Agenda

August 3rd, 2017
8:30 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the June 1st, 2017 Policy Committee Minutes
   (Pages 2 - 6)

3. Project Matrix (Pages 7 - 15)

4. Project Presentations (Staff – Company Q&A)
   a. 166 Chandler Holding LLC (Pages 16 - 46)
   b. Pearl Group LLC, (Pages 47 - 85)

5. Updates/Discussion

6. Adjournment – Next Meeting September 7th, 2017 at 8:30 a.m.
MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: June 1, 2017, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Rev. Mark E. Blue, Colleen DiPirro, Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Laura Smith, David J. State, Paul V. Vukelic and Maria Whyte


OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; and Robert G. Murray, Secretary

GUESTS: Hon. Joseph C. Lorigo; Rebecca Gandour, Director of Development, City of Buffalo Office of Strategic Planning; Kenneth Swanekamp, Director of Business Assistance, Erie County Environment & Planning; Andrew Federick, Erie County Senior Economic Development Specialist; Tim Palisano, on behalf of Western New York Foreign Trade Zone Operators, Inc.; Rachel Heckl, on behalf of 467 Richmond Avenue LLC; Olivia Hill, on behalf of the Hamburg IDA and David Mingoia, on behalf of the Amherst IDA

There being a quorum present at 8:39 a.m., the Policy Committee meeting was called to order by its Chair, Mr. Lipsitz.

MINUTES

The minutes of the April 6, 2017 Policy Committee meeting were presented. Upon motion made by Mr. Mudie, and seconded by Ms. McDuffie, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s project matrix. Mr. Lipsitz directed that the report be received and filed.
PROJECT PRESENTATIONS

467 Richmond Avenue, LLC (Rosanna Elizabeth Visual & Performing Arts Campus ("REVPAC")), 467 Richmond Avenue, Buffalo, New York. Mr. Cappellino reviewed this proposed sales and use tax and mortgage recording tax exemption benefits project involving the renovation and adaptive reuse of the property which is the former Richmond Methodist Episcopal Church. The facility, which consists of 36,000 sq. ft., will be a campus for the utilization by performing arts groups and will include corporate and business meeting space and a recording studio.

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

Draft Recapture Material Terms

<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 = $10,775,636 85% = $9,159,290</td>
</tr>
<tr>
<td>Employment</td>
<td>See Recapture Term</td>
<td>Maintain Base = 3 Create 85% of Projected Projected = 1 85% = 1 Recapture Employment: 4</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>See Recapture Term</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>See Recapture Term</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 Recording Tax</td>
</tr>
</tbody>
</table>

Mr. Cappellino confirmed that the project is located within a highly distressed area and also confirmed that the project qualifies as a retail project under the New York General Municipal Law, and as such, will require the confirmation of the Erie County Executive.

Mr. Cappellino introduced Rachel Heckl, who spoke on behalf of REVPAC.

Ms. McDuffie spoke in favor of the project and confirmed that the Agency would not be providing any incentives to the housing component of the project.
Ms. Whyte spoke in favor of the project and noted that the County Executive will be providing his confirmation per Section 862 of the New York General Municipal Law. Ms. DiPirro, Ms. Smith and Ms. Gandour all spoke in favor of the project.

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

Western New York Foreign Trade Zone Operators (Punto Franco Ltd.), 10 Gates Avenue, Lackawanna, New York. Mr. Cappellino presented this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a new 20,000 sq. ft. facility resulting in the expansion of the company’s existing warehouse operations along with the purchase of related machinery and equipment.

Mr. Cappellino stated that in exchange for providing the sales and use tax exemption, mortgage recording tax exemption and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to 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 the project amount. Project Amount = $1,760,000 85% = $1,496,000</td>
</tr>
<tr>
<td>Employment</td>
<td>See Recapture Term</td>
<td>Maintain Base = 5 FTE Create 85% of Projected: Projected = 3 FTE 85% = 2 Recapture Employment = 7 FTE</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 7-Year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 7-Year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>7-Year PILOT term</td>
<td>State and Local Sales Taxes Mortgage Recording Tax Real Property Tax</td>
</tr>
</tbody>
</table>

Ms. Whyte queried as to the request for real property tax abatement benefits and specifically asked what would happen if the company did not get the PILOT benefit. Mr. Palisano, a representative of the company, noted that the City of Lackawanna has a non-homestead real property tax provision which “kills” businesses, and Mr. Palisano then provided an example of the amount of taxes his company pays in Lackawanna compared with what it
would pay in Buffalo and Syracuse for the exact same sized building. Without the PILOT benefit, Mr. Palisano stated that the company would not do the project.

Ms. Smith noted that this project is in the logistics and transportation targeted industry sector and that Committee members must recognize that New York State is the third highest taxed state in the nation such that the company could also do this investment elsewhere for less cost.

