March 9th, 2017
8:30 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the February 2nd, 2017 Policy Committee Minutes
(Pages 2-6)

3. Project Matrix (Pages 7-14)

4. Project Presentations
   a. 128 Pearl Street (St. Paul’s Episcopal) (Pages 15-41)
   b. Moog, Inc. (Pages 42-71)
   c. R&M Leasing, LLC (Pierce Arrow Business Park) (Pages 72-101)

5. Project Amendments
   a. 791 Washington, LLC (Trico) (Pages 102-136)
   b. Curtis Buffalo, Inc. (Pages 137-161)

6. City of Buffalo Housing Update
   a. Brendan Mehaffy – Executive Director,
      Mayor’s Office of Strategic Planning

7. Update on Best Practices

8. Adjournment – Next Meeting April 6th, 2017 at 8:30 a.m.
MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: February 2, 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, Brenda W. McDuffie, Laura Smith, David J. State, Paul V. Vukelic and Maria Whyte


OTHERS PRESENT: John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer; Robert G. Murray, Secretary

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist; Eric Recoon and John Kicinski, on behalf of Benderson Development; Christopher Less, Joseph Hecht and Mark Romanowski, on behalf of Pierce Arrow, LLC; Alfonse Muto, on behalf of Pine Pharmaceuticals, LLC

In the absence of the presence of the Chair, Ms. McDuffie called the meeting to order at 8:35 a.m.

MINUTES

The minutes of the January 5, 2017 Policy Committee meeting were presented. Upon motion made by Ms. DiPirro, and seconded by Rev. Blue, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s project matrix. Ms. McDuffie directed that the report be received and filed.

PROJECT PRESENTATIONS

570 Associates VI, LLC, Union & French Roads, Cheektowaga, New York. Mr. Cappellino reviewed this proposed sales tax exemption and real property tax abatement benefits project noting that the project involves the demolition of 88,000 sq. ft. of an existing 178,000 sq. ft. retail facility and the renovation of the remaining 90,000 sq. ft. of the facility not otherwise being demolished. When complete, the entire complex will consist of 355,000 sq. ft. spread
amongst four buildings which will be used as a warehouse and distribution complex and because no tenants have yet to be identified, the building will be considered a “spec” project. Mr. Cappellino noted that the site has been vacant for over a decade and recently rezoned for warehouse/light manufacturing uses.

Mr. Cappellino stated that in exchange for providing the sales tax exemption and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to potential modification, recapture and/or termination of financial assistance as follows:

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Project Amount = $20,745,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $16,633,250</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-Year PILOT</td>
<td>Maintain Base =</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 124</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 105</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 7-Year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 7-Year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-Year PILOT</td>
<td>Recapture of state and local sales taxes and real property taxes</td>
</tr>
</tbody>
</table>

Mr. Recoon and Mr. Kicinski provided a presentation of the project to Policy Committee members.

Ms. Whyte thanked the company for their presentation and acknowledged the financial risk associated with a speculative project being built without any commitment of tenants. Ms. Whyte then questioned as to how job estimates were calculated. Mr. Recoon stated that based on the end use, jobs were estimated on a per square foot basis relative to other spec warehouse distribution facility projects.

Ms. McDuffie commented that the project is consistent with the regional economic development plan calling for an increase in warehouse and logistic based projects. Ms. McDuffie then asked if the jobs will be new jobs or jobs transferred from other facilities. Mr. Recoon responded that the company anticipates these will be new jobs not otherwise transferred from other facilities.
Mr. State asked the company how it is proceeding with the two other spec warehouse distribution facilities that received Agency financial assistance in the prior year. Mr. Recoon stated that the Buell Road facility will be completed by mid-2017 and the company is currently negotiating a lease with a single end user. With respect to the Broadway facility, Phase I of that project is 100% leased and half of Phase II is completed but no tenants have been identified yet.

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

Pierce Arrow, LLC, 1685-1721 Elmwood Avenue, Buffalo, New York. Mr. Cappellino stated that his wife is an employee of the architectural firm retained by the company and as such Mr. Cappellino noted he will recuse himself from the day-to-day issues and discussions of this project. Ms. Fiala then presented this proposed sales tax and mortgage recording tax exemption benefits project associated with the renovation of the historic Pierce Arrow Administration Building and garages where the contemplated automobiles were stored and tested prior to shipping. Ms. Fiala explained that the development plan includes a small addition and the renovation of the office facility into 105 loft style apartments with both indoor and outdoor parking. Approximately 10,000 sq. ft. of commercial space will be provided on the second floor and a very small retail component will be provided to support tenants including a laundry facility.

Ms. Fiala stated that in exchange for providing the sales tax exemption 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**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Project Amount = $28,825,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $24,501,250</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with recapture period</td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 2</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>State and local sales taxes and mortgage tax</td>
</tr>
</tbody>
</table>

Page 3 of 5
Mr. Less and Mr. Romanowski then spoke on behalf of the company and the project. Mr. Romanowski stated that significant challenges are involved with rehabilitating the facility which has been largely vacant and under-utilized over the prior 10 years including contamination and asbestos issues and significant costs to undertake the historic rehabilitation of the facility.

Mr. Hecht then spoke on behalf of the company stating that he had owned the building from 2005-2016 but over that period, continually lost commercial tenants and was unable to earn rental revenues to allow him to continue using the facility as a commercial building. Because of the loss of commercial tenants and inability to maintain significant commercial tenant rental rates, he was forced to identify a reuse of the facility for residential purposes and by using historic tax credits and Brownfield Clean-up Program Tax Credits, investors are now able to take significant risk to rehabilitate and revitalize the building into residential units.

Ms. Smith commented on the difficulties and significant risk of reusing this historic structure. Ms. Smith also noted that the building is located in a highly distressed census tract and that by bringing a new high-end market rate facility online within this neighborhood that has a significant number of low-income residential units, there will be a very positive impact to the community in this general area of the city.

Ms. Whyte thanked the company for its presentation and asked if the company considered allowing for affordable housing options. Mr. Hecht responded that the company retained low-income housing tax credit experts and spent significant time and money analyzing whether affordable housing tax credits could generate a return. However, all models suggested that there would be a loss because of the significant historic restoration costs.

There being no further discussion, Ms. McDuffie asked for a motion to send this project for approval to the Agency Board of Directors. Ms. Whyte moved and Ms. Smith seconded to approve of the project. Ms. McDuffie called for the vote and the project was unanimously approved.

Pine Pharmaceuticals, LLC, 355 Riverwalk Parkway, Tonawanda, New York. Mr. Cappellino presented this proposed sales tax exemption, real property tax abatement and mortgage recording tax exemption benefits project involving the construction of a new 25,000 sq. ft. manufacturing facility to accommodate current and future growth of the company. Significant equipment purchases will also be made to equip the new clean rooms.

Mr. Cappellino stated that in exchange for providing the sales tax exemption benefit, the mortgage recording tax exemption benefit and the real property tax abatement benefit, 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:
<table>
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<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Project Amount = $5,600,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $4,760,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 10-Year PILOT</td>
<td>Maintain Base = 15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 25</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 10-Year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 10-Year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>10-Year PILOT term</td>
<td>Real Property Taxes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State and Local Sales Taxes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mortgage Recording Taxes</td>
</tr>
</tbody>
</table>

Mr. Muto then spoke on behalf of the company and provided additional background with respect to the proposed project.

Ms. Whyte moved and Ms. Smith seconded to approve of the project. Ms. McDuffie called for the vote and the Committee members unanimously resolved to approve of the project and send this project to Agency Board members for final approval.

Ms. Smith then queried as to why the Niagara Blower matter was not being discussed at today’s Policy Committee meeting. Ms. McDuffie responded that the Agency has received correspondence from Niagara Blower asking the Agency to approve of the sales tax recapture option #3 and at this point in time Ms. McDuffie stated that she anticipates that the matter will be sent back to the ECIDA Board to accept the request by Niagara Blower to recapture sales tax as described in option #3. Ms. McDuffie also stated that she will ask Policy Committee members to consider recapture issues that arise as a result of global impacts on a company and this will be discussed at future Policy Committee meetings.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 9:35 a.m.

Dated: February 2, 2017

Robert G. Murray, Secretary
<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval Date</th>
<th>Project Amount</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Clawsback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tim Montante</td>
<td>Apr-13</td>
<td>$10,628,000</td>
<td>16</td>
<td>85% - New</td>
<td>70 jobs</td>
<td>82</td>
<td>Sales Tax</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$2,056,000</td>
</tr>
<tr>
<td>1</td>
<td>Niagara Blower</td>
<td>Apr-13</td>
<td>$1,095,000</td>
<td>130</td>
<td>85% - New</td>
<td>17 jobs</td>
<td>20</td>
<td>Sales Tax</td>
<td>5 years</td>
<td></td>
<td>$61,250</td>
</tr>
<tr>
<td>1</td>
<td>Swan Street</td>
<td>Apr-13</td>
<td>$13,864,000</td>
<td>57</td>
<td>85% - New</td>
<td>30 jobs</td>
<td>10</td>
<td>Sales Tax</td>
<td>5 years</td>
<td>Adaptive Reuse</td>
<td>$591,000</td>
</tr>
<tr>
<td>1</td>
<td>Automated Machine Tech</td>
<td>May-13</td>
<td>$925,000</td>
<td>3</td>
<td>85% - New</td>
<td>1 job</td>
<td>1</td>
<td>Sales/Mortgage Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$156,250</td>
</tr>
<tr>
<td>1</td>
<td>Mc Garrd</td>
<td>May-13</td>
<td>$8,250,000</td>
<td>457</td>
<td>85% - New</td>
<td>19 jobs</td>
<td>20</td>
<td>Sales/Mortgage Tax</td>
<td>YES Period of PILOT 7 Years</td>
<td></td>
<td>$1,123,000</td>
</tr>
<tr>
<td>1</td>
<td>Elliott - Arctic Freezer</td>
<td>May-13</td>
<td>$14,675,000</td>
<td>6</td>
<td>85% - New</td>
<td>47 jobs</td>
<td>5</td>
<td>Sales/Mortgage Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td>Retail Highly Distressed/Hotel Policy/Adaptive Reuse</td>
<td>$435,000</td>
</tr>
<tr>
<td>1</td>
<td>HH Richardson</td>
<td>Jun-13</td>
<td>$55,153,782</td>
<td>30</td>
<td>85% - New</td>
<td>47 jobs</td>
<td>55</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$8,465,000</td>
</tr>
<tr>
<td>1</td>
<td>Simmons Crane</td>
<td>Jun-13</td>
<td>$1,710,000</td>
<td>30</td>
<td>85% - New</td>
<td>47 jobs</td>
<td>5</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$888,000</td>
</tr>
<tr>
<td>1</td>
<td>Compass East</td>
<td>Jul-13</td>
<td>$21,085,889</td>
<td>8</td>
<td>85% - New</td>
<td>1 job</td>
<td>1</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES Period of PILOT 7 Years</td>
<td></td>
<td>$478,600</td>
</tr>
<tr>
<td>1</td>
<td>Frey the Wheelman</td>
<td>Jul-13</td>
<td>$1,050,000</td>
<td>8</td>
<td>85% - New</td>
<td>1 job</td>
<td>1</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES Period of PILOT 7 Years</td>
<td></td>
<td>$355,135</td>
</tr>
<tr>
<td>1</td>
<td>QSC Equipment Services</td>
<td>Aug-13</td>
<td>$17,539,473</td>
<td>20</td>
<td>85% - New</td>
<td>9 job</td>
<td>10</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$393,750</td>
</tr>
<tr>
<td>1</td>
<td>Calspan Corp - Phase II</td>
<td>Aug-13</td>
<td>$10,000,000</td>
<td>90</td>
<td>85% - New</td>
<td>4 job</td>
<td>4</td>
<td>Sales Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$300,230</td>
</tr>
<tr>
<td>1</td>
<td>Calspan Corp/Harper - Phase I</td>
<td>Aug-13</td>
<td>$18,700,000</td>
<td>75</td>
<td>85% - New</td>
<td>4 job</td>
<td>5</td>
<td>Sales Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$5,147,500</td>
</tr>
<tr>
<td>1</td>
<td>Zeepf Devon. Wythe Will</td>
<td>Sep-13</td>
<td>$18,700,000</td>
<td>217</td>
<td>85% - New</td>
<td>29 jobs</td>
<td>34</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$255,000</td>
</tr>
<tr>
<td>1</td>
<td>Boschle LLC</td>
<td>Oct-13</td>
<td>$5,800,000</td>
<td>20</td>
<td>85% - New</td>
<td>6 job</td>
<td>7</td>
<td>PILOT/Sales Tax</td>
<td>YES Period of PILOT 7 Years</td>
<td></td>
<td>$245,000</td>
</tr>
<tr>
<td>1</td>
<td>Upstate Niagara Coop.</td>
<td>Oct-13</td>
<td>$2,900,000</td>
<td>175</td>
<td>85% - New</td>
<td>175 jobs</td>
<td>175</td>
<td>PILOT/Sales Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$187,000</td>
</tr>
<tr>
<td>1</td>
<td>API Heat Transfer</td>
<td>Nov-13</td>
<td>$1,732,134</td>
<td>287</td>
<td>85% - New</td>
<td>6 jobs</td>
<td>7</td>
<td>PILOT/Sales Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$807,000</td>
</tr>
<tr>
<td>1</td>
<td>Delaware North Co</td>
<td>Nov-13</td>
<td>$37,153,000</td>
<td>350</td>
<td>85% - New</td>
<td>55 jobs</td>
<td>84</td>
<td>Sales Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$2,056,000</td>
</tr>
<tr>
<td>Count</td>
<td>Project Name</td>
<td>Approval Date</td>
<td>Project Amount</td>
<td>Jobs Retained</td>
<td>Job Creation</td>
<td>Jobs Created</td>
<td>Factors</td>
<td>Clawback</td>
<td>Local Labor</td>
<td>Length of Term</td>
<td>Additional Findings</td>
</tr>
<tr>
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</tr>
<tr>
<td>1</td>
<td>Custom Sheet Metal</td>
<td>Dec-19</td>
<td>$1,049,127</td>
<td>11</td>
<td>2</td>
<td>85% - New 2 jobs</td>
<td>YES</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>7 Years</td>
<td>Period of PILOT 7 Years</td>
<td>Retail Highly Distressed/No Sales Tax for Vacant Space Buildout</td>
</tr>
<tr>
<td>1</td>
<td>DHC 250 (Uniland)</td>
<td>Dec-19</td>
<td>$51,785,708</td>
<td>350</td>
<td>64</td>
<td>85% - New 55 jobs</td>
<td>YES - Including Hotel</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>Period of PILOT 7 and 10 years Redevelopment</td>
<td>Space 1.0</td>
<td>$10,017,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
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<th>Jobs Created</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adaptive Reuse</td>
<td></td>
<td></td>
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<tr>
<td>2013 Sub Total</td>
<td>5</td>
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<td>0</td>
<td>55</td>
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<td></td>
<td>$10,401,612</td>
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<tr>
<td>2013 Total (April - Dec)</td>
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<td></td>
<td>$684,986,149</td>
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<td>386</td>
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<td></td>
<td>$39,343,347</td>
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</tbody>
</table>

*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Credits etc*
<table>
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<tr>
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<th>Jobs Created</th>
<th>Terms</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Years</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AAMS Servicing, LLC</td>
<td>Jan-14</td>
<td>$2,504,300</td>
<td>85% threshold $1,258,655</td>
<td>100% Base 270 jobs</td>
<td>270</td>
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<td>100% Base 20 jobs</td>
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<td>Mar-14</td>
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<td>85% Construction on 34 jobs</td>
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<td>85% Construction on 49 jobs</td>
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<td>A. Titan</td>
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<td>Select One Holdings</td>
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<td>4</td>
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<td>483 Main Street</td>
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<td>2</td>
<td>85% Construct on 22 jobs</td>
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*Incentive Amount does not include other public incentives in: 485-a, Historic Tax Cre
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<th>Approval Date</th>
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<td>Period of PILOT 10 Years</td>
<td></td>
<td>$294,270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Garrett Leather Corp.</td>
<td>Dec-15</td>
<td>$4,100,000</td>
<td>$3,485,000</td>
<td>85% threshold</td>
<td>32</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$70,000</td>
<td></td>
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<tr>
<td>1</td>
<td>Pilgrim Village Assoc.</td>
<td>Dec-15</td>
<td>$94,778,000</td>
<td>$80,561,300</td>
<td>85% threshold</td>
<td>4</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$1,913,281</td>
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<td></td>
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</tbody>
</table>

**Adaptive Reuse**

<table>
<thead>
<tr>
<th>Approval Date</th>
<th>Project Amount</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Sub Total</td>
<td>8</td>
<td>$74,866,702</td>
<td>$3,090,550</td>
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<tr>
<td>2015 Total</td>
<td>23</td>
<td>$261,225,405</td>
<td>$16,750,088</td>
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<td>2013-15 Total</td>
<td>23</td>
<td>$728,664,395</td>
<td>$17,007,308</td>
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<td>2013-15 Total</td>
<td>67</td>
<td>$741,246,483</td>
<td>$62,996,661</td>
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</table>

*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Credits, etc.*
## Project Matrix/Material Factors/Cliawbacks

