor's Association. During the Association's monthly meetings, Karen routinely asks assessors if any companies are delinquent on their PILOT payments.
- Each year, ECIDA staff sends a PILOT summary report to each town, village, city, and school district. In the cover letter, staff asks the representatives to report any companies that have not made their PILOT payments.

New Procedures

- ECIDA staff is amending the Application to include a section requiring applicants to list all Erie County properties in which they have at least a 25 percent ownership interest. Staff will then request that the Erie County Tax Department perform a search on the applicant and on the property addresses provided in the application.
- Prior to the project's closing date, ECIDA staff will perform an additional search on Erie County's tax website to ensure that no outstanding tax events have occurred between approval and closing on the project incentives, relating to the applicant or the project address.
- All clients obligated under the recapture policy that have active ECIDA PILOT programs will be required to annually recertify by signing a certification stating that they do not owe taxes on any property located within Erie County. This Certification will be included on the 4th quarter employment surveys beginning with the 2018 4th quarter survey.

The procedures outlined above will enable us to identify violations of the Unpaid Tax Policy.



Steve Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, New York 14203

Re: Reorganization in Tonawanda Operations

Dear Mr. Weathers:

As disclosed during Unifrax's meeting with Supervisor Joe Emminger and Mr. Cappellino on October 11th and further discussed with you during our meeting at Unifrax CHQ on November 7th, Unifrax has reorganized personnel and operations at our 360 Firetower Drive facility. These changes occurred on Friday, Oct 12th which resulted in the net reduction of 39 positions. This change was necessitated by some global demand shifts in our Thermal Management products produced at the Firetower Drive location.

Unifrax is firmly committed to its manufacturing and support operations in the Town of Tonawanda. Even after this reorganization, Unifrax still employs 274 full time employees at the Firetower Drive facility, and over 400 employees in Erie County. Unifrax has invested nearly \$100 million at our production facilities and global headquarters within the last six

years which includes most recently our first production line at the new Pirson Parkway facility that opened earlier this year.

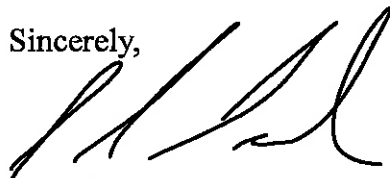
Moreover, we are in the process of investing an additional \$30M+ to commence a second production line at the Pirson facility creating additional jobs. Both of these lines were initially planned for locations in Europe with the ECIDA incentives granted being integral in the decision to locate the lines here in Tonawanda, NY.

Given the challenges at our Firetower Drive facility, Unifrax decided to forgo applying for any ECIDA incentives for this additional Pirson Parkway production line investment and associated job creation. While current total jobs are short of our ECIDA commitments at the Firetower Drive location due to the aforementioned challenges, headcount totals will exceed total ECIDA commitments at an aggregate level by Q3 2019 when considering the Firetower and Pirson locations in total.

Therefore, we ask to keep incentives granted to date fully intact as they are vital to retaining jobs and continuing investment locally.

We look forward to attending an upcoming ECIDA Policy Committee meeting to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Dandolph', written over a white background.

John Dandolph
Chief Executive Officer
Unifrax I LLC

Unifrax 1, LLC
\$33,000,000
INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility NAICS Section - **32 manufacturing**

COMPANY INCENTIVES

- Approximately \$745,000 in real property tax savings
- Approximately \$398,000 in sales tax savings
- Up to \$130,000 in mortgage recording tax savings



Project Title: Unifrax 1, LLC
 Project Address: 360 Firetower Drive
 Tonawanda, New York 14150
 (Kenmore-TTN UFSD)
 NAICS: 327993

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the acquisition of currently leased facilities and the construction of a 41,000 sq. ft. facility along with the acquisition and installation of machinery and equipment.

Building Acquisition	\$ 9,550,000
New Construction	3,200,000
Infrastructure	2,450,000
Manufacturing Equipment	17,000,000
Non-Manufacturing Equipment	500,000
Soft Costs	300,000
 Total Project Cost	 \$33,000,000
 85%	 \$28,050,000
 Estimated Mortgage	 \$13,000,000

Company Description

Unifrax is a manufacturer of high-temperature insulation products. Unifrax fiber products are used to solve application problems in the ferrous and non-ferrous metals, industrial chemicals, petroleum products, power generation, ceramic, glass, automotive, fire protection, aerospace, appliance and other industries.