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Triad Recycling</td>
<td>Jan-16</td>
<td>$2,093,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>2 jobs</td>
<td>3</td>
<td>85% - New 2 jobs</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$145,300</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Alt Store, LLC</td>
<td>Jan-16</td>
<td>$6,400,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>27 jobs</td>
<td>32</td>
<td>85% - New 27 jobs</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$393,750</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Upstate Pharmacy</td>
<td>Mar-16</td>
<td>$310,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>8 jobs</td>
<td>10</td>
<td>85% - New 8 jobs</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$27,125</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Buell Ave Benderson</td>
<td>May-16</td>
<td>$5,180,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>30 jobs</td>
<td>35</td>
<td>85% - New 30 jobs</td>
<td>PILOT Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$765,500</td>
<td>YES</td>
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</tr>
<tr>
<td>1</td>
<td>Great Lakes Ortho</td>
<td>Jun-16</td>
<td>$5,000,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>8 jobs</td>
<td>9</td>
<td>85% - New 8 jobs</td>
<td>PILOT Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$1,132,131</td>
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<tr>
<td>1</td>
<td>Kohler Awning</td>
<td>Jun-16</td>
<td>$850,000</td>
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<td>85% - New</td>
<td>1 jobs</td>
<td>1</td>
<td>85% - New 1 jobs</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$107,200</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Shell Fab</td>
<td>Aug-16</td>
<td>$2,755,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>8 jobs</td>
<td>10</td>
<td>85% - New 8 jobs</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$344,469</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Trico</td>
<td>Aug-16</td>
<td>$90,490,542</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>110 jobs</td>
<td>130</td>
<td>85% - New 110 jobs</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$9,562,375</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Calspan</td>
<td>Aug-16</td>
<td>$7,070,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>9 jobs</td>
<td>11</td>
<td>85% - New 9 jobs</td>
<td>PILOT Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$1,061,375</td>
<td>YES</td>
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</tr>
<tr>
<td>1</td>
<td>Rothen Foods</td>
<td>Oct-16</td>
<td>$1,344,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>3 jobs</td>
<td>4</td>
<td>85% - New 3 jobs</td>
<td>PILOT Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$82,100</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Froozouls Bar</td>
<td>Oct-16</td>
<td>$900,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>2 jobs</td>
<td>2</td>
<td>85% - New 2 jobs</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$179,400</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Alexandre Apart</td>
<td>Nov-16</td>
<td>$4,269,695</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>4 jobs</td>
<td>5</td>
<td>85% - New 4 jobs</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$161,125</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Piesz Transponte</td>
<td>Dec-16</td>
<td>$6,150,000</td>
<td>85% threshold</td>
<td>85% - New</td>
<td>5 jobs</td>
<td>6</td>
<td>85% - New 5 jobs</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$383,750</td>
<td>YES</td>
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## 2016 Sub Total

<table>
<thead>
<tr>
<th>Count</th>
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<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>Adaptive Reuse</td>
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<td>$94,760,148</td>
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## 2016 Total

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<th>Count</th>
<th>Project Name</th>
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<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
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<td>13</td>
<td></td>
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<td>$134,617,976</td>
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<td>855</td>
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<td>253</td>
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<tr>
<td>Count</td>
<td>Project Name</td>
<td>Approval</td>
<td>Project Amount</td>
<td>Investment</td>
<td>Jobs Retained</td>
<td>Job Creation</td>
<td>Jobs Created</td>
<td>Clawback</td>
<td>Local Labor</td>
<td>Length of Term</td>
<td>Additional Findings</td>
<td>Incentive Amount</td>
<td>Pay Equity</td>
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<tr>
<td>-------</td>
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<td>---------------------</td>
<td>-----------------</td>
<td>-----------</td>
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</tr>
<tr>
<td>1</td>
<td>Latina Foods</td>
<td>Jan-17</td>
<td>$10,000,000</td>
<td>85% threshold</td>
<td>85% - New 4 jobs</td>
<td>5</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td></td>
<td>$1,111,250</td>
<td>YES</td>
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<td>2</td>
<td>Garden Plaza, 370 Assoc</td>
<td>Feb-17</td>
<td>$20,745,000</td>
<td>85% threshold</td>
<td>85% - New 105 jobs</td>
<td>124</td>
<td>PILOT Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 years</td>
<td></td>
<td>$2,247,809</td>
<td>YES</td>
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<tr>
<td>3</td>
<td>Pine Pharmaceuticals</td>
<td>Feb-17</td>
<td>$5,600,000</td>
<td>85% threshold</td>
<td>85% - New 30 jobs</td>
<td>12</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 years</td>
<td></td>
<td>$4,148,250</td>
<td>YES</td>
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<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
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<tbody>
<tr>
<td>Adaptive Reuse</td>
<td>2017 Sub Total</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2017 Total</td>
<td></td>
<td></td>
<td>$36,345,000</td>
<td></td>
<td>187</td>
<td></td>
<td>141</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$6,866,803</td>
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</tbody>
</table>
128 Pearl, LLC  
$1,840,427
INDUCEMENT RESOLUTION

<table>
<thead>
<tr>
<th>ELIGIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• NAICS Section - 531110</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>COMPANY INCENTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Approximately $16,500 in mortgage recording tax savings</td>
</tr>
<tr>
<td>• Approximately $62,492 in sales tax savings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The project is anticipated to create 1 job (two years after project completion)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT HISTORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No public hearing required since estimated benefit amount is less than $100,000</td>
</tr>
<tr>
<td>• 03/22/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>128 Pearl, LLC</th>
</tr>
</thead>
</table>
| Project Address: | 128 Pearl Street 
Buffalo, New York 14202 
(Buffalo City School District) |

Agency Request

A sales tax and mortgage recording tax exemption in connection with the redevelopment and adaptive reuse of the former St. Paul's Episcopal Church Parish House.

Renovation $1,428,380
Soft Costs $412,047
Total Project Cost $1,840,427
85% $1,564,362

Company Description

St. Paul’s Cathedral in Buffalo has owned the property located at 128 Pearl Street since it was built in 1896. The property has been exempt since that time. The church created 128 Pearl, LLC, a for-profit taxable entity, to leverage the historic tax credit program and adaptively reuse the structure.

The structure was originally home to the Church’s offices and administrative functions until 2011 when they relocated to a more visible, handicap accessible structure at 4 Cathedral Place.

Project Description

The redevelopment plan for 128 Pearl Street includes the construction of 7 apartments and approximately 950 sq. ft. of commercial/office space. The apartment composition includes (3) 760 sq. ft. 1-BR units leasing for approximately $1,150 per month and (4) 1,300 sq. ft. 2-BR units leasing for approximately $1,900 per month. Parking will be provided in a surface lot one block from the project location.

The facility is over 120 years old and has been vacant for the past 5 years.

Schneider Development and Schneider Architectural will act as 3rd party consultants assisting in the redevelopment of the structure.

New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 12-Year 485-a Abatement Period</th>
<th>Additional City Revenue over 12-Year 485-a Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>$820,000</td>
<td>$63,000</td>
<td>$44,000</td>
<td>$27,000</td>
</tr>
<tr>
<td>Combined Tax Rate: $34.00</td>
<td></td>
<td></td>
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</table>

2/28/2017 3:13 PM
Retail Determination

<table>
<thead>
<tr>
<th>Use</th>
<th>S. Ft.</th>
<th>Cost</th>
<th>% of Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>9,315</td>
<td>$1,670,180</td>
<td>91%</td>
</tr>
<tr>
<td>Commercial/Retail</td>
<td>950</td>
<td>$170,247</td>
<td>9%</td>
</tr>
<tr>
<td>Total</td>
<td>10,265</td>
<td>$1,840,427</td>
<td>100%</td>
</tr>
</tbody>
</table>

Since the retail component of the project represents 9% of the project costs, no sign off by the County is required.

Draft Recapute Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of the project amount. Project Amount = $1,840,427 85% = $1,564,362</td>
</tr>
<tr>
<td>Employment</td>
<td>2 years after project completion</td>
<td>Create 85% of Projected Projected = 1 85% = 1</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Same as recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>State and Local Sales Taxes Mortgage Tax</td>
</tr>
</tbody>
</table>

Recapture applies to:
- State and local sales taxes
- Mortgage 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 1 employee at the facility; iii) its adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.
### Table 1: Basic Information

<table>
<thead>
<tr>
<th></th>
<th>128 Pearl, LLC</th>
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</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$1,840,427</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$1,428,380</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>1</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$29,358</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>10</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$548,962</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$578,320</td>
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</table>

### Table 2: Estimated State & Regional Benefits*

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<thead>
<tr>
<th>Region</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$356,216</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$23,570</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$56,496</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$19,849</td>
</tr>
<tr>
<td>TOTAL Estimated Revenue</td>
<td>$456,130</td>
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### Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$62,492</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$16,500</td>
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<tr>
<td>TOTAL Estimated Incentives</td>
<td>$78,992</td>
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</table>
Table 4: Employment Breakdown

<table>
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<tr>
<th>Project</th>
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</thead>
<tbody>
<tr>
<td>Direct**</td>
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</tr>
<tr>
<td>Indirect***</td>
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<tr>
<td>Induced****</td>
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<tr>
<td>Construction</td>
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<tr>
<td>Direct</td>
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</tr>
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Table 5: Ratios

<table>
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<tr>
<th>Ratio</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>5.8:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>28.2:1</td>
</tr>
</tbody>
</table>

* 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.

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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-128 Pearl, LLC St. Paul's - 2017

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,428,380</td>
<td>$820,000</td>
<td>6.45</td>
<td>26.99</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value
N/A Company applying to City of Buffalo for 485-a

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>TOTAL</td>
<td></td>
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</tr>
</tbody>
</table>

*** 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:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,840,427</td>
<td>N/A</td>
<td>$62,492</td>
<td>$16,500</td>
<td>$769,202</td>
</tr>
</tbody>
</table>

Calculate %
(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: **41.8** %
## ADAPTIVE REUSE REPORT

### 128 Pearl, LLC

<table>
<thead>
<tr>
<th>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</th>
<th>The building was constructed in 1896.</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)</td>
<td>The structure has been vacant for 5 years.</td>
</tr>
<tr>
<td>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)</td>
<td>No income is being generated as the structure is vacant.</td>
</tr>
<tr>
<td>Project is in compliance with the investment and growth criteria of the Framework for Regional Growth</td>
<td>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. It is also within the targeted investment area defined by the Buffalo Building Reuse Plan.</td>
</tr>
<tr>
<td>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)</td>
<td>The facility will need extensive repairs to comply with modern building code requirements. The functional obsolescence of the building requires new electrical and mechanical systems installed.</td>
</tr>
<tr>
<td>Demonstrated support of local government entities</td>
<td>The Buffalo Planning Board has approved this project.</td>
</tr>
</tbody>
</table>

### OTHER FACTORS TO CONSIDER:

<p>| Structure or site presents significant public safety hazard and or environmental remediation costs | There is the presence of asbestos in both the floor tiles and pipe wrap. The property will require infrastructure improvements which includes a new elevator tower into the core of the building for ADA accessibility, new interior buildout including a complete overhaul of all mechanical/electrical/plumbing systems, a new roof and substantial exterior masonry restoration. ADA modifications also need to be made to the front entrance of the building. |</p>
<table>
<thead>
<tr>
<th>Site or structure is located in a distressed census tract</th>
<th>The property is located in Census Tract 165 which is considered highly distressed under the State statute.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure presents significant costs associated w/ building code compliance.</td>
<td>Due to the age of the building, the property will require infrastructure improvements which include a new elevator tower into the core of the building for ADA accessibility, new interior buildout including a complete overhaul of all mechanical/electrical/plumbing systems, a new roof and substantial exterior masonry restoration. ADA modifications also need to be made to the front entrance of the building.</td>
</tr>
<tr>
<td>Site or structure is presently delinquent in property tax payments</td>
<td>The property is currently exempt from paying property tax.</td>
</tr>
</tbody>
</table>

Dated: March 22, 2017
**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 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 $62,492
- ECIDA Mortgage Recording Tax Abatement approximate value $16,500
- Property Tax Program 485-a through the City of Buffalo over 12 years

**ROI**

128 Pearl, LLC has submitted a pro-forma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 4.02%

Stated ROI for the project with ECIDA assistance is 4.11%
128 Pearl

### Section I: Applicant Background Information

<table>
<thead>
<tr>
<th><strong>Applicant Information - Company Receiving Benefit</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name</strong></td>
</tr>
<tr>
<td><strong>Applicant Name</strong></td>
</tr>
<tr>
<td><strong>Applicant Address</strong></td>
</tr>
<tr>
<td><strong>Applicant Address 2</strong></td>
</tr>
<tr>
<td><strong>Applicant City</strong></td>
</tr>
<tr>
<td><strong>Applicant State</strong></td>
</tr>
<tr>
<td><strong>Applicant Zip</strong></td>
</tr>
<tr>
<td><strong>Phone</strong></td>
</tr>
<tr>
<td><strong>Fax</strong></td>
</tr>
<tr>
<td><strong>E-mail</strong></td>
</tr>
<tr>
<td><strong>Website</strong></td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
</tr>
<tr>
<td><strong>NAICS Code</strong></td>
</tr>
<tr>
<td><strong>Will a Real Estate Holding Company be utilized to own the Project property/facility</strong></td>
</tr>
<tr>
<td><strong>What is the name of the Real Estate Holding Company</strong></td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
</tr>
<tr>
<td><strong>State and Year of Incorporation/Organization</strong></td>
</tr>
<tr>
<td><strong>List of stockholders, members, or partners of Real Estate Holding Company</strong></td>
</tr>
</tbody>
</table>

### Individual Completing Application

| **Name**                             | Matthew Harrich                             |
| **Title**                            | VP of Development, Schneider Development    |
| **Address**                          | 443 Delaware Avenue                         |
| **Address 2**                        |                                             |
| **City**                             | Buffalo                                     |
| **State**                            | New York                                    |
| **Zip**                              | 14202                                       |
The Erie County Industrial Development Agency (ECIDA)

Phone
(716) 923-7000

Fax
(716) 882-4293

E-Mail
matth@schneiderservices.com
Company Contact (if different from individual completing application)

Name: Will Mebane
Title: Dean, St. Paul's Cathedral
Address: 4 Cathedral Park

City: BUFFALO
State: New York
Zip: 14202
Phone: (716) 855-0900
Fax
E-Mail: wmebane@spcbuffalo.org

Company Counsel

Name of Attorney: Patricia C. Sandison
Firm Name: Hodgson Russ LLP
Address: 677 Broadway
Address 2: Suite 301
City: Albany
State: New York
Zip: 12207
Phone: (518) 433-2427
Fax
E-Mail: psandison@hodgsonruss.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: 2016

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

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

St. Paul's Cathedral in Buffalo has owned 128 Pearl Street since it was built in 1896. The historic structure is part of the Joseph Ellicott historic district, and was constructed the same year as the neighboring Guaranty Building. It is allegedly the first fully fireproof structure in the City of Buffalo. The structure was originally home to the Church’s offices and administrative functions, until 2011 when the Church relocated to a more visible and handicap accessible structure at 4 Cathedral Place (right at the corner of Main Street). From 2009-2012, the Church began crafting a redevelopment program for 128 Pearl Street focused on affordable housing. After 3 rejected applications to the New York State Division of Homes and Community Renewal for Low Income Housing Tax Credits, the project was shelved. The Church then listed the building for sale with Militello Realty from 2012-2015. Despite over 40 different showings, only 1 low-ball offer was submitted on the property. Most interested parties noted that the project lacked the economies of the scale that would enable the project to pencil out. In 2016, Reverend Mebane approached Schneider Development to assist in the redevelopment of the structure into a market rate apartment complex that could bring in modest revenue for the Church to help them advance their mission, while contributing to the advancement of the surrounding neighborhood. The Church created 128 Pearl, LLC, a for-profit taxable entity to leverage the historic tax credit program. The entity, which is owned exclusively by the Church, will take title to the property, putting the property back on the County and City tax rolls. While Schneider Development will assist the Church through the redevelopment process in a consultant capacity, it has no ownership interest in the project. The project is anticipated to start in April or May and upon completion at the end of 2017 will feature 7 apartments and a small 950 sf office space on the front ground floor side of the building. The 1-bedrooms apartments will be approximately 762 square feet and rent for $1,150/mo, and the 2-bedroom apartments will be approximately 1,300 square feet and rent for $1,900/mo. The Church owns a small parking lot a block down the street that will accommodate 7 car parks for building. Upon completion, the Church will utilize existing maintenance and administrative staff to manage the property.

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.

- 97%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
   Buffalo

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

In which Municipality will the proposed project be located

Address
   128 Pearl Street, Buffalo, NY 14202

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
   111.61-2-12

What are the current real estate taxes on the proposed Project Site
   $0 - property has been off the tax rolls since its construction in 1896. Will be going back on the tax rolls upon project completion.

Assessed value of land
   48,100

Assessed value of building(s)
   431,700

Are Real Property Taxes current?
   Yes

If no please explain

Town/City/Village of Project Site
   City of Buffalo

School District of Project Site
   City of Buffalo

Does the Applicant or any related entity currently hold fee title to the Project site?
   No

If No, indicate name of present owner of the Project Site
   St Paul's Church in Buffalo

Does Applicant or related entity have an option/contract to purchase the Project site?
   No

Describe the present use of the Proposed Project site
   Vacant
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)

Designed by famed E.B. Green & Associates, 128 Pearl Street was constructed in 1896 as St. Paul’s Episcopal Church Parish House. The historic 4-story, 10,600 sf medina sandstone structure is in the Joseph Ellicott Historic District in the heart of downtown Buffalo. It is nestled behind the landmark St. Paul’s Cathedral and two doors down from the dramatic Guaranty Building, which was constructed in the same year. The building also claims to be the first fully fireproof building constructed in Western New York. The 121-year-old structure has been vacant since 2011, when the Church relocated their offices to a code compliant building a block away at 4 Cathedral Park that met ADA accessibility requirements. Like every historic property, this one has outlived its useful life, and its severe functional obsolescence requires a complete top-to-bottom redevelopment to meet modern building code and be repurposed for another century of life. Redevelopment plans include 7 apartments and an approximately 950 square foot commercial office space in the front of the ground floor. The apartment composition includes (3) 760 sf 2-bedroom units leasing for approximately $1,150/month, and (4) 1,300 sf 1-bedroom units leasing for approximately $1,900/month. The basement will be utilized for tenant storage, and is allocating space for a potential fitness room down the line. The $1.84 million redevelopment scope includes all new utility infrastructure upgrades, threading a brand-new elevator tower into the core of the building for ADA accessibility, new interior build out including a complete overhaul of all mechanical/electrical/plumbing systems, new finish package, a new roof, a substantial exterior masonry restoration package, and ADA modifications to the front entrance. This particular redevelopment plan was arrived at after 6 years of exploring other opportunities for the structure, none of which panned out. Initially, the Church worked on a redevelopment plan for the property from 2009-2012, which centered around affordable housing. After three consecutive applications to (and denials by) the Division of Housing and Community Renewal for Low Income Housing Tax Credits, these plans were shelved. The building was then listed for sale between 2012-2015, generating interest from over 40 different parties, but only resulting in only one low-ball offer. In addition to the property’s zero lot line and lack of on-site parking, the building’s small scale was consistently noted as the major redevelopment impediment. The project’s small scale is easily its largest hurdle, as it cannot leverage the economies of scale that are accessible to larger commercial redevelopment projects. Many of the soft costs (legal, accounting, application fees, site surveys, environmental reports and testing, appraisals, etc.) are relatively static regardless of project size, and physical improvements (utility upgrades, new elevator tower and elevator, roof, etc.) are carried by a smaller amount of net leasable square footage. In May of 2016, Reverend Mebane engaged Schneider Development and Schneider Architectural as 3rd party consultants to evaluate strategies to get the lights back on in the building. Due to the small floorplates, which are further split in half by vertical circulation systems (stair tower), the remaining contiguous spaces on each floor (approximately 800 sf in the rear, and 1,300 sf in the front of the structure) only made sense for residential use. Additionally, the project economics only made sense under a market rate residential scenario, primarily due to the economic development programs in place to support historic adaptive reuse projects. This includes the historic tax credit program, which will require the building to be deeded to a for-profit entity of the Church, thereby putting it on the municipal tax rolls for the first time ever.

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 project is relatively small and doesn’t benefit from economies of scale that a larger project would. Many fixed costs, both soft and hard are spread out across a small number of apartments. This includes everything from application and legal fees, to an elevator and utility infrastructure upgrades, etc.

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

Yes

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

If Financial Assistance cannot be obtained, the applicant will have a very tight and risky project and will have to reevaluate whether or not the project, with its associated risks and liabilities, is the most prudent investment of Church resources. The Church owns the property outright and pays no property taxes on the structure, so the most likely alternative would be to leave the building vacant. The Church has been heavily invested in the neighborhood for 200 years (since 1817), so its strong preference is to redevelop the structure and participate in the reactivation of its corner of downtown Buffalo. If the project is unable to proceed, the County will lose the opportunity to reactivate a beautiful historic structure that is situated in the midst of prominent, regionally significant destinations such as Canalside and Harborcenter, the Guaranty Building, the Erie Basin Marina, Pearl Street Brewery, the soon to be redeveloped HSBC tower, and St Paul’s Cathedral. More tangibly, the County will not realize brand new
tax revenue created on a fully redeveloped downtown structure, that currently, and for the past 121 years has not been subject to property taxes.

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
N-1D Downtown Hub

Describe required zoning/land use, if different
Proposed use fits current zoning/land use classification

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

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?
No

If yes, please explain

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

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site’s development?
No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?
New high-efficiency forced air systems will be installed, and closed-cell spray foam will be applied to the entire envelop of the structure, creating a highly energy efficient building.

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

Does or will the company or project occupant perform research and development activities on new products/services at the project location?
No

If yes, 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 | No | 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  
No Acquisition of Existing Facility  
Yes Housing  
No Equipment Purchase  

No Multi-Tenant  
Yes Commercial  
No Back Office  
No Retail  

Yes Mixed Use  
No Facility for the Aging  
No Civic Facility (not for profit)  
No Other
Project Information
Estimated costs in connection with project
Land and/or Building Acquisition
$ 0 10,265 square feet 0 acres
New Building Construction
$ 0 square feet
New Building addition(s)
$ 0 square feet
Infrastructure Work
$ 0
Renovation
$ 1,428,380 10,265 square feet
Manufacturing Equipment
$ 0
Non-Manufacturing Equipment: (furniture, fixtures, etc.)
$ 0
Soft Costs: (professional services, etc.)
$ 412,047
Other Cost
$ 0
Explain Other Costs
Total Cost
$ 1,840,427
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:
Soft costs such as:- Legal fees- Architectural and engineering fees- Historic consultant fees- Property and Liability insurance
Sources of Funds for Project Costs:
Equity (excluding equity that is attributed to grants/tax credits):
$ 350,000
Bank Financing:
$ 1,021,217
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):
Identify each state and federal grant/credit:

NYSDERA (energy efficiency rebates) - $5,000 / National Grid (application under review) - $50,000 / Historic Tax Credits - $414,210

Total Sources of Funds for Project Costs:

$1,840,427

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.

$ 1,650,000

Lender Name, if Known

Evans Bank

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

$16,500

Construction Cost Breakdown:

Total Cost of Construction

$ 1,428,380 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

$ 714,190

% sourced in Erie County

97%

% 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

$ 714,190

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

$ 62,492

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:

The property will utilize the City of Buffalo 485-a property tax program.

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

<table>
<thead>
<tr>
<th>Use</th>
<th>Cost (square feet)</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0 (0 square feet)</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0 (0 square feet)</td>
<td>0</td>
</tr>
<tr>
<td>Category</td>
<td>Square Feet</td>
<td>Cost</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>Research &amp; Development</td>
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<td>$0</td>
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<tr>
<td>Commercial</td>
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<tr>
<td>Office</td>
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</tr>
<tr>
<td>Specify Other</td>
<td>Multi-Family Residential &amp; Common Areas (9,315)</td>
<td>$1,670,180</td>
</tr>
</tbody>
</table>

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

4/1/2017

End date: Estimated completion date of project

11/1/2016

Project occupancy: estimated starting date of operations

11/1/2016

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?

No

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED</th>
<th>Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT</th>
</tr>
</thead>
</table>

http://www.ecidary.com/app/tax-incentive-application-2014/print/577
The Erie County Industrial Development Agency (ECIDA) upon TWO years after Project completion jobs to be created upon TWO Years after Project Completion **

| Full time | 0 | 0 | 0 |
| Part time | 0 | 0 | 1 |
| Total     | 0 | 0 | 1 |

** 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:

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th>Average Salary</th>
<th>Average Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$14,680</td>
<td>$6,384</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Will any of the facilities described above be closed or subject to reduced activity? 
No 

Payroll Information 
Annual Payroll at Proposed Project Site 
$ 14,679 

Estimated average annual salary of jobs to be retained 
$ 0 

Estimated average annual salary of jobs to be created 
$ 29,358 

Estimated salary range of jobs to be created 
From 
$ 29,358 
To 
$ 29,358 

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- National Grid Main Street Grant- 485-a program- NYSERDA energy efficiency rebates
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.
Outside of the 7 apartments, a small 950 sf commercial space will be created in front of the building on the ground floor. This area was not turned into an apartment, because of the need (and desire) to maintain the ground floor storefront and keep it activated. Because of its size, it is anticipated to attract a very small professional service user.

Have any tenant leases been entered into for this project?
No

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

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Current Address (city, state, zip)</th>
<th># of sq ft and % of total to be occupied at new project site</th>
<th>SIC or NAICS - also briefly describe type of business, products/services, % of sales in Erie County</th>
</tr>
</thead>
</table>
Section V: Environmental Questionnaire

General Background Information

Address of Premises
128 Pearl Street Buffalo, NY 14202

Name and Address of Owner of Premises
128 Pearl, LLC

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
The entirety of the site (all the way to the lot lines) is covered by the existing structure, which was built in 1896.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises
The premises has been the site of the current building since 1896, where it served as a parish house for St. Paul’s parish up until 2011.

Describe all known former uses of the Premises
Parish House

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
n/a

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
n/a

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
n/a

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
n/a

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
n/a

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
n/a

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?
No

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

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
n/a

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
n/a

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
n/a

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
n/a

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
n/a

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
n/a

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
n/a
Do the Premises have any asbestos containing materials?
Yes
If yes, please identify the materials
9x9 floor tiles, pipe wrap
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:

n/a

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 n/a

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.)

n/a

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.)

n/a

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located? No

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

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. n/a
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)? 121
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. 5
If underutilized, number of years underutilized. 0
Describe the use of the building during the time it has been underutilized: 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 $ N/A
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 $ 414,210

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)

The structure is beleaguered by the traditional challenges of adaptively reusing a historic structure. In addition, the project suffers from poor economies of scale - invariable soft costs and required hard costs (elevator, new utility service, roof, etc.), are carried by a smaller number of units and associated revenue. The residual net cash (cash returns) are tight, and any unforeseen challenges in the construction or management of the property could have an intense impact on the project's long-term viability. The economic development tools we are leveraging to turn the lights back on in this building are essential to delivering this project, and ensuring a successful redevelopment that contributes to the progress taking place in the City.

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

City of Buffalo

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 structure is a beautiful historic property that highly contributes to the sense of place, history, and aesthetics of the southern end of downtown. However, it is a small adaptive reuse project that can not tap into economies of scale that larger projects can benefit from, and that's readily apparent in the project costs and tight returns. Currently - neither the Church or the County are benefitting from the vacant structure - it doesn't add to vibrancy to the neighborhood and it is exempt from property taxes. The goal is to have a revitalized building that contributes to the vitality of the neighborhood, provides new property tax revenue for the community, and provides a modest return to the Church in order to advance their mission. The project's location along new municipal infrastructure investments recently completed (Pearl Street 2-way conversion) or in the pipeline (reinvigoration of Erie Street and Cathedral Park), presents a great opportunity to leverage highly visible public redevelopment initiatives and continue to revitalize this this pocket of the regional core. More importantly, the Church has been a dedicated member of this neighborhood and community for two centuries, and is very determined to bring the structure back to life and contribute to the rebirth of downtown. After many years of piecing together a redevelopment plan, their goal is to have the property redeveloped and placed in service by 2018 - the Church's bicentennial anniversary.
Moog, Inc.
$32,600,000
INDUCEMENT RESOLUTION

Eligibility
- NAICS Section - 336410

Company Incentives
- Approximately $2,000,000 in real property tax savings.
- Approximately $1,575,000 in sales tax savings.

Project Benefits
- The project will generate approximately $355,951 of revenue to the local taxing jurisdictions over the abatement period representing $131,379 to the County of Erie, $5,938 to the Town of Elma, $398,974 to the Iroquois Central School District

Employment
- Current Jobs = 251
- Projected Jobs = 293

Project History
- 02/21/2017 - Public hearing held. No oral or written comments.
- 03/22/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Company Description
Moog is a worldwide designer, manufacturer and integrator of precision motion control products and systems. Moog’s high-performance systems control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, industrial machinery, wind energy, marine applications and medical equipment.

66% of the company’s sales are to customers located outside of New York State and 33% of customers are located outside of the United States.

Project Description
The proposed project consists of the addition of 95,000 sq. ft. to Moog’s Aircraft Division operations. Approximately 75-80% of the addition will be used for mechanical and electronic assembly and test facilities for military and commercial aircraft flight control products. The remaining space will be utilized as mixed office space to include engineering, manufacturing support and administrative functions.

While Moog’s overall employment reaches approximately 2,500, the Aircraft Division accounts for 251 existing jobs. This division will be adding an additional 42 employees as part of the project.

New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 10-Year Abatement Period</th>
<th>Additional City Revenue over 10-Year Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>$541,800</td>
<td>$131,000</td>
<td>$404,000</td>
<td>$255,000</td>
</tr>
<tr>
<td>Combined Tax Rate: $471.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PILOT Table

The project will generate approximately $535,951 of revenue to the local taxing jurisdictions over the abatement period representing $131,379 to the County of Erie, $5,598 to the Town of Elma, $398,974 to the Iroquois Central School District.

<table>
<thead>
<tr>
<th>Year</th>
<th>% payment under PILOT</th>
<th>Est. County PILOT</th>
<th>Est. Town PILOT</th>
<th>Est. School PILOT</th>
<th>Est. Total PILOT</th>
<th>Full Taxes without PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$6,256</td>
<td>$267</td>
<td>$18,999</td>
<td>$25,521</td>
<td>$255,215</td>
<td>$229,693</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$6,256</td>
<td>$267</td>
<td>$18,999</td>
<td>$25,521</td>
<td>$255,215</td>
<td>$229,693</td>
</tr>
<tr>
<td>3</td>
<td>10%</td>
<td>$6,256</td>
<td>$267</td>
<td>$18,999</td>
<td>$25,521</td>
<td>$255,215</td>
<td>$229,693</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$12,512</td>
<td>$533</td>
<td>$37,998</td>
<td>$51,043</td>
<td>$255,215</td>
<td>$204,172</td>
</tr>
<tr>
<td>5</td>
<td>20%</td>
<td>$12,512</td>
<td>$533</td>
<td>$37,998</td>
<td>$51,043</td>
<td>$255,215</td>
<td>$204,172</td>
</tr>
<tr>
<td>6</td>
<td>20%</td>
<td>$12,512</td>
<td>$533</td>
<td>$37,998</td>
<td>$51,043</td>
<td>$255,215</td>
<td>$204,172</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td>8</td>
<td>30%</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td>9</td>
<td>30%</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td>10</td>
<td>30%</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td></td>
<td>TOTAL PAYMENTS</td>
<td>$131,379</td>
<td>$5,598</td>
<td>$398,974</td>
<td>$535,951</td>
<td>$2,552,149</td>
<td>$2,016,198</td>
</tr>
</tbody>
</table>

Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of the project amount. Total Project Amount = $32,600,000 85% = $27,710,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 10-Year PILOT</td>
<td>Maintain Base = 251 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment: 287</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to Policy Including Quarterly Reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 10-Year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 10-Year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 10-Year PILOT</td>
<td>Recapture of Real Property Taxes, State and Local Sales Taxes</td>
</tr>
</tbody>
</table>

Recapture applies to:
- Real Property Taxes
- State and Local Sales Taxes
Recapture

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

At completion of project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has maintained 251 employees at the facility and created an additional 36 jobs iii) adhere to local labor policy and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.
Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Moog, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(336) Transportation Equipment Manufacturing</td>
</tr>
<tr>
<td>Municipality</td>
<td>Elma Town</td>
</tr>
<tr>
<td>School District</td>
<td>Iroquois</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$32,600,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$30,100,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>42</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$3,523,800</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>220</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$11,568,173</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$15,091,973</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$511,854</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$1,014,983</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$2,887,466</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$854,723</td>
</tr>
<tr>
<td>TOTAL Estimated Revenue</td>
<td>$5,269,027</td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$2,018,780</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$1,448,125</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$3,466,905</td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>42</td>
</tr>
<tr>
<td>Indirect***</td>
<td>27</td>
</tr>
<tr>
<td>Induced****</td>
<td>47</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>220</td>
</tr>
<tr>
<td>Indirect</td>
<td>80</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>1.5:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>23.5:1</td>
</tr>
</tbody>
</table>

* 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.