With corporate headquarters in Tonawanda, Unifrax has three U.S. manufacturing facilities—Tonawanda and Sanborn, New York and New Carlisle, Indiana.

Unifrax acquired three leading North American vacuum forming businesses in 2011, with manufacturing facilities in Ohio and which specializes in the development, manufacture and sale of fiber-based value add shapes.

The company employs more than 1,600 people worldwide with 28 manufacturing facilities and various regional and sales locations in the US, Europe, Asia, South Africa and Latin America.

Project Description

Unifrax currently leases its manufacturing, warehouse and office facilities at 300/333/and 360 Firetower Drive and owns outright the adjacent warehouse building at 330 Firetower. They have a contract to purchase 300 Firetower and are in negotiations to purchase the remaining two buildings. In total the company either leases or owns over 250,000 sq. ft. in the Town.

The current project includes the construction of a 40,230 sq. ft. building which will connect the current manufacturing plant with the warehouse. The additional space being used for manufacturing.

The Town of Tonawanda was instrumental in advancing the project providing much needed acreage by abandoning a Town-owned cul-de-sac which was key to this expansion project.

Project Benefits

The project will generate approximately \$200,000 of revenue to the local taxing jurisdictions over the abatement period representing \$26,000 to the County of Erie, \$73,000 to the Town of Tonawanda and \$100,000 to the Kenmore-TTN UFSD. The project is anticipated to retain 95 jobs and create an additional 25 new jobs.

Employment

<u>Current</u>	<u>New Jobs Projected</u>	<u>Total of Current and projected Jobs</u>
268	25	<u>2 Years after Project Completion</u>
		293

Current Jobs to be Retained by Project
95

Project Incentives

- Approximately \$745,000 in real property tax savings
- Approximately \$398,000 in sales tax savings
- Approximately \$130,000 in mortgage recording tax savings

PILOT Table

Year	%payment under PILOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes with-out PILOT	Net Exemption
1	10%	\$1,225	\$3,470	\$4,745	\$9,440	\$94,380	\$84,940
2	10%	\$1,225	\$3,470	\$4,745	\$9,440	\$94,380	\$84,940
3	10%	\$1,225	\$3,470	\$4,745	\$9,440	\$94,380	\$84,940
4	20%	\$2,447	\$6,938	\$9,490	\$18,875	\$94,380	\$75,505
5	20%	\$2,447	\$6,938	\$9,490	\$18,875	\$94,380	\$75,505
6	20%	\$2,447	\$6,938	\$9,490	\$18,875	\$94,380	\$75,505
7	30%	\$3,670	\$10,400	\$14,230	\$28,300	\$94,380	\$66,080
8	30%	\$3,670	\$10,400	\$14,230	\$28,300	\$94,380	\$66,080
9	30%	\$3,670	\$10,400	\$14,230	\$28,300	\$94,380	\$66,080
10	30%	\$3,670	\$10,400	\$14,230	\$28,300	\$94,380	\$66,080
TOTAL PAYMENTS		\$25,696	\$72,824	\$99,625	\$198,145	\$943,800	\$745,655

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 = \$33,000,000 85% of total project amount = \$28,050,000
Employment	See Recapture Period	Maintain 100% of base (268) an 85% of projected jobs Projected Jobs (25) = 289 85%: 21 Total Jobs: 289
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Recapture Period	Coincides with 10-Year PILOT term	Recapture of State and Local Sales Taxes, mortgage recording tax and real property tax

Recapture applies to:

- State and local sales taxes
- Mortgage recording tax
- Real property tax

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA’s Policy Committee to recapture the local portion of the sales tax, mortgage recording taxes and real property taxes.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will maintain base employment of 268 and hire an additional 21 iii) confirm adherence to ECCIDA local labor hiring policy.

Project History

- 7/31/14 Public Hearing held. Transcript attached
- 8/19/14 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
- 8/19/14 Lease/Leaseback inducement Resolution presented to the Board of Directors.

Company History

- 1988 \$4,250,000 Project Closed
- 1996 \$6,539,300 Project Closed
- 2000 \$2,200,000 Project Closed
- 2002 \$86,000 New York State Environmental Management Investment Grant
- 2011 \$3,035,000 Project Closed



To: ECIDA Policy Committee
 Date: December 6, 2018
 Re: Unifrax Recapture Options

Background

In August 2014, the ECIDA Board approved a sales and PILOT tax benefit to assist Unifrax in the construction of a 40,230-foot manufacturing facility. Unifrax invested approx. \$33,000,000 in the new facility located at 360 Firetower Drive in the Town of Tonawanda. As part of the material terms approved by the Board, Unifrax was required to retain 268 employees and create an additional 21 positions by June 30, 2018 (two years after project completion). Accordingly, Unifrax was required to have 289 employees as of June 30, 2018.