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** 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-Moog 2017

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,100,000</td>
<td>$541,800</td>
<td>$115.47</td>
<td>$4.92</td>
<td>$350.66</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>$6,256</td>
<td>$267</td>
<td>$18,999</td>
<td>$25,521</td>
<td>$255,215</td>
<td>$229,693</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
<td>$6,256</td>
<td>$267</td>
<td>$18,999</td>
<td>$25,521</td>
<td>$255,215</td>
<td>$229,693</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>$6,256</td>
<td>$267</td>
<td>$18,999</td>
<td>$25,521</td>
<td>$255,215</td>
<td>$229,693</td>
</tr>
<tr>
<td>4</td>
<td>20</td>
<td>$12,512</td>
<td>$533</td>
<td>$37,998</td>
<td>$51,043</td>
<td>$255,215</td>
<td>$204,172</td>
</tr>
<tr>
<td>5</td>
<td>20</td>
<td>$12,512</td>
<td>$533</td>
<td>$37,998</td>
<td>$51,043</td>
<td>$255,215</td>
<td>$204,172</td>
</tr>
<tr>
<td>6</td>
<td>20</td>
<td>$12,512</td>
<td>$533</td>
<td>$37,998</td>
<td>$51,043</td>
<td>$255,215</td>
<td>$204,172</td>
</tr>
<tr>
<td>7</td>
<td>30</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td>8</td>
<td>30</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td>9</td>
<td>30</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td>10</td>
<td>30</td>
<td>$18,768</td>
<td>$800</td>
<td>$56,996</td>
<td>$76,564</td>
<td>$255,215</td>
<td>$178,650</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$131,379</td>
<td>$5,598</td>
<td>$398,974</td>
<td>$535,951</td>
<td>$2,552,149</td>
<td>$2,016,198</td>
</tr>
</tbody>
</table>

*** 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:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$32,600,000</td>
<td>$2,016,198</td>
<td>$1,575,000</td>
<td>$0</td>
<td>$4,000,000</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 23.3 %
# ADDENDUM TO PROJECT LOG

**MOOG**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage Rate (above median wage for area)</td>
<td>Erie County per capita income: $28,879&lt;br&gt;Company estimated average salary of jobs to be retained: $83,900&lt;br&gt;Company estimated average salary of jobs to be created: $83,900</td>
</tr>
<tr>
<td>Regional Wealth Creation (% sales/customers outside area)</td>
<td>Sales:&lt;br&gt;Outside Erie County and within NYS: 66%&lt;br&gt;Outside NYS and within U.S.: 33%</td>
</tr>
<tr>
<td>In Region Purchases (% of overall purchases)</td>
<td>13% of total annual supplies, raw materials and vendors services are purchased from firms located within Erie County.</td>
</tr>
<tr>
<td>Research &amp; Development Activities</td>
<td>Approximately 35% of the company’s costs are devoted to research and development.</td>
</tr>
<tr>
<td>Investment in Energy Efficiency</td>
<td>It is likely that the new machinery and equipment will demonstrate energy efficiency benefits.</td>
</tr>
<tr>
<td>Locational Land Use Factors, Brownfields or Locally Designated Development Areas</td>
<td>The land is currently zoned for industrial use.</td>
</tr>
<tr>
<td>LEED/Renewable Resources</td>
<td>NA</td>
</tr>
<tr>
<td>Retention/Flight Risk</td>
<td>The company has existing operations in Salt Lake City, Utah and have had discussions with the Governor’s Office of Economic Development regarding Economic Development Tax Increment Financing refundable tax credits as well as other tax and financing incentives available to companies seeking relocation and expansion of operations within Utah.</td>
</tr>
</tbody>
</table>

**MBE/WBE Utilization**<br>N/A

**Workforce Access – Proximity to Public Transportation**<br>Facility is on bus route 70.

March 22, 2017
Moog A&T Addition Plants 1 and 3

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name Moog A&T Addition - Plants 1 and 3
 Applicant Name Moog Inc
 Applicant Address 400 Jamison Rd
 Applicant Address 2
 Applicant City East Aurora
 Applicant State New York
 Applicant Zip 14052
 Phone 716-587-7487
 Fax 716-652-0176
 E-mail hchudzik@moog.com
 Website www.moog.com
 Federal ID# 16-0757636
 NAICS Code 336410
 Will a Real Estate Holding Company be utilized to own the Project property/facility No

What is the name of the Real Estate Holding Company

Federal ID#
 State and Year of Incorporation/Organization
 List of stockholders, members, or partners of Real Estate Holding Company

Individual Completing Application

Name Heather Chudzik
 Title Tax Director
 Address 400 Jamison Rd
 Address 2
 City East Aurora
 State New York
 Zip 14052
Phone 716-687-7487
Fax 716-652-0176
E-Mail hchudzik@moog.com
Company Contact (if different from individual completing application)

Name                      R. Eric Burghardt
Title                     Group President, Aircraft
Address                   160 Jamison Road

City                      East Aurora
State                     New York
Zip                       14052
Phone                     716-687-4424
Fax                       
E-Mail                    eburghardt@moog.com

Company Counsel

Name of Attorney          Amy Fitch
Firm Name                 Hodgson Russ
Address                   140 Pearl Street, Suite 100

City                      Buffalo
State                     New York
Zip                       14202
Phone                     716-848-1244
Fax                       
E-Mail                    afitch@hodgsonruss.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax   Yes
Exemption from Mortgage Tax No
Exemption from Real Property Tax Yes
Tax Exempt Financing* No
* (typically for not-for-profits & small qualified manufacturers)

Business Organization

Type of Business          Corporation
Type of Ownership         
Year Established          1951
State of Organization     New York

List all stockholders, members, or partners with % of ownership greater than 20%
Please include name and % of ownership.

Publicly Owned ~ Not Applicable for A shares. B share 20% or more ownership is as follows: Moog Inc. Retirement Savings Plan - 41.2 percent of B shares Moog Inc. Employees' Retirement Plan - 23.5 percent of B shares
Applicant Business Description

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

Moog Inc. is a worldwide designer, manufacturer, and integrator of precision motion control products and systems. Moog’s high-performance systems control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, industrial machinery, wind energy, marine applications, and medical equipment.

Estimated % of sales within Erie County 0
Estimated % of sales outside Erie County but within New York State 1
Estimated % of sales outside New York State but within the U.S. 66
Estimated % of sales outside the U.S. 33
(*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.

13 percent
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
Town of Elma, Erie County

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

In which Municipality will the proposed project be located
Town of Elma, Erie County

Address
Jamison Road, East Aurora, New York

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
155.00-1-8.31

What are the current real estate taxes on the proposed Project Site
$95,000

Assessed value of land
N/A - New Construction

Assessed value of building(s)
N/A - New Construction

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Elma

School District of Project Site
Iroquois

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
Owned land available for expansion
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 would add approximately 95,000 Sq ft of space to Moog’s existing East Aurora campus. Approximately 75% to 80% of the area would be for mechanical and electronic assembly and test facilities for military and commercial aircraft flight control products. The remaining space would be for mixed office space (engineering; manufacturing support and administrative). The space would address projected growth from existing known programs or expected future contract awards in addition to relieving congestion in current work areas. The project cost is estimated at between $22 and $24 million (construction; machinery and furniture costs) which would provide an estimated 957 man months (or 79.75 man years) of employment in construction related employment in the 2017/2018 time frame. The facility will be utilized to support R&D activities in pump and motor technology to be utilized in the Aerospace industry. As the facilities are brought on line and existing programs expand and forecasted new contracts are awarded it is expected that over a five year period 90 to 110 new jobs will be created (42 expected in the first two years). Financing is expected to occur through existing Moog credit facilities.

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:

Financial assistance is necessary as described below.

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)

Moog operates in highly competitive markets across all our Business Segments. As such, cost control is essential to maintaining our competitive position. The reduction in cost associated with construction materials and property taxes via a PILOT program provide meaningful cost reductions which are critical to the decision to move forward with the new facility.

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 company would/have consider(ed) placing the expansion of the facility to its Aircraft facility in Salt Lake City, UT. This would result in lost jobs for Erie County/NYS.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

This project may include leasing of manufacturing, test and computer equipment; lease term for major equipment will generally be six to seven years.

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

The proposed project is planned where contaminated groundwater is naturally collected in the stormwater sewer pipes through
infiltration. The groundwater is treated using an air stripper to SPDES discharge standards. The groundwater contamination is solvent based. No specific source of the contamination has been determined. A Gore Module and Test Pit investigation was conducted in September 2011, but could not determine the source of the contamination. In addition to the Gore study, a limited groundwater investigation was conducted to delineate the extent of the groundwater. The groundwater present in the proposed developed area has been sampled from both the manholes of the storm sewer system and the monitoring wells installed for the limited groundwater investigation. All samples taken consistently show that groundwater varies between 0 and 800 ppb for the solvents, with the primary contaminants being 1,1-Dichloroethane and Freon.

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

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site’s development?
No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?
It is likely the machinery and equipment will demonstrate 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.

Pump and motor technology as well as advanced manufacturing

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
Approximately 35 percent

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 No 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 Yes Mixed Use
No Acquisition of Existing Facility No Facility for the Aging
No Housing No Commercial
No Equipment Purchase Yes Back Office
No Retail

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$ 0

New Building Construction

$ 0

New Building addition(s)

$ 21,500,000

Infrastructure Work

$ 0

Renovation

$ 8,600,000

Manufacturing Equipment

$ 500,000

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

$ 1,500,000

Soft Costs: (professional services, etc.)

$ 500,000

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 32,600,000

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:

Initial exploratory cost only.

Sources of Funds for Project Costs:

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

$

Bank Financing:

$ 32,600,000

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:

Total Sources of Funds for Project Costs:
$32,600,000

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.
$ 

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$0

Construction Cost Breakdown:

Total Cost of Construction
$32,600,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$18,000,000

% 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
$18,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$1,575,000

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:
N/A

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

<table>
<thead>
<tr>
<th>Use</th>
<th>Cost (sq ft)</th>
<th>Cost (Total)</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>66,500 square feet</td>
<td>$16,800,000</td>
<td>70</td>
</tr>
<tr>
<td>Warehouse</td>
<td>square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>9,500 square feet</td>
<td>$2,400,000</td>
<td>10</td>
</tr>
<tr>
<td>Commercial</td>
<td>square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>14,250 square feet</td>
<td>$3,600,000</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>4,750</td>
<td>$1,200,000</td>
<td>5</td>
</tr>
</tbody>
</table>
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

6/1/2017

End date: Estimated completion date of project

3/31/2019

Project occupancy: estimated starting date of operations

12/31/2018

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?

Yes

**Employment Plan (Specific to the proposed project location):**

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
<th>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 **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>251</td>
<td>251</td>
<td>42</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>251</td>
<td>251</td>
<td>42</td>
</tr>
</tbody>
</table>

** 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:

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th>Average Salary</th>
<th>Average Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$200,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Professional</td>
<td>$93,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Administrative</td>
<td>$60,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Production</td>
<td>$65,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>$130,000</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$65,000</td>
<td>$33,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Ellicott Rd, West Falls, NY 14170</td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
</tbody>
</table>

0
Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

$ 24,000,000

Estimated average annual salary of jobs to be retained

$ 83,900

Estimated average annual salary of jobs to be created

$ 83,900

Estimated salary range of jobs to be created

From $ 56,000 To $ 108,000

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

Due to existing operations in Salt Lake City, UT, we had discussions with the UT Governors Office of Economic Development regarding Economic Development Tax Increment Financing refundable tax credits as well as other tax and financing incentives available to companies seeking relocation and expansion of operations to the State of Utah.

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

Existing out-of-state operations coupled with cost control.

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

Empire State Development

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)

Energy Assistance Empire State Development
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: Moog Inc.
Address: 160 Jamison Road, East Aurora, NY 14052
Contact Person: Eric Burghardt
Phone: 716-687-4424
Fax
E-Mail: eburghardt@moog.com
Federal ID #: 16-0757636
SIC/NAICS Code: 336410

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 project site | SIC or NAICS—also briefly describe type of business, products/services, % of sales in Erie Co. |
Section V: Environmental Questionnaire

General Background Information

Address of Premises  Seneca and Jamison Roads, East Aurora, NY 14052

Name and Address of Owner of Premises  Moog Inc. - Seneca and Jamison Roads, East Aurora, NY 14052

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

Moog is located on 331 acres of property between Seneca and Jamison Roads. A wetland map is in the provided files as Wetland Map 3-22-16.

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

Operations/processes carried out at the premises include manufacturing, assembly and test, research and development and back office activities. The following are the plants, square footage and dates of construction for properties at Seneca Street & Jamison Road Elma, NY 14059.  • Addition- Plant 1, 29,480 Sq. ft., 7/8/55  • Addition- Plant 2, 42,975 Sq. ft., 4/29/57  • Addition- Plant 2A, 25,600 Sq. ft., 11/18/75  • Addition- Plant 2B, 35,500 Sq. ft., 1998  • Addition- Plant 2C, 7,840 Sq. ft., 2008  • Addition- Plant 3, 30,200 Sq. ft., 2/18/63  • Addition- Plant 3B, 26,520 Sq. ft., 2/18/63  • Addition- Plant 4, 21,900 Sq. ft., 1/20/80  • Addition- Plant 4A, 29,069 Sq. ft., 2001  • Addition- Plant 4B, 7,860 Sq. ft., 1/20/80  • Addition- Plant 5, 19,800 Sq. ft., 6/9/59  • Addition- Plant 5A, 8,200 Sq. ft., 11/30/78  • Addition- Plant 6, 11,160 Sq. ft., 6/8/76  • Addition- Plant 6A, 16,390 Sq. ft., 5/24/07
The following are the existing plants, square footage and dates of construction with their respective addresses.  • Addition- Plant 8, 9,600 Sq. ft., 7/661 Seneca Street  • Addition- Plant 11, 20,247 Sq. ft., 5/23/66, 300 Jamison Road Elma, NY 14059  • Addition- Plant 11A, 31,020 Sq. ft., 4/26/76, 300 Jamison Road Elma, NY 14059  • Addition- Plant 11B, 13,072 Sq. ft., 1/10/80, 300 Jamison Road Elma, NY 14059  • Addition- Plant 11C, 65,643 Sq. ft., 4/16/81, 300 Jamison Road Elma, NY 14059  • Addition- Plant 11D, 39,690 Sq. ft., 3/26/09, 300 Jamison Road Elma, NY 14059  • Addition- Plant 12, 7,850 Sq. ft., 7/21/66 Seneca Street Elma, NY 14059  • Addition- Plant 12A, 9,000 Sq. ft., 12/15/09, 7211 Seneca Street Elma, NY 14059  • Addition- Plant 15A, 8,180 Sq. ft., 9/3/80, 741 Conley Road Elma, NY 14059  • Addition- Plant 15B, 11,100 Sq. ft., 9/3/80, 751 Conley Road Elma, NY 14059  • Addition- Plant 15C, 6375 Sq. ft., 9/3/80, 753 Conley Road Elma, NY 14059  • Addition- Plant 17, 50,000 Sq. ft., 7/12/69, 170 Jamison Road Elma, NY 14059  • Addition- Plant 20, 195,720 Sq. ft., 10/30/84, 500 Jamison Road Elma, NY 14059  • Addition- Plant 20A, 57,620 Sq. ft., 7/15/09, 500 Jamison Road Elma, NY 14059  • Addition- Plant 23, 17,500 Sq. ft., 2/15/88, 7056 Seneca Street Elma, NY 14059  • Addition- Plant 24, 68000 Sq. ft., 8/15/89, 6860 Seneca Street Elma, NY 14059  • Addition- Plant 26, 69,050 Sq. ft., 12/17/12, 400 Jamison Road Elma, NY 14059  • Addition- Plant 27, 5,000 Sq. ft., 8/10/11, 611 Jamison Road Elma, NY 14059  • Addition- Plant 31, 10,500 Sq. ft., 3/15/11, 31 Ellicott Street West Falls, NY  • Addition- Plant 7,500 Sq. ft., 7000 Seneca Street Elma, NY 14059  • Addition- Plant 7,700 Sq. ft., 555 Pound Road Elma, NY 14059  • Addition- Plant 2,500 Sq. ft., 2007, 500 Buffalo Road East Aurora, NY 14052  • Addition- Plant 5,130 Sq. ft., Seneca Street & Jamison Road Elma, NY 14059  • Addition- Plant 4, 1,250 Sq. ft., 6/29/79, Seneca Street & Jamison Road Elma, NY 14059  • Addition- Plant 6, 60,000 Sq. ft., 600 Conley Road Elma, NY 14059  • Addition- Plant 7,800 Sq. ft., 600 Conley Road Elma, NY 14059  • Addition- Plant 1,000 Sq. ft., 621 Conley Road, Elma, NY 14059  • Addition- Plant 3,520 Sq. ft., 741 Conley Road, Elma, NY 14059

Describe all known former uses of the Premises

N/A

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

No

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

Yes

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

There have been small spills that have occurred near the premises. A description of the spills including spill location, description of the spill and the status of the spill are found in the table below. Supporting documentation by spill number is found in the provided files.  • Spill # 1402646, Location- Oil Storage Building, Spill Date- 06-11-2014, Material Spilled- Diesel fuel; Oil, Description- A Diesel Fuel spill occurred from overfilling snow removal vehicles parked over a gravel surface. Other spots of oil contamination from crushed oil drums in a scrap metal dumpster were also remediated during the same spill clean-up. Spill has been closed by the DEC.  • Spill # 1404602, Location- Plant 3, Spill Date- 07-28-2014, Material Spilled- Mineral oil, Description- A new transformer catastrophically failed resulting in a spill of approximately 10 gallons of Envirotemp FR3 dielectric fluid (mineral oil). Spill has been closed by the DEC.  • Spill # 1407084, Location- Plant 2, Spill Date- 10-07-2014, Material Spilled- Oily Mop Water, Description- A wastewater treatment process tank overflowed spilling 10 gallons of oily mop water into the sanitary sewer
and to Moog's Sanitary WWTP. Spill has been closed by the DEC. Spill #: 1506181, Location: Oil Storage Building, Spill Date: 09-16-2015, Material Spilled: Historical Petroleum Staining, Description: During excavation to pave an area that has been gravel covered, historical petroleum staining was discovered in an area where drums where historically (25+ years ago) stored. Since the area will be effectively capped by the asphalt paving, the DEC determined that the spill will have a status of inactive.

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

Yes

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

As Moog constructed buildings and maintained the grounds over the years, a large pile of soil was created on the south side of Plant 11. The pile consisted of soil, tree branches, concrete and brick, leaves, and grass clippings. Since all of these items were mixed together, the site was classified as a Construction and Demolition Debris Landfill and subject to a consent order from the DEC to "close" the soil pile. A closure plan was prepared and approved by the DEC. As of October 19, 2016 the soil pile was closed in accordance with DEC regulations. Annual post closure groundwater monitoring must continue for a minimum of 5 years. See the provided file "C&D Final Closure Letter from DEC". Building 11 is listed on the Registry of Inactive Hazardous Waste Sites. In 1994, an Underground Storage Tank containing used oil leaked and was replaced with the existing double-walled tank. The site has an ID of #915164, however, a consent order was never signed for this remediation. There is a deed restriction in place for a section of the eastern portion of Plant 11 as Part of a Site Management Plan that was developed with oversight by the NYSDEC. Building 11 also has a subslab depressurization system to maintain indoor air quality in the area of the building impacted by the historic VOC contamination. The facility is currently employing natural attenuation in accordance with Quarterly Groundwater monitoring to bring VOC levels in groundwater to the NYSDEC clean-up standard.

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?

Yes

If yes, provide the Premises’ applicable EPA (or State) Identification number.

EPA ID# NYD002103166

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.

- Waste Type: All Hazardous Waste, Classification: Hazardous, Transporter- Nexeo Solutions, Binghamton, NY
- Waste Type: Select Profiled Non-hazardous wastes, Classification: Non-Hazardous, Transporter- Nexeo Solutions, Binghamton, NY
- Waste Type: Used Oil, Classification: Used Oil, Transporter- Noco - Tonawanda, NY
- Waste Type: Used Batteries, Classification: Universal Waste, Transporter- FedEx Ground in prepaid UN Box
- Waste Type: Used Lamps, Classification: Universal Waste, Transporter- Veolia Environmental Solutions, Tonawanda, NY
- Waste Type: Solid Waste, Classification: Solid, Transporter- Waste Management - Chaffee, NY
- Waste Type: Grinding Sludge & Filters from 3-D printing powdered metals, Classification: Solid, Transporter- Tonawanda Tank - Tonawanda, NY
- Waste Type: Construction & Demolition Debris, Classification: Solid - C&D, Transporters- Varecka Disposal - East Aurora, NY & Waste Management - Chaffee, NY
- Waste Type: Grease, Classification: Solid Waste, Transporter- Darling International Inc - Buffalo, NY

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

- Waste Type: All Hazardous Waste, Classification: Hazardous, Disposal Facility Nexeo Solutions, Binghampton, NY

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

Moog submitted an application for a SPDES permit in 1989. The application is in the provided files as Seneca & Jamison_SPDES Permit Application_12-11-1989.pdf. Moog has continued to renew this permit until 2013 when Moog requested the State that a new full-blown permit was needed due to operational changes and temperature limits within the current permit that cannot be met. Some of the permit renewals are in the provided files as SPDES Permit 1993-98.pdf and SPDES Permit Renewal 2008-2013.pdf. Since only the State can initiate a new full-blown permit renewal, Moog was instructed to continue to operate under its expired permit until the State initiated a new permit application. Documentation for this is found in the provided files: Letter to DEC on Permit Discussion.pdf and Expired Permit - continuance from 2014.pdf.

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

The facility has its own wastewater treatment plant (WWTP) for sanitary wastewater treatment. The facility does discharge some industrial wastewater to this plant but only after it has been pre-treated to meet Part 433 of the CWA - Metal Finishing. The facility discharges approximately 35000 gpd of sanitary wastewater, of which 6,000 gpd is pre-treated industrial wastewater. Non-contact cooling water is generated on a seasonally adjusted basis of 0 - 33,000 gpd with zero being winter time (no cooling water discharge needed) and 33,000 gpd being a very hot humid day with a high need for air conditioning. The facility does generate contact cooling water. The facility discharges Stormwater through 6 outfalls identified on the SPDES Permit (Identified in question 1 above). There is a septic tank at Building 17 on the Premises. This tank is regularly pumped out but is redundant because the septic tank discharges to the sanitary wastewater treatment plant where it is also treated.

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

Yes

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

The facility has 6 outfalls through which water discharges. Outfalls 001, 002, 003, and 006 discharge to a tributary of Cazenovia Creek, a Class C stream. Outfalls 004 and 005 discharge to a tributary of the Buffalo River, also a Class C waterbody. Outfall 001 is at the outlet of the Moog WWTP. This outfall averages 50,000 gpd with which 35,000 is sanitary the remainder from stormwater. Since Moog's WWTP is open to rainwater the discharge can exceed 100,000 gpd during significant rainfall/snowmelt events. The other outfalls discharge mainly stormwater with a small bit of comfort cooling non-contact cooling water mixed in. Outfall 002 is approximately 91,500 gpd which also includes Outfall 001's discharge. The additional 41,500 gpd is from stormwater, non-contact cooling water and groundwater infiltration. Outfall 003 is approximately 16,600 gpd of stormwater. Outfall 004 is approximately 16,900 gpd of stormwater. Outfall 005 is approximately 105,700 gpd of stormwater and surface water. There is a creek that leads to two ponds one of which whose outlet leads to Outfall 005. Outfall 006 averages 16,100 gpd and is a mixture of groundwater infiltration and stormwater.

Air Pollution

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

Yes

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

Moog Inc.'s East Aurora, NY facility is a designer and manufacturer of motion control systems. Parts made from various metals, including aluminum, stainless steel, and titanium, are machined and tested on site. Facility-wide stationary combustion sources include emergency generators, boilers, furnaces and engines. Facility-wide sources of particulate emissions from exhaust or ventilation systems are dust collectors, mist eliminators, and cooling towers. Soldering process operations, which also contribute to particulate emissions, include hand held soldering stations, wave soldering, and selective solder machines. Some process sources of particulate emissions, such as electron beam welding machines, metal cutting and laser engravers, also emit small amounts of hazardous air pollutants (HAPs). Facility-wide process operations that emit volatile organic compounds (VOCs) include many small sources, such as solvent metal parts cleaners. This emission unit also includes some process sources, such as non-destructive inspection or testing using liquid penetrants, drying/curing of paints, adhesives, coatings, and forming/curing of cables, that emit small amounts of hazardous air pollutants (HAPs). Moog operates a non-electrolytic metal coating process operation consisting of a chromate conversion plating line that contains chromium, a hazardous air pollutant (HAP). However, under normal operations, only water vapor is emitted from this area. Painting operations include three (3) paint booths that emit both volatile organic compounds (VOCs) and particulates, and one (1) dip tank that emits methylene chloride, a hazardous air pollutant (HAP). A natural gas-fueled wastewater evaporator is used to evaporate wash waters, because the facility is not connected to a municipal sanitary sewer system. Spent aqueous parts washer solutions may contain detergents with small amounts of volatile organic compounds (VOCs) and are also processed in the wastewater evaporator. Moog has a chemical cleaning process operation which consists of numerous tanks for metal parts that use various strong acids, including hydrochloric acid, to remove surface imperfections such as embedded iron, oxides, heat tint stains, inorganic contaminants, rust or scale. Any hydrochloric acid emissions are defined as a Hazardous Air Pollutant (HAP).

Are any of the air emission sources permitted?

Yes

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and underground 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

- Tank Type- Underground, Location-Plant 2, Chemical Stored - Used Oil, Tank Size- 2,000 gallons • Tank Type- Underground, Location-Plant 11, Chemical Stored- Used Oil, Tank Size- 1,000 gallons • Tank Type- Aboveground Emergency Generator, Location-Plant 3, Chemical Stored- Diesel Fuel, Tank Size- 600 gallons • Tank Type- Aboveground Emergency Generator, Location-Plant 20, Chemical Stored- Diesel Fuel, Tank Size- 600 gallons • Tank Type- Aboveground Emergency Generator, Location- Plant 20, Chemical Stored- Diesel Fuel, Tank Size- 400 gallons • Tank Type- Aboveground Emergency Generator, Location- Plant 11D, Chemical Stored Diesel Fuel, Tank Size- 200 gallons • Tank Type- Aboveground Emergency Generator, Location- Plant 26, Chemical Stored- Diesel Fuel, Tank Size- 875 gallons • Tank Type- Aboveground Emergency Generator, Location- Microwave Tower, Chemical Stored- Diesel Fuel, Tank Size- 80 gallons • Tank Type- Aboveground, Location- Plant 5, Chemical Stored- Liquid Nitrogen, Tank Size- 9,000 gallons • Tank Type- Aboveground, Location- Plant 11, Chemical Stored- Liquid Nitrogen, Tank Size- 1,500 gallons • Tank Type- Aboveground, Location- Plant 15B, Chemical Stored- Liquid Nitrogen, Tank Size- 9,000 gallons • Tank Type- Aboveground, Location- Plant 20, Chemical Stored- Liquid Nitrogen, Tank Size- 9,000 gallons • Tank Type- Trailer of Cylinders, Location- Plant 20, Chemical Stored Helium, Tank Size- 60,000 cubic feet • Tank Type- Thermo Oxidizer holding tank, Location- Inside 2 Aqueous rinse waters, Chemical Stored- oily mop water, Chemical Tank Size- 2,000 gallons

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

Yes

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.

There was an overflow of the thermo oxidizer holding tank. Oil mop water containing cutting oils was discharged through a lavatory floor drain to Moog's on site waste water treatment plant. A sheen was noted in the pump station to the treatment plant but none at the plant itself. A spill boom was placed in the pump station as a precautionary measure. The spill was reported to the NYSDEC - Spill #1407084. It has been closed out. The spill report is referenced in Section IX (A)(7) of this application.

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

All known asbestos containing materials on this site have been remediated at the time of discovery. Due to the size and age of the facility, that is approach we take. All renovation jobs are evaluated at that time and if any asbestos is found, it is remediated by an outside contractor and disposed of in accordance with Federal and State regulations.
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.)

The primary requirements include adequate utility availability (primarily gas and electric); building infrastructure strength to hold heavy test equipment and machinery; temperature and humidity control to maintain extremely tight tolerances.

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?

NA

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

NA

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.

NA
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: NA
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) No
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?

<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? No

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>
R & M Leasing, LLC/Pierce Arrow Business Park
$10,591,000
INDUCEMENT RESOLUTION

ELIGIBILITY
- NAICS Section - 531110

COMPANY INCENTIVES
- Up to 1% of the final mortgage amount estimated at $100,928.
- Approximately $87,500 in sales tax savings.

EMPLOYMENT
- Current Jobs = 50
- Projected Jobs = 70

PROJECT HISTORY
- 02/23/2017- Public Hearing held. Transcript attached.
- 03/22/2017- Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 03/22/2017- Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: R & M Leasing, LLC/Pierce Arrow Business Park
Project Address: 155 Chandler Street
Buffalo, New York 14207
(Buffalo City School District)

Agency Request
A sales tax and mortgage recording tax exemption in connection with the renovation of an existing building for use as an incubator facility.

<table>
<thead>
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<th>Description</th>
<th>Amount</th>
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<tr>
<td>Building Acquisition</td>
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<td>$2,000,000</td>
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<tr>
<td>Total Project Cost</td>
<td>$10,591,000</td>
</tr>
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</table>

Company Description
R & M Leasing, 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
155 Chandler Street is the site of the former Linde Air Manufacturing complex originally constructed in the early 1900’s. The facility has been vacant for the past 14 years.

The building, once redeveloped, will serve as an incubator for Start Up NY companies and provide low cost/clean space at below market rents. The facility is 80,000 sq. ft. and initially will be leased to 4 tenants:

ENRG has been in the R&D stage for the last 10 years and has gone through a first round of funding raising $2.5M. They will begin production of gas permeable ceramic material.

Uutilant, a software developer for national and international companies.
Blackbird Cidery is a Lockport based company that is expanding its operation into Buffalo.

Thin Man Brewery is less than a year old brewery. They will be producing canned beer and distributing it throughout New York State.

In addition, 2 apartments are planned for the development which will allow the company to utilize the City’s 485-a real estate tax exemption program.

The entire facility is in the Start Up NY program, therefore all improvements undertaken by the tenants will be exempt from sales taxes through that program. IDA sales tax benefits will apply only to the core and shell of the building.

Employment Impact
The 4 companies listed above are all in the incubation stage and as such may or may not continue leasing space for two years after the project’s completion. As of today, those companies collectively employ 50 people. The developer estimates an additional 20 new jobs associated with these companies.
New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 12 Year 485-a Abatement Period</th>
<th>Additional Local Revenue over 12 Year 485-a Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
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Combined Tax Rate: $33

Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment Review with Company</td>
<td>At Project Completion</td>
<td>Investment Amount Equal to or Greater than 85% of Project Amount. Total project amount = $10,591,000 85% = $9,002,350</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-Year PILOT</td>
<td>Maintain Base: 50 Create 85% of Projected = 20 85% = 17 Recapture Employment = 67</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to Policy Including Quarterly Reporting</td>
</tr>
<tr>
<td>Unpaid Taxes</td>
<td>Same as Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Same as recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 Years After Project Completion</td>
<td>Mortgage Recording Tax State and Local Sales Taxes</td>
</tr>
</tbody>
</table>

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 50 jobs and created 17 additional; and iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.
Internal Report: R & M Leasing, LLC - Pierce Arrow Business Park

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Pierce Arrow Business Park</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$28,825,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$22,400,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>2</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$62,419</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>164</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$8,608,873</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$8,671,292</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$5,586,208</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$182,132</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$496,808</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$153,374</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$6,418,522</strong></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$1,056,563</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$150,000</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$1,206,563</strong></td>
</tr>
</tbody>
</table>
## Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>2</td>
</tr>
<tr>
<td>Indirect***</td>
<td>2</td>
</tr>
<tr>
<td>Induced****</td>
<td>1</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>164</td>
</tr>
<tr>
<td>Indirect</td>
<td>59</td>
</tr>
</tbody>
</table>

## Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratios</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>5.3:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>16.7:1</td>
</tr>
</tbody>
</table>

*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.

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** 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-R& Leasing/Pierce Arrow Business Park- 2017

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,000,000</td>
<td>$3,600,000</td>
<td>$6.45</td>
<td>$27.009</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

*** 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:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,591,000</td>
<td>N/A</td>
<td>$87,500</td>
<td>$100,928</td>
<td>$972,000</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 10.6 %
## ADDENDUM TO PROJECT LOG

R&M Leasing, LLC/Pierce Arrow Business Park

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Wage Rate (above median wage for area)                   | Erie County per capita income: $28,879  
Company estimated average salary of jobs to be retained: $50,000  
Company estimated average salary of jobs to be created: $50,000 |
| ■ The wage rate is given for the prospective Start Up tenants locating in the building |                                                                                                                                 |
| 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.                                                                                               |

March 22, 2017
PUBLIC HEARING SCRIPT

R & M Leasing 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 February 23, 2017 at 10:00 a.m.,
at the Erie County Industrial Development Agency’s office located
at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE

Rocco Termini, Signature Development
Joe Artanis, Green Wise

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 the R & M Leasing 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 Monday,
February 13, 2017.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 1.97 +/- acre parcel
of land located at 155 Chandler Street in the City of Buffalo, Erie County,
New York (the "Land") together with an existing 80,000 +/- SF building
(the "Existing Improvements"), (ii) the renovation, upgrading and
equipping of the Existing Improvements thereon into a start-up incubator portion of the Start Up NY program consisting of 59,000 +/- SF of manufacturing space, 19,000 +/- SF of research and development space, and 2,000 +/- SF of residential space (two apartment units) (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 March 21, 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.

Rocco Termini – President, R&M Leasing, LLC. Our plan is to develop a vacant 80,000 sq. ft. former facility that produced industrial gases that was owned by Linde Air. It has been presently vacant for the last 14 years. It suffered a major fire 14 years ago, and the building was left the
way it was on the last day of the fire. Our intention is to redevelop the building into an 80,000 sq. ft. business incubator. We think that there is a need and a demand for cool space for start-up companies and we think we could produce that type of space on Chandler Street. It is also in a brownfield corridor. So, it’s an area that really needs to be redeveloped as part of the City of Buffalo’s brownfield plan. We think we would be contributing to the development of that brownfield development plan. We also own another building on Chandler and another 3 acres there that we would be using for parking. This will be the development of a start-up community on Chandler Street. Thank you.

Joe Artanis, Green Wise – I think Rocco’s project is a tremendous asset to the community and the opportunity to build a potential district and bring Buffalo up to a standard that we deserve to be. From what it sounds like we are going to have several job opportunities created. Bringing a younger vibe of people into the neighborhood as well as possibly the City of Buffalo with the additional business opportunities that will be created as incubator space. I have three children that are all grown up and left Buffalo because there were no jobs here. Hopefully opportunities that Rocco presents like this will help keep our young people here employed and maybe bring some of them back. I think this is two thumbs up for Chandler Street as a district and for Black Rock as a community and the City of Buffalo. Thank you.

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

February 23, 2017, at 10:00 a.m.
at the Erie County Industrial Development Agency’s office located
at 95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

R & M Leasing LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies),
or Entity(ies) formed or to be formed on its behalf

Project Location: 155 Chandler Street, Buffalo, New York

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rocco Termini</td>
<td>Signature Development</td>
<td>X</td>
</tr>
<tr>
<td>Joe Artanis</td>
<td>Green Wise</td>
<td>X</td>
</tr>
</tbody>
</table>
Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

<table>
<thead>
<tr>
<th>Project Name</th>
<th>pierce arrow business park</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Name</td>
<td>r&amp;m leasing llc</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>391 washington</td>
</tr>
<tr>
<td>Applicant City 2</td>
<td>buffalo</td>
</tr>
<tr>
<td>Applicant City</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14203</td>
</tr>
<tr>
<td>Phone</td>
<td>71668421938</td>
</tr>
<tr>
<td>Fax</td>
<td></td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:rtermini@wnylofts.com">rtermini@wnylofts.com</a></td>
</tr>
<tr>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>Federal ID#</td>
<td>81-4103467</td>
</tr>
<tr>
<td>NAICS Code</td>
<td></td>
</tr>
<tr>
<td>Will a Real Estate Holding Company be utilized to own the Project property/facility</td>
<td>Yes</td>
</tr>
<tr>
<td>What is the name of the Real Estate Holding Company</td>
<td>r&amp;m leasing llc</td>
</tr>
<tr>
<td>Federal ID#</td>
<td>81-4103467</td>
</tr>
<tr>
<td>State and Year of Incorporation/Organization</td>
<td>new york 2016</td>
</tr>
<tr>
<td>List of stockholders, members, or partners of Real Estate Holding Company</td>
<td>rocco termini</td>
</tr>
</tbody>
</table>

Individual Completing Application

| Name                  | rocco termini |
| Title                 | managing member |
| Address               | 391 washington |
| Address 2             |                |
| City                  | buffalo        |
| State                 | New York       |
| Zip                   | 14203          |
Phone
Fax
E-Mail
ertermini@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 agate
Firm Name                 agate
Address                   4476 main
Address 2
City                     synder
State                    New York
Zip                      14226
Phone
Fax
E-Mail                   jagate1986@gmail.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           2016
State of Organization      New York

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

http://www.eclidny.com/app/tax-incentive-application-2014/print/641
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.