Unifrax received a sales tax benefit from 11/6/14 to 6/30/16. Unifrax’s PILOT program runs from 2016-2025 for school taxes and the county and town PILOT programs run from 2017-2026.

As of September 30, 2018, Unifrax was compliant with all employment retention and job creation requirements reporting 323 employees. Representatives from Unifrax contacted the agency in late September to indicate that they would be announcing permanent layoffs at the Firetower facility. On October 12, 2018, Unifrax reported the permanent layoff of approximately 45 employees.

Unifrax is now reporting a total of 257 employees at the Firetower location, which is 32 employees short of its employment requirements. In September 2018, the ECIDA Board approved a two-tiered retention goal of 90 or 95 percent (depending on the number of employees a company has), however, the new policy does not apply to permanently laid off employees.

Unifrax has two other locations in Erie County, 95 Pirson Parkway and the Corporate Headquarters located at 600 Riverwalk Parkway, both in the Town of Tonawanda. The ECIDA does have a continuing incentive on the facility located at Pirson Parkway. Both facilities have employment which is not part of the numbers for the Firetower complex as indicated below.

(as of 10/12/18)
 95 Pirson Parkway 27 FTE
 600 Riverwalk Parkway 117 FTE



Recapture Options

Recapture options for discussion with the Policy Committee.

Option #1 – Effectively suspend Unifrax’s PILOT program until it meets the employment requirements. Unifrax would pay full taxes until it reached its goal of 289 employees.

Example based on Current PILOT and Tax Rates Example

Full Tax Payment	\$ 49,621
Current PILOT Payment	\$ 5,892
Net (additional amount)	\$ 43,729

Option #2- Increase Unifrax’s PILOT amounts based on the percentage that Unifrax is out of compliance. Unifrax was required to have 289 employees and it presently has 257 employees representing an 11 percent shortfall in overall employment requirement. The ECIDA would require Unifrax to pay an additional 11 percent above its 2019 PILOT amounts for the county, town, and school.

Example based on Current PILOT and Tax Rates, 11% increase

Full Tax Payment	\$ 49,621
Current PILOT Payment	\$ 5,892
11% Increase (additional amount)	\$ 5,344

**ECIDA Recapture History
(as of 11/13/18)**

Client	Induced	Job requirements	Issue	Result
Niagara Blower (NB)	April 2013	Retain 110 employees & create 17 new positions by 6/30/16; total of 127 employees required beginning on 6/30/16	In 2013 NB had 94 employees; in May 2014 the ECIDA Policy Committee instructed ECIDA staff to monitor employment through interim surveys; in Sept. 2014 NB had 110 employees (back in compliance & interim surveys were discontinued); in April 2016, NB had 92 employees and they were below their employment requirements thereafter	In Jan. 2017, ECIDA received a letter from NB requesting that the ECIDA BOD approve a recapture amount of \$15,986.18; the BOD approved NB's request in Feb. 2017; NB had a 38% decline in its employment level which represented the recapture amount of \$15,986.18
555 Riverwalk Parkway (Fed-Ex)	April 2013	Original application: retain 168 employees and create 82 new positions by 8/31/16; total of 250 employees required beginning on 8/31/16 Amended: retain 168 employees at 555 Riverwalk and 603 employees at Cooper and create 70 new positions at either facility; total of 841 employees required beginning on 8/31/16	No issue until Fed-Ex needed 250 jobs on 8/31/16; in Sept. 2016 Fed-Ex had 207 employees; Fed-Ex requested that ECIDA BOD include its employees from the 170 Cooper Facility; in Dec. 2016 ECIDA BOD approved Fed-Ex's request	To date, there have been no employment issues since the BOD approved the change in December 2016. Fed-Ex has had well over 841 employees since December 2016
API Heat Transfer	November 2013	Retain 287 employees & create 6 new positions by 2/28/17; total of 293 employees required beginning on 2/28/17	In Dec. 2013, API had 286 employees; in Dec. 2014 they had 229 employees; in Dec. 2015 they had 244 employees; in March 2016 they had 247 employees; in Sept. 2016 the ECIDA BOD voted to recapture API's PILOT benefits; in Dec. 2016 API had 190 employees; in Mar. 2017 they had 191 employees; in May 2018, HB sent a notice of intent to recapture benefits to API; in June API had 195 employees	Policy Committee recommended no action on API's mortgage or sales tax benefits during the watch period and elimination API's PILOT benefits on a year to year basis, for each year they non-compliant they would pay full taxes, if however, they were to get back into compliance, they would resume the PILOT benefits for the remaining years. In early 2018 API requested termination of their inducement.