- Real estate 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
buffalo new york

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

In which Municipality will the proposed project be located
buffalo

Address

155 chandler

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
77,840,001,004,000

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

Assessed value of land
50,000

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
vacant 80000 sq ft building

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 building will be a start up incubator part of the Start Up NY program. tenants will be ENRG (31,000 sq ft) manufacturing Utulant (30,000 sq ft) software development, black bird distillery (6,000sq ft) manufacturing, thin man brewery (10,000 sq ft) manufacturing, 2 apartments- tenants will be ENRG I, LLC which has been in the research & development stage for the last ten years. They have just gone through their first round of funding and raised 2.5 million dollars. They will begin production of gas permeable ceramic material. The material is half the thickness of hair. They are the only company that manufactures this product in the world. Utulant is a software developer for national and international insurance companies. their maid products are loss control 360 that automatics loss control workflow and rapid sketch which is a diagramming tool used to quickly and easily draw residential and commercial properties. Rapid sketch is used to create accurate floor plan layouts. Blackbird Cidery is a Lockport company which is expanding into Buffalo. They own their own orchards and are in the business of producing cider. Their largest customer is Wegman's Thin Man Brewery is a 9 month old company in the business of brewing beer. They are expanding to produce canned beer throughout N.Y. State. their beer will be distributed by T. S. Sheehan.

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)

by providing low cost cool space we are providing growth for start up companies. over the next 3 years 75 new jobs will be created with an average salary over $50000

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 will be unable to provide low cost start up space for star up companies which will result in them locating else where

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

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?

Yes

If yes, please explain

brownfield clean up area

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?

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.

development of gas permeable ceramic

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

0

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 No 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 Yes Multi-Tenant
Yes Acquisition of Existing Facility Yes Commercial
Yes Housing No Back Office
No Equipment Purchase No Retail

No Mixed Use
No Facility for the Aging
No Civic Facility (not for profit)
No Other
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$ 591,000  80,000 square feet  2 acres

New Building Construction

$ 0  square feet

New Building addition(s)

$ 0  square feet

Infrastructure Work

$ 0

Renovation

$ 8,000,000  80,000 square feet

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 2,000,000

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 10,000,000

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 of building $591,000

Sources of Funds for Project Costs:

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

$ 2,463,240

Bank Financing:

$ 3,933,300

Tax Exempt Bond Issuance (if applicable):

$ 0

Taxable Bond Issuance (if applicable):

$ 0

Public Sources (Include sum total of all state and federal grants and tax credits):
2/7/2017

The Erie County Industrial Development Agency (ECIDA)

$7,259,460

Identify each state and federal grant/credit:
- historic tax credit and brownfield

Total Sources of Funds for Project Costs:
$13,656,000

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.

$10,092,760

Lender Name, if Known
- evans

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$75,695

Construction Cost Breakdown:

Total Cost of Construction
$8,000,000

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

Cost for materials
$1,000,000

% 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
$1,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$87,500

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:
- 485a

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

<table>
<thead>
<tr>
<th>Use</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>80</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>20</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>


Feb 7, 20
Office square feet $0 0
Specify Other Apartment square feet $2,000 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 use?
No

What is your project timetable (Provide dates)
Start date: acquisition of equipment or construction of facilities
4/1/2017
End date: Estimated completion date of project
11/1/2017
Project occupancy: estimated starting date of operations
12/1/2017

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?
Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>40</td>
</tr>
</tbody>
</table>

**The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and...**

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**

60

0
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:**

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th>Average Salary</th>
<th>Average Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$100,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Professional</td>
<td>$50,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Administrative</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>$50,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Will any of the facilities described above be closed or subject to reduced activity?
Yes

Payroll Information
Annual Payroll at Proposed Project Site
$ 10,000,000

Estimated average annual salary of jobs to be retained
$ 50,000

Estimated average annual salary of jobs to be created
$ 50,000

Estimated salary range of jobs to be created
From $ 40,000 To $ 60,000

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?
Yes

If yes, please indicate the Agency and nature of inquiry below
Start Up New York

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 and brownfield credits, 485a, national grid 7,259,460 in credits 400,000 in grants see enclosed budget
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
there is a demand for cool space for start up companies

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 project site | SIC or NAICS - also briefly describe type of business, products services, % of sales in Erie Co. |
Section V: Environmental Questionnaire

General Background Information

Address of Premises 155 chandler buffalo ny
Name and Address of Owner of Premises r&m leasing llc 391 washington buffalo ny
Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
flat industrial property
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
110 year old single story brick warehouse
Describe all known former uses of the Premises
linde air
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?
Yes
If yes, describe and attach any incident reports and the results of any investigations
brownfield clean up
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?
<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

none

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?
Yes

If yes, please identify the materials

asbestos report available
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?  Yes

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?  Yes

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.)

present site not large enough

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.)

15 ft ceilings, loading area, colt space

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? <BLANK>
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: <BLANK>
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?

<BLANK>

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?

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?

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?

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?

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?

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?

If yes, explain

Is the project located in a Highly Distressed Area?
AMENDATORY INDUCEMENT RESOLUTION

**Project Title:**
791 Washington, LLC.
(Redevelopment of Trico Building)

**Project Address:**
791 Washington Street
Buffalo, New York 14203
(Buffalo City School District)

**Agency Request**
A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a former manufacturing facility.

<table>
<thead>
<tr>
<th>Prior</th>
<th>Amendatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Building Acquisition</td>
<td>$100,000</td>
</tr>
<tr>
<td>Renovation</td>
<td>$71,913,324</td>
</tr>
<tr>
<td>Equipment</td>
<td>$6,975,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$11,502,218</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$90,490,542</td>
</tr>
</tbody>
</table>

**Company Description**
791 Washington, LLC is a single purpose entity having been formed to hold the real estate being redeveloped. Peter Krog is the managing member of the LLC and is a real estate developer with a long track record of successful development projects throughout Western New York.

**Amended Project Description**
The project has been modified to eliminate the Buffalo Culinary School component. Additional apartment units will be constructed in its place.

The estimated sales tax benefit and employment has been reduced as follows:

- Original estimate of sales tax savings: $3,059,875
- Revised estimate of sales tax savings: $2,750,825

- Original estimate of projected jobs: 130
- Revised estimate of projected jobs: 30

(100 jobs were originally estimated to be associated with the Culinary School)

**Prior Project Description**
The project consists of the renovation and redevelopment of the former Trico Building on Washington Street in the City of Buffalo. The building has been vacant for over 10 years and has numerous structural and environmental challenges. Should the current redevelopment not occur, the building likely would be demolished.

The plans call for select demolition and substantial renovation work which when complete will be a mixed use structure that will serve as the site for a new Buffalo Culinary School, an extended stay hotel to serve patients and visitors of the medical campus, market rate housing to meet the expanding demand for employees and students located on the medical campus and a limited retail component that will serve the campus and surrounding community. In addition, the building will house commercial space and is being marketed to existing businesses looking to expand. Sales tax benefits will be limited to only the core and shell component of the commercial space. Parking space will need to be constructed and is expected to be within the building as the location currently lacks sufficient space for vehicles.

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The property is currently owned by the Buffalo Brownfield Restoration Corporation and has been off the tax rolls for approximately the past 10 years. The company has the option to purchase the property which option has been extended through September 2016.

Pursuant to the Real Estate Purchase Agreement between the developer and the Buffalo Brownfield Restoration Corporation, the developer has agreed to make a reasonable effort in its attempt to (i) attain a minority workforce goals of 25% and a woman workforce goals of 5% on the project; (ii) attain a minority business enterprise ("MBE") utilization goal of 25% and women business enterprise ("WBE") goals of 5% on the project and (iii) cause tenants and other occupants of the project (including the developer and any affiliates of the developer), to first list all new employment opportunities generated at the project with the Department of Labor, Buffalo Employment Training Center and Workforce Investment Board.

### Retail Determination

<table>
<thead>
<tr>
<th>Project Use</th>
<th>Sq. Ft.</th>
<th>Cost</th>
<th>% of Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>336,008</td>
<td>$45,636,102</td>
<td>65%</td>
</tr>
<tr>
<td>Hotel/Commercial/Retail</td>
<td>178,992</td>
<td>$23,458,771</td>
<td>35%</td>
</tr>
<tr>
<td>Total</td>
<td>515,000</td>
<td>$69,094,873</td>
<td>100%</td>
</tr>
</tbody>
</table>

The facility totals approximately 515,000 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 (at present 51% of the project costs associated with the project is classified as retail) the IDA must make a retail finding on the project. This will require a sign off form the County Executive.

On August 24, 2016, the Board determined that 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.

### New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over Over 12 years</th>
<th>Additional City Revenue over 485-a Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$35,711,000 485-a(1)</td>
<td>$2,549,000 485-a(1)</td>
<td>$1,928,000 485-a(1)</td>
<td>$1,176,000</td>
</tr>
<tr>
<td>Combined Tax Rate: $33.00</td>
<td>Current Assessment: $1,595,000 Property is currently exempt</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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## Exemption Table

<table>
<thead>
<tr>
<th>Year</th>
<th>% payment under 485-a(1)</th>
<th>County Payment with 485-a(3)</th>
<th>County as if owned (1)</th>
<th>City payment with 485-a(3)</th>
<th>City as if owned (1)</th>
<th>Full Tax Payments</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0%</td>
<td>$212,409</td>
<td>$0</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$963,840</td>
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<tr>
<td>2</td>
<td>0%</td>
<td>$212,409</td>
<td>$0</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$963,840</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0%</td>
<td>$212,409</td>
<td>$0</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$963,840</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0%</td>
<td>$212,409</td>
<td>$0</td>
<td>$963,840</td>
<td>$1,176,249</td>
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<td>5</td>
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<td>$212,409</td>
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<td>$963,840</td>
<td></td>
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<tr>
<td>6</td>
<td>0%</td>
<td>$212,409</td>
<td>$0</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$963,840</td>
<td></td>
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<tr>
<td>7</td>
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<td>$212,409</td>
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<td>8</td>
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<td>$212,409</td>
<td>$212,409</td>
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<tr>
<td>9</td>
<td>20%</td>
<td>$212,409</td>
<td>$192,766</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$771,072</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>40%</td>
<td>$212,409</td>
<td>$385,536</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$578,304</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>60%</td>
<td>$212,409</td>
<td>$578,304</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$385,536</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>80%</td>
<td>$212,409</td>
<td>$771,072</td>
<td>$963,840</td>
<td>$1,176,249</td>
<td>$192,768</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PAYMENTS</strong></td>
<td></td>
<td><strong>$2,548,908</strong></td>
<td><strong>$1,927,680</strong></td>
<td><strong>$11,566,079</strong></td>
<td><strong>$14,114,987</strong></td>
<td><strong>$9,638,399</strong></td>
<td></td>
</tr>
</tbody>
</table>

1) Payments if the company applies for and receives the City's 485-a exemption

(1) Payments if developer chooses to utilize the Brownfield Cleanup tax refund program

### Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount. Total project Amount = $80,535,000 85% = $68,454,750</td>
</tr>
<tr>
<td>Employment</td>
<td>See Recapture Period</td>
<td>85% of Projected Jobs Projected Jobs = 30 Recapture Jobs = 25</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>See Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>See Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of state and local sales taxes and real Mortgage Tax</td>
</tr>
</tbody>
</table>

Recapture applies to:

- State and Local Sales Taxes
- Mortgage Recording Taxes
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 and mortgage recording tax.

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 create 30 new jobs (85% = 25) iii) confirm adherence to ECIDA local labor hiring policy, pay equity policy and unpaid tax policy.
** 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-791 Washington LLC - Trico

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$66,691.383</td>
<td>$35,711,000</td>
<td>6.45</td>
<td>26.99</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
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<tr>
<td>4</td>
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<tr>
<td>5</td>
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<td>6</td>
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<tr>
<td>7</td>
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<tr>
<td>8</td>
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</tr>
<tr>
<td>9</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*** 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:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80,535,000</td>
<td>N/A</td>
<td>$2,750,825</td>
<td>$502,500</td>
<td>$35,903,325</td>
</tr>
</tbody>
</table>

Calculate %

\[
\text{(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: } 44.5 \%
\]
### ADDENDUM TO PROJECT LOG
791 Washington, LLC

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Census Tracts</td>
<td>The property is located in census tract 25.02 and is considered highly distressed under the State statute.</td>
</tr>
<tr>
<td>Age of Structure</td>
<td>The building was constructed in stages from 1890 through the 1950’s.</td>
</tr>
<tr>
<td>Elimination of slum and blight</td>
<td>The investment of over $66,000,000 into this distressed area along with other redevelopment projects taking place in the vicinity will help to enhance the area.</td>
</tr>
<tr>
<td>Building or Facility Vacancy</td>
<td>This facility has been vacant since Trico abandoned the building in approximately 2005.</td>
</tr>
<tr>
<td>Redevelopment Supports or aligns with Regional or Local Development Plans</td>
<td>The Framework states that investment should be targeted to &quot;developed areas&quot; and &quot;regional centers&quot;. This project falls within the developed area as designated by the Regional Framework. It is also within the targeted investment area defined by the Buffalo Building Reuse Plan which recommends programs and incentives be targeted to strategic mixed use and residential opportunities.</td>
</tr>
<tr>
<td>Environmental or Safety Issues</td>
<td>The structure requires a significant investment to stabilize the building and make it code compliant. New mechanical, electrical, fire suppression and plumbing systems must be installed in a manner consistent with the historic character of the building. Public safety features not in place when the building was originally constructed must be adhered to. The site qualifies for inclusion in the in the brownfield cleanup program. A fence currently surrounds the property to prevent pedestrian traffic from getting too close to the building. Portions of the building have fallen off and dropped onto the sidewalk below and redevelopment of the site requires a portion of the building be demolished. The environmental site assessment indicates cyanide, nickel and PCB above regulatory levels. It is also likely that asbestos and lead based paint is located in the building.</td>
</tr>
<tr>
<td>LEED/Renewable resources</td>
<td>NA</td>
</tr>
<tr>
<td>Building or site has historic designation</td>
<td>The property is listed on National Register and the developer is working with SHPO on the plan for redevelopment.</td>
</tr>
<tr>
<td>Site or structure has delinquent or other local taxes</td>
<td>The site is currently owned by the Buffalo Brownfield Restoration Corporation which is exempt from taxes.</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MBE/WBE utilization</td>
<td>Pursuant to the Real Estate Purchase Agreement between the developer and the Buffalo Brownfield Restoration Corporation, the developer has agreed to make a reasonable effort in its attempt to i) attain a minority workforce goal of 25% and a woman workforce goal of 5% on the project; ii) attain a minority business enterprise (&quot;MBE&quot;) utilization goal of 25% and woman business enterprise (&quot;WBE&quot;) goal of 5% on the project and iii) cause tenants and other occupants of the project (including the developer and any affiliates of the developer), to first list all new employment opportunities generated at the project with the Department of Labor, Buffalo Employment Training Center and Workforce Investment Board.</td>
</tr>
<tr>
<td>Project/developer’s return on investment</td>
<td>The developer has supplied an ROI which indicates a below average rate of return on the investment.</td>
</tr>
<tr>
<td>Impediments to conventionally financing project</td>
<td>Due to the historic nature of the property, it is significantly more expensive to renovate the facility while maintaining its historic integrity.</td>
</tr>
<tr>
<td>Transit oriented development</td>
<td>The facility is within walking distance of the Metro Rail stop.</td>
</tr>
</tbody>
</table>

March 22, 2017
<p>| <strong>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</strong> | The building was constructed in stages from 1890 through the 1950’s. |
| 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) | The structure has been vacant since Trico abandoned the building in approximately 2005. |
| Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class) | None being generated as the facility is vacant. |
| Project is in compliance with the investment and growth criteria of the Framework for Regional Growth | 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. It is also within the targeted investment area defined by the Buffalo Building Reuse Plan which recommends programs and incentives be targeted to strategic mixed use and residential opportunities. |
| 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) | The cost to re-develop and reuse this structure is estimated to cost approximately $80M. The building has been vacant and unattended since 2005 and has fallen into significant disrepair. There are a number of structural issues that have developed as a result of the structure’s failing roof system. In addition, the building has environmental contaminants that must be dealt with in order to make it habitable. The facility has been identified as a qualifying site for brownfield cleanup and is a NYS and Federally listed historic landmark. The extraordinary additional capital costs associated with the project because of these challenges makes it more difficult to fund the redevelopment. Environmental cleanup and historical renovation provide a community and business asset for Buffalo but also requires additional investment and higher costs than a traditional new build. |</p>
<table>
<thead>
<tr>
<th>Demonstrated support of local government entities</th>
<th>There is wide government support for the project. The City of Buffalo has expressed support for the project as has the local Preservation Board. In addition, the City Planning Board has approved the project. The property is currently owned by the Buffalo Brownfield Restoration Corporation.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OTHER FACTORS TO CONSIDER:</strong></td>
<td></td>
</tr>
<tr>
<td>Structure or site presents significant public safety hazard and or environmental remediation costs</td>
<td>The site qualifies for inclusion in the brownfield cleanup program. A fence currently surrounds the property to prevent pedestrian traffic from getting too close to the building. Portions of the building have fallen off and dropped onto the sidewalk below and redevelopment of the site requires a portion of the building be demolished. The environmental site assessment indicates cyanide, nickel and PCB above regulatory levels. It is also likely that asbestos and lead based paint is located in the building.</td>
</tr>
<tr>
<td>Site or structure is located in a distressed census tract</td>
<td>The property is located in Census Tract 25.02 which is considered highly distressed under the State statute.</td>
</tr>
<tr>
<td>Structure presents significant costs associated w/ building code compliance.</td>
<td>The structure requires a significant investment to stabilize the building and make it code compliant. The property contains contaminated material that will ultimately have to be remediated. New mechanical, electrical, fire suppression and plumbing systems must be installed in a manner consistent with the historic character of the building.</td>
</tr>
<tr>
<td>Site or structure is presently delinquent in property tax payments</td>
<td>The site is currently owned by the Buffalo Brownfield Restoration Corporation which is exempt from taxes.</td>
</tr>
</tbody>
</table>

Dated: March 22, 2017
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 $2,750,825
- Approximately a $502,500 in mortgage tax savings
- Approximately $15,250,000 in historic tax credits
- Grant from National Grid in the amount of $500,000
- Approximately $7,300,000 in brownfield tax credits

ROI

791 Washington, LLC has submitted a pro forma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA and other tax credits and grants is 8.96%
Stated ROI for the project without ECIDA and other tax credits and grants is 9.68%

Historic Status
The building is listed on the National Register of Historic Places.

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>791 Washington, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(611) Educational Services</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$80,535,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$66,691,373</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>30</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$798,666</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>488</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$25,631,140</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$26,429,806</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$14,675,100</td>
</tr>
<tr>
<td>Property Tax Revenue</td>
<td>$472,689</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$599,787</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$1,460,451</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$505,084</td>
</tr>
<tr>
<td>TOTAL Estimated Revenue</td>
<td>$17,713,113</td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$2,917,748</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$502,500</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$3,420,248</td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>30</td>
</tr>
<tr>
<td>Indirect***</td>
<td>3</td>
</tr>
<tr>
<td>Induced****</td>
<td>7</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>488</td>
</tr>
<tr>
<td>Indirect</td>
<td>177</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>5.2:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>18.4:1</td>
</tr>
</tbody>
</table>

* 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.

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Trico Redevelopment

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name: Trico Redevelopment
Applicant Name: 791 Washington Street, LLC
Applicant Address: 4 Centre Drive
Applicant City: Orchard Park
Applicant State: New York
Applicant Zip: 14127
Phone: 716-667-1234
Fax: 716-667-1258
E-mail: sfairbrother@kroggrp.com
Website:
Federal ID#: 81-2935793
NAICS Code: 531000
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: 791 Washington Street, LLC
Federal ID#: 81-2935793
State and Year of Incorporation/Organization: New York/2016
List of stockholders, members, or partners of Real Estate Holding Company: Peter L Krog & Historic Tax Credit Investor TBD

Individual Completing Application

Name: Scott Fairbrother
Title: Chief Financial Officer - The Krog Group, LLC
Address: 4 Centre Drive
Address 2:
City: Orchard Park
State: New York
Zip: 14127
The Erie County Industrial Development Agency (ECIDA)

Phone 716-667-1234
Fax 716-667-1258
E-Mail sfairbrother@krogrp.com
Company Contact (if different from individual completing application)

Name          Paul R. Neureuter
Title         President - The Krog Group, LLC
Address       4 Centre Drive
City          Orchard Park
State         New York
Zip           14127
Phone         716-667-1234
Fax           716-667-1258
E-Mail        pneureuter@krogrp.com

Company Counsel

Name of Attorney  Douglas W. Dimitroff
Firm Name         Phillips Lytle
Address           One Canalside
City              Buffalo
State             New York
Zip               14203
Phone             716-847-5408
Fax               716-852-6100
E-Mail            ddimitroff@phillipslytle.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       2016
State of Organization  New York

List all stockholders, members, or partners with % of ownership greater than 20%
Please include name and % of ownership.

Peter L. Krog & Historic Tax Credit Investor TBD
Applicant Business Description

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

The Company is a single purpose entity that has been formed to hold real property being redeveloped at 791 Washington Street. The managing member with the controlling interest in the LLC is a real estate developer with a long track record of successful development throughout Western New York and Erie County. The member with the controlling interest has been in business in excess of thirty years and has successfully completed a number of historic renovations. The planned redevelopment consists of a mixed use project that will provide office space, housing and services that are expected to primarily be complimentary to the Buffalo Niagara Medical Campus. The building will be rehabilitated to include an extended stay hotel to serve patients and visitors of the medical campus. The project will also include housing in support of the University of Buffalo Medical School and commercial space for companies that are looking to form a strategic alliance with the other service providers located on the BNMC.

Estimated % of sales within Erie County: 80
Estimated % of sales outside Erie County but within New York State: 10
Estimated % of sales outside New York State but within the U.S.: 5
Estimated % of sales outside the U.S.: 5

(*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.

The entity applying for the benefits is newly formed and does not have the history to provide the percentages requested. The newly formed entity expects that the tenants anticipated to occupy the structure will purchase approximately 90% of their supplies, raw materials and vendor services from firms within Erie County.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
City of Buffalo - Newly formed single purpose LLC

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
791 Washington Street, Buffalo, NY

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
111.31-1-1.11

What are the current real estate taxes on the proposed Project Site
N/A - Property is not currently on the tax roll

Assessed value of land
100,000

Assessed value of building(s)
1,495,000

Are Real Property Taxes current?
Yes

If no please explain
N/A - Property not currently on the tax roll

Town/City/Village of Project Site
City of Buffalo

School District of Project Site
Buffalo Public School

Does the Applicant or any related entity currently hold fee title to the Project site?
No

If No, Indicate name of present owner of the Project Site
Buffalo Brownfield Restoration Corporation - Applicant has executed a Purchase Agreement with the current owner. See attached.

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

Describe the present use of the Proposed Project site

119
The historic building is listed on the National Register. The building has been vacant in excess of 10 years and is currently in need of significant repairs and environmental remediation to avoid total demolition. If the applicant's redevelopment effort does not move forward the building would likely need to be demolished at a cost to taxpayers of approximately $6 - $8 Million. The building currently has a fence around it to prevent pedestrians from being close enough to be hit by the occasional debris that breaks off the building and falls on the street below.

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)

See the attached narrative of the proposed project

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:

This project will not move forward without financial assistance provided by the Agency. See attached reasons why the Agency's Financial Assistance is necessary.

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)

See the attached narrative on why the Agency's Financial Assistance is 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?

See attached Impact on Applicant and Erie County

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

The extended stay hotel operator and other prospective commercial tenants in the building may lease equipment for their respective operations. However, at this point in time, the extent of the leased equipment is yet to be determined.

Site Characteristics

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

Yes

Describe the present zoning/land use

General Commercial District

Describe required zoning/land use, if different

N/A

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

N/A

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

Yes

If yes, please explain

The project site is currently in the New York State Brownfield Cleanup Program as a volunteer. The project site contains contaminants that will add to the overall redevelopment costs as the developer will need to remediate the property to a sufficient level to house the hotel and meet the residential clean up standards under the Brown Field Cleanup Program.

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?

TBD - Not known at this time.

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

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

Yes

If yes, please explain.

The project has commercial space available that could be occupied by a company that performs research and development activities. The applicant has not identified a tenant that performs these R&D activities at this point, but could attract one given the location on the Buffalo Niagara Medical Campus.

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

N/A - Not known at this time.

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
Yes Acquisition of Existing Facility Yes Commercial No Facility for the Aging
Yes Housing Yes Back Office No Civic Facility (not for profit)
Yes Equipment Purchase Yes Retail Yes Other
Hotel
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$ 100,000

600,000 square feet
2 acres

New Building Construction

$ 0

square feet

New Building addition(s)

$ 0

square feet

Infrastructure Work

$ 0

Renovation

$ 66,691,373

405,000 square feet

Manufacturing Equipment

$ 0

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

$ 2,403,500

Soft Costs: (professional services, etc.)

$ 10,342,000

Other Cost

$ 998,127

Explain Other Costs

Environmental remediation and abatement

Total Cost

$ 80,535,000

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:

Environmental remediation and abatement was conducted to keep the Emerson Culinary project on schedule prior to them unexpectedly pulling out of the building. In addition, costs associated with legal fees, carrying costs and design work have also been incurred.

Sources of Funds for Project Costs:

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

$ 17,485,000

Bank Financing:

$ 40,000,000

Tax Exempt Bond issuance (if applicable):

$ 0

Taxable Bond issuance (if applicable):
Public Sources (Include sum total of all state and federal grants and tax credits):

$ 23,050,000

Identify each state and federal grant/credit:
Federal Historic Tax Credits, NYS Historic Tax Credits, NYS Brownfield Tax Credits and National Grid Grant

Total Sources of Funds for Project Costs:

$80,535,000

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.

$ 50,250,000

Lender Name, if Known

The applicant is in the process of obtaining financing. The structure for project financing is predicated on the selection of the Historic Tax Credit Investor. The applicant has been working with Goldman Sachs, Chase and Bank of America as potential Historic Tax Credit Investors. Discussions are ongoing with M&T Bank as well as other traditional construction lenders.

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

$376,875

Construction Cost Breakdown:

Total Cost of Construction

$ 69,094,373

Cost for materials

$ 26,255,860

% sourced in Erie County

80%

% sourced in State

95% (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

$ 31,438,000

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

$ 2,750,825

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:

The applicant is likely to apply for a 485(a) real property tax exemption for the improvements made to the property.

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

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing_Processing</td>
<td>$ 0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$ 0</td>
<td>0</td>
</tr>
</tbody>
</table>


123
Research & Development
square feet $ 0 0

Commercial
square feet $ 0 0

Retail
117,992 square feet $ 17,934,828 23

Office
61,000 square feet $ 5,523,943 12

Specify Other
336,008 square feet $ 45,636,102 65

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

N/A

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
4/1/2017

End date : Estimated completion date of project
3/31/2019

Project occupancy : estimated starting date of operations
4/1/2019

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?

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
| Full time | 0 | 0 | 30 |
| Part time | 0 | 0 | 0 |
| Total     | 0 | 0 | 30 |

** 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:

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th>Average Salary</th>
<th>Average Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$50,000</td>
<td>$17,500</td>
</tr>
<tr>
<td>Professional</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>$38,000</td>
<td>$13,300</td>
</tr>
<tr>
<td>Production</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$28,250</td>
<td>$4,725</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Will any of the facilities described above be closed or subject to reduced activity?
No

Payroll Information
Annual Payroll at Proposed Project Site
$ 900,000

Estimated average annual salary of jobs to be retained
$ 0

Estimated average annual salary of jobs to be created
$ 30,000

Estimated salary range of jobs to be created
From $ 25,000 To $ 50,000

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
N/A

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

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
N/A

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, Brownfield Tax Credits, Buffalo Building Reuse Loan Program, National Grid Grant and 485(a) real property tax abatement.
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

The project is located at the South end of the Buffalo Niagara Medical Campus (BNMC). The applicant expects there to be a shortfall of market rate housing near the medical campus as more workers are required to support the expansion of the campus and the additional employees and students attending and working at the University of Buffalo Medical School. In addition, the BNMC has a need for an extended stay hotel to serve the campus and the thousands of visiting patients, their families and other visitors that come in from out of town to receive medical treatment on an inpatient/outpatient basis.

Have any tenant leases been entered into for this project?

No

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

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Current Address (city, state, zip)</th>
<th># of sq ft and % of total to be occupied at new project site</th>
<th>SIC or NAICS also briefly describe type of business, products/services, % of sales in Erie Co.</th>
</tr>
</thead>
</table>
Section IV: Tenant Information
Section V: Environmental Questionnaire

General Background Information

Address of Premises
791 Washington Street Buffalo, NY

Name and Address of Owner of Premises
791 Washington Street, LLC 4 Centre Drive, Orchard Park, NY

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

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
See attached environmental information

Describe all known former uses of the Premises
See attached environmental information

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?
Yes

If yes, describe and attach any incident reports and the results of any investigations
See attached environmental information

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

N/A

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

See attached

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

See attached

**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

N/A

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

N/A

**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?

Yes

If yes, relate all the circumstances

See attached environmental information

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

See attached environmental information
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:

N/A

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.)

N/A

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.)

Proximity to the medical campus is strategic for the extended stay hotel and residential components of the project.

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located? No

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

The project applicant's senior management is located in Erie County and is continually looking for opportunities to expand its core business in Erie County as opposed to having to look elsewhere in New York State for development and expansion opportunities.

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

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. N/A
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)? 100
Has the structure been vacant or underutilized for a minimum of 3 years? Yes
(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)
If vacant, number of years vacant. 10
If underutilized, number of years underutilized. 15
Describe the use of the building during the time it has been underutilized: The building has been vacant since the Trico Company left the building in 2005.
Is the structure currently generating insignificant income? (Insufficient 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 $ The structure is 100% vacant and has no income being generated by it. It is currently not on the tax rolls and is in structural disrepair.
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 $ The estimated value of the Federal Historic Tax Credit is approximately $12 million and the NYS Tax Credit will be capped at $5 million.

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)
See attached

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
The City of Buffalo has been a advocate for the redevelopment of this project. The local preservation community has approved the redevelopment plan and the project has received site plan approval.
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
See attached Other Factors for the ECIDA to Consider
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?

Yes

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.

N/A

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

N/A

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

Yes

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

N/A

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.

N/A

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)

N/A

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?  
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?  
23%  
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?  
Yes

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 extended stay hotel will hire approximately 25 new employees. The applicant will have a minimum of 5 new employees that will be responsible for the management and maintenance of the building. The commercial space in the building is sufficient to support upwards of 300 jobs. In addition, the construction/building rehabilitation will result in the employment of approximately 150 full time construction jobs.

Is the project located in a Highly Distressed Area?  
Yes
NARRATIVE OF THE PROPOSED PROJECT:

The applicant is planning to renovate and redevelop the former Trico Industrial Building located at 791 Washington St in Buffalo. The current building has been vacant for over 10 years and has numerous structural and environmental challenges associated with renovating this historic structure. The building is likely slated for emergency demolition should the current redevelopment plan not move forward.

The applicant has received Part 2 approval to utilize Federal and State Historic Tax Credits to help incentivize the redevelopment of this iconic building located at the Southern gateway of the rapidly growing Buffalo Niagara Medical Campus. In addition, the site has been accepted into the NYS Brownfield Cleanup program to facilitate the remediation required to renovate this structure by converting it into a thriving mixed use building that fosters a live-work community.

The current plan calls for select demolition and substantial renovation to convert this to a mixed use structure that will serve as a site for an extended stay hotel to serve the medical campus, market rate housing to meet the expanding demand for employees and students located on the medical campus and limited retail component that will serve the campus and surrounding community. In addition, the building has commercial space that is currently being marketed to an existing businesses looking to expand their corporate headquarters in Buffalo.

The applicant has entered into a Purchase and Sale Agreement with the Buffalo Brownfield Restoration Corporation and has agreed to complete the project while meeting MWBE guidelines outlined by the City of Buffalo. A copy of the original executed Real Estate Purchase Agreement has been attached for review.

REASONS WHY THE AGENCY'S FINANCIAL ASSISTANCE IS NECESSARY:

The proposed building has been vacant and unattended since 2005 and has fallen into significant disrepair. There are a number of structural issues that have developed as a result of the structure's failing roof system. In addition, the building has environmental contaminants that must be dealt with in order to bring the building back to life. These environmental issues add costs to the project that would not be experienced on a clean green-field site. The building's current size and configuration is not conducive to redevelopment. Therefore, partial demolition will be required to allow for more manageable floor depths and daylighting opportunities. The demolition costs drive the total project costs up even further. The building has been listed on the National Historic Register which will add to the cost of renovation as the rehabilitation is conducted within those guidelines. The applicant has applied for and received Part II historic approval to help alleviate some of the burden associated with the historic renovation. However, the project still remains economically challenged as a result of the historic renovation guidelines, remediation and demolition.
The proposed building lacks sufficient parking to easily attract commercial tenants for reasonable square foot absorption associated with commercial space. As a result, parking will have to be constructed within the building and secured at market rates which further limits the economic viability of the project.

**IMPACT ON APPLICANT AND ERIE COUNTY IF UNABLE TO OBTAIN FINANCIAL ASSISTANCE:**

The applicant is applying for the sales tax and mortgage tax abatements and the applicant will not move forward with the project without the receipt of financial assistance. The result would be to put the redevelopment and rehabilitation of the property in serious jeopardy. This building would likely remain in the municipality’s possession and require emergency abatement and demolition at the expense of Erie County and City of Buffalo taxpayers. Demolition and abatement of the entire building has been estimated to cost in excess of $5,000,000.

**OTHER FACTORS FOR THE ECIDA TO CONSIDER:**

The existing state of the site presents a public safety hazard. The property has a fence around it to prevent the pedestrian traffic from getting too close to the building. Portions of the building have fallen off and dropped to the sidewalk below. The structural integrity of the building will continue to erode if the building is not renovated soon.