**ECIDA Recapture History
(as of 11/13/18)**

Custom Sheet Metal (CSM)	December 2013	Retain 11 employees and retain 2 new positions by 8/31/16; total of 13 employees required beginning on 8/31/16	Throughout 2017, CSM was below its job requirements (11 employees in Q1, 10 employees in Q2, 11 employees in Q3, and 12 employees in Q4); in May 2018 this issue was discussed at the ECIDA's Chair/Vice meeting; Board Chair Brenda McDuffie & Policy Committee Chair Richard Lipsitz directed staff not to pursue a recapture action against CSM (pursuant to Section 5(b) of the Recapture Policy, as CSM had increased their employment to meet the requirement in early 2018.	CSM is currently in compliance; in Q1 and in Q2 of 2018 they had 13 employees
Seneca Mortgage (SM)	January 2014	Retain 270 employees & create 165 new positions by 3/31/18; total of 435 employees required by 3/31/18	Default event – In Sept. 2016 SM was sold to a third party; only 5 employees remained at the project site; in January 2017 the ECIDA Board voted to recapture \$219,000 which was the total amount of sales tax benefits that SM received	SM repaid the \$219,000 as required by the Board
Derrick Corporation (590 Duke)	June 2014	Retain 477 employees & create 8 new positions by 10/31/17; total of 485 employees required beginning on 10/31/17	In 2015, Derrick had 359 employees; in 2016 they had 318 employees	In June 2016, the ECIDA BOD voted to suspend Derrick's PILOT benefits; for the PILOT's years during the employment shortfall, with the opportunity for Derrick to resume the PILOT benefits if their employment rebounded to the required level. Shortly after, Derrick informed ECIDA staff that they would "rewind" the project; in July 2016, Derrick repaid \$444,000 in sales tax benefits; Derrick's PILOT had not yet started

**ECIDA Recapture History
(as of 11/13/18)**

Unifrax – 360 Firetower facility	August 2014	Retain 268 employees and create 21 positions by 6/30/18; total of 289 employees required beginning on 6/30/18	In October 2018, Unifrax reported the permanent layoff of approximately 45 employees of the steel workers' union; as of Q2 2018, Unifrax had not fallen below its job requirements; in Q3 2018, Unifrax had 305 employees – they were in compliance as of 9/30/18	TBD
Derrick Corporation (585 Duke)	January 2015	Retain 477 employees (no job creation requirements)	In 2015, Derrick had 359 employees; in 2016 they had 318 employees	In June 2016, the ECIDA BOD voted to recapture Derrick's PILOT benefits; shortly after, Derrick informed ECIDA staff that they would "rewind" the project; in July 2016, Derrick repaid 65,000 in sales tax benefits; Derrick's PILOT had not yet started
Sodexo	August 2015	Retain 511 employees (no job creation requirements)	In June 2017, Sodexo had 504.5 FTEs; in Sept. 2017 they had 508.75 FTEs; in Dec. 2017 they had 495 FTEs; in July & Sept. 2018, the ECIDA Policy Committee discussed changes to its job retention requirements; in Sept. 2018, the ECIDA BOD approved the following change: companies with 150 or fewer employees must retain 90% of their retained employment level; companies with more than 150 employees must retain 95% of their retained employment level	Pursuant to the new policy, Sodexo must retain 485 employees; Sodexo has had more than 485 employees since 2016; any fluctuation in employment has not been the result of permanent layoff accordingly, they are in compliance



Policy Committee Meeting Schedule 2019

Meetings held at 9:00 a.m. (Note new time)

95 Perry Street, 5th Floor (ESD Conference Room)
Buffalo, New York 14203

Thursday, January 3

Thursday, February 7

Thursday, March 7

Thursday, April 4

Thursday, May 2

Thursday, June 6

Thursday, July 11

Thursday, August 1

Thursday, September 5

Thursday, October 3

Thursday, November 7

Thursday, December 5