The structure requires a significant investment to stabilize the building and make it code compliant. The property contains contaminated material that will ultimately have to be remediated. The building is on the National Historic Register and serves as a main focal point as patrons enter the City of Buffalo via Goodell Street. Multiple developers have tried to get the project through SHPO and the National Parks Department, but none have ever succeeded. If this project fails it is unlikely that anyone will ever attempt to redevelop this parcel. The building will be demolished and a significant piece of Buffalo’s history will ultimately be gone and tax payers will foot the bill for the demolition.
Curtiss Buffalo, Inc.
$24,130,000
AMENDATORY INDUCEMENT RESOLUTION

Project Title: Curtiss Buffalo, Inc.
Project Address: 204-216 Franklin Street
Buffalo, New York 14202
(Buffalo City School District)

Agency Request

A sales tax and mortgage tax exemption in connection with the adaptive reuse of 204-216 Franklin Street.

<table>
<thead>
<tr>
<th>Prior</th>
<th>Amended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$3,000,000</td>
</tr>
<tr>
<td></td>
<td>$3,000,000</td>
</tr>
<tr>
<td>New Building Construction</td>
<td>$0</td>
</tr>
<tr>
<td>Renovation</td>
<td>$10,090,000</td>
</tr>
<tr>
<td>Non-Manufacturing Equipment</td>
<td>$1,530,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$3,100,000</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$17,720,000</td>
</tr>
<tr>
<td>85% of Project Costs</td>
<td>$15,062,000</td>
</tr>
<tr>
<td>Estimated Mortgage Amount</td>
<td>$11,000,000</td>
</tr>
</tbody>
</table>

Company Description

Curtiss Buffalo, Inc. is a corporation formed in 1998 and is 100% owned by Buffmark Holdings, LLC. Mark Croce is the sole owner of Buffmark. Mr. Croce is a local entrepreneur/restaurateur. Recent accomplishments include successfully transforming the Statler Towers into Statler City and transforming an old carriage house into the Buffalo Chophouse. He has created a number of restaurants and hospitality based businesses including D’Arcy McGee’s Irish pub, Laughlin’s, Brownstone Bistro, Bucking’ Buffalo Saloon and the SkyBar.

Amended Project Description

The project description is being modified to increase both the renovation and equipment budget by $4,430,000 and to construct an additional 9,200 sq. ft. for an expanded rooftop area and sidewalk café which is estimated to cost $2,200,000. When complete, the entire complex will be 66,850 sq. ft.

The increased benefit to the developer will be in the form of additional sales tax savings in the amount of $466,250.

The estimated sales tax benefit and employment impact is changed as follows:

- Original estimate of sales tax savings: $575,000
- Revised estimate of sales tax savings: $1,041,250
- Net Increase: $466,250

- Original estimate of projected jobs: 30
- Revised estimate of projected jobs: 55
- Net increase: 25
Prior Project Description

The project involves the complete rehabilitation and historic renovation of the 57,560 sq. ft. Curtiss Building and the redevelopment of the former Continental Building which was previously demolished. This will transform the Curtiss Building and adjacent lot into a 67-room, high end boutique hotel, fine dining restaurant, lounge, spa and fitness center. The project will include an indoor/outdoor year round water element featuring a waterfall and urban hot-springs environment. In addition, one apartment unit will be constructed.

The building is over 100 years old and is listed on the National Register of Historic Places and has been a vacant, blighted structure for over 12 years. Its location falls within a highly distressed area as defined by New York State Statute.

The project is expected to add significantly to the downtown entertainment district by bringing product online that does not currently exist in downtown Buffalo.

The renovated Curtiss Building, with its close proximity to the Convention Center complemented by the selection of other hotels surrounding it, is expected to enhance the Convention Center’s ability to promote Buffalo as a convention destination. (see attached letter from Visit Buffalo Niagara).

Real Estate Tax Impact

<table>
<thead>
<tr>
<th>Current Assessment</th>
<th>Current Yearly Taxes</th>
<th>Estimated new assessed value (50% of construction budget)</th>
<th>New County Revenue over 12 years</th>
<th>New City Revenue over 12-Year 485-a abatement period</th>
<th>New Taxes in first year after expiration of abatement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200,000</td>
<td>$6,900</td>
<td>$5,667,000</td>
<td>$438,000</td>
<td>$306,000</td>
<td>$153,000</td>
</tr>
<tr>
<td>Combined Tax Rate:</td>
<td>$33.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Project Benefits

- The investment of over $18,000,000 in the urban core.
- The adaptive reuse of a facility that has been vacant for over 12 years
- The redevelopment of a property in a highly distressed census tract
- 55 new jobs to the area
- Over $1,400,000 in new bed tax revenue to the County over a 10-year period.

Retail Determination

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Sq. Ft.</th>
<th>Cost</th>
<th>% of Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel/Spa/Restaurant</td>
<td>57,560</td>
<td>$24,130,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

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. This requires a sign off by the County Executive which has already been received.
## Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
</table>
| Total Investment  | At project completion                        | Investment amount equal to or greater than 85% of project amount  
Project Amount = $24,130,000  
85% = $20,510,500 |
| Employment        | See recapture period                         | 85% of project employment:  
Projected Jobs = 55  
85% of Projected Jobs = 46 |
| Local Labor       | Construction period                          | Adherence to policy including quarterly reporting                                   |
| Pay Equity        | See recapture period                         | Adherence to Policy                                                                 |
| Unpaid Tax        | See recapture period                         | Adherence to Policy                                                                 |
| Recapture Period  | The later of 2 years after project completion or termination of Agent and Financial Assistance | Recapture of State and Local Sales Taxes and Mortgage Tax                            |

Recapture applies to:

- State and local sales taxes
- Mortgage recording taxes

### Recapture

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

At completion of project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has 46 employees at the facility iii) confirm adherence to ECIDA local labor policy during the construction phase and iv) adherence to unpaid taxes, and pay equity policy for the recapture term.
Internal Report: Curtiss Buffalo, Inc. - Curtiss Buffalo, Inc.

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Curtiss Buffalo, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$24,130,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$13,825,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>0</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$0</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>101</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$5,313,289</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$5,313,289</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$2,028,081</td>
</tr>
<tr>
<td>Property Tax Revenue</td>
<td>$59,271</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$95,194</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$264,824</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$80,163</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$2,527,534</strong></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$1,046,063</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$82,500</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$1,128,563</strong></td>
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</tbody>
</table>
### Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>0</td>
</tr>
<tr>
<td>Indirect***</td>
<td>0</td>
</tr>
<tr>
<td>Induced****</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>101</td>
</tr>
<tr>
<td>Indirect</td>
<td>37</td>
</tr>
</tbody>
</table>

### Table 5: Ratios

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>2.2:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>8.6:1</td>
</tr>
</tbody>
</table>

* 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.

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Curtiss Buffalo, Inc.

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name: Curtiss Buffalo, Inc.
Applicant Name: Curtiss Buffalo, Inc.
Applicant Address: 257 Franklin Street
Applicant Address 2:
Applicant City: Buffalo
Applicant State: New York
Applicant Zip: 14202
Phone: 716-208-1215
Fax: 716-847-6296
E-mail: mark.croce@curtisshotel.com
Website: www.curtisshotel.com
Federal ID#: 16-1550222
NAICS Code:
Will a Real Estate Holding Company be utilized to own the Project property/facility: No
What is the name of the Real Estate Holding Company:
Federal ID#:
State and Year of Incorporation/Organization:
List of stockholders, members, or partners of Real Estate Holding Company:

Individual Completing Application

Name: Deanne Stachowski
Title:
Address: 424 Main Street, Suite 1820
Address 2:
City: Buffalo
State: New York
Zip: 14202
716-332-0032

Phone
Fax
E-Mail

716-362-8748
dstachowski@knoergroup.com
Company Contact (if different from individual completing application)

Name: Mark D. Croce
Title: President & CEO
Address: 257 Franklin Street

City: Buffalo
State: New York
Zip: 14202
Phone: 716-208-1215
Fax: 716-847-6296
E-Mail: mark.croce@curtisshotel.com

Company Counsel

Name of Attorney: Robert E. Knoer
Firm Name: The Knoer Group, PLLC
Address: 424 Main Street, Suite 1820

City: Buffalo
State: New York
Zip: 14202
Phone: 716-332-0032
Fax: 716-362-8748
E-Mail: rknoer@knoergroup.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: Corporation
Type of Ownership: 
Year Established: 1998

List all stockholders, members, or partners with % of ownership greater than 20%
Please include name and % of ownership.

Curtiss Buffalo, Inc. owns the real property. Buffmark Holdings, LLC is 100% shareholder of Curtiss Buffalo, Inc. Mark D. Croce is the sole Member and Manager of Buffmark Holdings, LLC.
Applicant Business Description

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

Hospitality; 67 room high end branded boutique hotel with a full service 3 meal restaurant, roof top upscale lounge, water feature, and one long term residential unit. Expanded year round sidewalk café.

Estimated % of sales within Erie County  25
Estimated % of sales outside Erie County but within New York State  25
Estimated % of sales outside New York State but within the U.S.  40
Estimated % of sales outside the U.S.  10

(*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.

90-100%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Buffalo, NY

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

Yes

In which Municipality will the proposed project be located

Buffalo, NY

Address

210 Franklin 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

111.37-4-7.1

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

approximately $12,000/year

Assessed value of land

171,100

Assessed value of building(s)

118,000

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

Vacant office building
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)

ORIGINAL: The $18.1 million project involves property acquisition; complete rehabilitation of the 57,560 square foot historic Curtiss Building; asbestos and lead paint abatement and removal, and demolition of the adjacent noncontributing dilapidated 11,615-square-foot Continental Building; construction of the hotel entrance-way and porte-cochere, and infrastructure improvements necessary to convert the vacant blighted property into a sixty seven room high-end boutique hotel, fine dining restaurant and lounge, along with one long term residential unit. In addition, there will be a spa and fitness component, the spa will include an indoor/outdoor year round water element featuring a waterfall and urban “hot-springs” environment. It is anticipated that all of the operations on site will be operated by the same entity. REVISION: The Curtiss Hotel project has been expanded to include the addition of 9,200 square feet of additional property improvements and expansions; this includes an expanded rooftop patio bar that is triple the original size with a sizeable portion of it able to be utilized year round with its own heating and cooling systems, along with a new year round heated and air-conditioned sidewalk café on the south side of the building at ground level. The expansion has resulted in the increase of the original overall project budget from approximately $18,100,000 to approximately $24,100,000 to cover additional construction costs and furniture, fixture and equipment purchases to service the multiple expansions. It is expected that employment based on the new capacities will increase to a minimum of 55 FTE jobs.

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:

This is a revised application for a previously approved project. The development is directed toward an underserved sector of the hotel mix to compliment needed convention demands. The project has expanded with additional hospitality aspects since approved. The project will require additional employees based on the expansion. Due to the cost of expansion, in order to complete the project at the level it is designed to serve, assistance in the form of additional sales tax abatement is required.

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)

IDA participation was sought to allow this project to proceed to assist in covering the additional costs inherent in renovating a historic structure. In addition there are project shortfalls related to the loss of empire zone benefits available to this project due to the fact that time was lost during the period that the developer became involved in the saving and rehabilitation of the historic Statler property at 107 Delaware Avenue. The loss of the sales tax benefit available to ongoing purchases for supplies utilized on the property has been lost making the long term operations more expensive. This project will make the City of Buffalo more competitive with other markets by filling a market niche for an upper end boutique hotel that is not currently being served, and can also make the Buffalo-Niagara Convention Center more competitive with its peer markets. The additional benefits now requested are in keeping with and expanding on the original project benefits.

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

No

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

This is a revised application for a previously approved project. The development is directed toward an underserved sector of the hotel mix to compliment needed convention demands. The project has expanded with additional hospitality aspects since approved. The project will require additional employees based on the expansion. Due to the cost of expansion, in order to complete the project at the level it is designed to serve, additional assistance in the form of sales tax abatement is required.

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

Downtown Opportunity District/Commercial

http://www.ecidary.com/appTaxIncentive-application-2014/print/535
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?
Yes
If yes, please explain
asbestos and lead paint

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

If yes, please provide a copy.

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

If yes, please provide copies of the study.

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

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
No Acquisition of Existing Facility
No Housing
Yes Equipment Purchase

No Multi-Tenant
No Commercial
No Back Office
Yes Retail

Yes Mixed Use
No Facility for the Aging
No Civic Facility (not for profit)
No Other
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$3,000,000

57,650 square feet

1 acres

New Building Construction

$0

0 square feet

New Building addition(s)

$2,200,000

9,200 square feet

Infrastructure Work

$650,000

Renovation

$10,975,000

57,650 square feet

Manufacturing Equipment

$0

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

$4,425,000

Soft Costs: (professional services, etc.)

$2,500,000

Other Cost

$380,000

Explain Other Costs

Demolition

Total Cost

$24,130,000

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:

This project was approved on a previous application and costs have been incurred to this date.

Sources of Funds for Project Costs:

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

$7,950,000

Bank Financing:

$14,400,000

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):

$1,750,000

**Identify each state and federal grant/credit:**

ESDC, Upstate Blueprint Loan Fund and Restore III Grant National Grid Grant $250,000 NYSERDA/National Grid Efficiency Grant $150,000

**Total Sources of Funds for Project Costs:**

$24,100,000

**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.*

$11,000,000

**Lender Name, If Known**

Evans Bank

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

$82,500

**Construction Cost Breakdown:**

**Total Cost of Construction**

$18,250,000

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

**Cost for materials**

$11,900,000

**% sourced in Erie County**

70%

**% sourced in State**

85% (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**

$11,900,000

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

$1,041,250

**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:**

RPTL 485a

---

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

<table>
<thead>
<tr>
<th>Usage</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>

The Erie County Industrial Development Agency (ECIDA)

**Retail**
- 66,850 square feet
- $7,000
- 100

**Office**
- 0 square feet
- $0
- 0

**Specify Other**
- 0 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

1/1/2016

End date: Estimated completion date of project

6/1/2017

Project occupancy: estimated starting date of operations

7/1/2017

Have construction contracts been signed?

Yes

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):**

<table>
<thead>
<tr>
<th></th>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>0</td>
<td>0</td>
<td>55</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>55</td>
</tr>
</tbody>
</table>

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**

55

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:

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th>Average Salary</th>
<th>Average Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$ 65,000</td>
<td>$ 19,500</td>
</tr>
<tr>
<td>Professional</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Administrative</td>
<td>$ 44,000</td>
<td>$ 13,200</td>
</tr>
<tr>
<td>Production</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Other</td>
<td>$ 39,000</td>
<td>$ 11,700</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Will any of the facilities described above be closed or subject to reduced activity?
No

Payroll Information

Annual Payroll at Proposed Project Site
$ 2,300,000

Estimated average annual salary of jobs to be retained
$ 0

Estimated average annual salary of jobs to be created
$ 42,000

Estimated salary range of jobs to be created
From $ 25,000 To $ 85,000

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?
Yes

If yes, please indicate the Agency and nature of Inquiry below
ESDC: Restore III Grant and Upstate Blueprint Loan Programs

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(a) utility grant energy assistance
### 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**: Curtiss Buffalo, Inc.  
- **Address**: 257 Franklin Street  
- **Contact Person**: Mark D. Croce  
- **Phone**: 716-208-1215  
- **Fax**: 716-847-6296  
- **E-Mail**: mark.croce@curtisshotels.com  
- **Federal ID #**: 16-1550222  
- **SIC/NAICS Code**: 7011/721110

#### 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?**  
No

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

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Current Address (city, state, zip)</th>
<th># of sq ft and % of total to be occupied at new projet site</th>
<th>SIC or NAICS - also briefly describe type of business, products services, % of sales in Erie Co.</th>
</tr>
</thead>
</table>
Section V: Environmental Questionnaire

General Background Information

Address of Premises  210 Franklin Street Buffalo, NY 14202
Name and Address of Owner of Premises  Curtiss Buffalo, Inc. 257 Franklin Street Buffalo, NY 14202

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

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
Built as a spec office building

Describe all known former uses of the Premises
office building

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 groundwater?
No.

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

**Air Pollution**
Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?
No.

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

Are any of the air emission sources permitted?
<BLANK>

If yes, attach a copy of each permit.

**Storage Tanks**
List and describe all above and underground 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.
Previously abated and removed.
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?
<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)? 104
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. 16
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) Yes
If yes, please provide dollar amount of income being generated, if any $ 0
Does the site have historical significance? Yes
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)

Historic vacant building required significant infrastructure configuration, basement and vault restoration and shoring, new utility configuration, additional amenities to cater to both the local market and tourism sector which increase total employment commitment.

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

The City of Buffalo has demonstrated its support of the Project by awarding 1,350,000 of its Restore III allocation to this project.

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 Curtiss Building, constructed in 1912, is listed on the National Register of Historic Places and is one of only three remaining structures in the City's downtown business district exhibiting a terracotta façade decorated with Art Nouveau styling. This property has been a vacant, blighted structure for over 16 years. There are significant additional costs inherent in redeveloping an existing structure while maintaining its historical character. In addition there are added costs in addressing the environmental concerns. In addition to the remediation costs and additional building code compliance costs, significant costs will be incurred to rebuild the sidewalk vaults under the City of Buffalo Right of Way and to replace all of the concrete sidewalks and waterproof membranes. This project will add significantly to the entertainment district by bringing a product online that does not currently exist in downtown Buffalo.
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?
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?
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? Yes

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 Cattaragus counties) in which the project will be located?
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?
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?
If yes, explain
The creation of 55 new permanent private sector FTE jobs

Is the project located in a Highly Distressed Area?
Yes