Mr. Lipsitz queried as to the pay for the new jobs. Mr. Palisano responded that the job titles will range from warehousing to managerial positions with pay between $30,000 and $60,000.

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

**UPDATES/DISCUSSION**

**Adaptive Reuse Study Update.** Mr. Cappellino provided members with an update on the final Adaptive Reuse Report which will be released on June 15, 2017. Mr. Cappellino then thanked Dave Mingoia, Laura Smith and Rebecca Gandour for their assistance on this project. Ms. McDuffie then encouraged all members to attend the Adaptive Reuse Report unveiling on June 15, 2017.

Ms. DiPirro noted that Amherst is looking at how to reuse the Boulevard Mall and is considering how this facility could be adaptively reused because it is no longer viable as a retail mall facility. Ms. DiPirro expressed concern that first ring suburbs will need to rely on the adaptive reuse program going forward.

**Best Practice Recommendations.** Ms. Whyte referred Committee members to the draft Best Practice – Core Principles Recommendations that have been reviewed by this Committee and provided to Committee members in the past. Ms. Whyte expressed her preference that these best practice recommendations be provided to the Board, with no changes, for approval.

Mr. Cappellino commented that all Erie County industrial development agencies are looking at amending the County-wide Uniform Tax Exemption Policy ("UTEP") and noted that the core principles will assist in guiding revisions to the UTEP.

Ms. Whyte then moved to send the Best Practice recommendations to the Agency for approval. Ms. McDuffie seconded the motion.

Mr. Vukelic asked Mr. Cappellino to explain next steps. Mr. Cappellino confirmed that the core principles will be the precursor to establishing practices and policies at later dates. Mr. Vukelic then spoke in favor of establishing core principles but expressed concern that the core principles not make the development process more difficult and that the core principles not unnecessarily duplicate other efforts.
Ms. Smith suggested adding non-duplicative language into core principle number 6, such that ECIDA policies will avoid duplication of other areas of policies and procedures. Ms. Whyte then withdrew her motion to approve of the core principles. Ms. Smith then made a motion to amend core principle number 6 to add such non-duplicative language such that ECIDA policies will avoid duplication of other area policies and procedures. Ms. McDuffie seconded the motion and stated that the express goal of the core principles is to create a regional policy to advance our region for all.

Mr. State asked as to whether the core principles support the Agency’s mission statement. Mr. Lipsitz responded in the affirmative.

Ms. Gandour asked if the draft Best Practice Recommendations have been reviewed by the other IDAs within Erie County. Mr. Cappellino responded in the affirmative and also stated that he has not seen anything from other IDAs that are contradictory to the draft core principles.

Ms. Whyte expressed her support for Ms. Smith’s amendment but noted the issue of duplication will be a matter of interpretation, for example, Ms. Whyte stated that some members think the Agency’s Pay Equity Policy is duplicative, but from her perspective, Ms. Whyte stated she finds that the Pay Equity Policy is necessary particularly as it relates to the provision of financial incentives.

Ms. Smith stated that applicants are already required to adhere to federal pay equity laws, such that she finds the Pay Equity Policy to be duplicative, and in sum, Ms. Smith stated that the point is whether the Agency is an auditing or economic development agency.

Ms. Whyte said she appreciates Ms. Smith’s position but disagrees with it, however, confirmed that she will support Ms. Smith’s amendatory language because while the Agency shouldn’t necessarily be an auditing entity, there are some instances where it may be necessary as a condition of approving financial assistance.

Mr. Lipsitz called for the vote and the Best Practice - Core Principles recommendations, as amended, were unanimously approved.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:30 a.m.

Dated: June 1, 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>Clawback</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>TM Montante</td>
<td>Apr-13</td>
<td>$10,628,000</td>
<td>168</td>
<td>85% - New</td>
<td>62</td>
<td>Sales Tax</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$2,056,000</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Niagara Blower</td>
<td>Apr-13</td>
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<td>20</td>
<td>Sales Tax</td>
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<td>Swan Street</td>
<td>Apr-13</td>
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<td>Sales Tax</td>
<td>5 years, Adaptive Reuse</td>
<td></td>
<td>$591,000</td>
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<td>Automated Machine Tech</td>
<td>May-13</td>
<td>$925,000</td>
<td>3</td>
<td>85% - New</td>
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<td>Period of PILOT 10 Years</td>
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<td>$156,250</td>
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<tr>
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<td>Mc Gard</td>
<td>May-13</td>
<td>$8,250,000</td>
<td>457</td>
<td>85% - New</td>
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<td>YES Sales/Mortgage Tax</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>$1,123,000</td>
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<td>1</td>
<td>Elliott - Arctic Freezer</td>
<td>May-13</td>
<td>$14,675,000</td>
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<td>YES</td>
<td>Retail Highly Distressed/Adaptive Reuse</td>
<td></td>
<td>$634,000</td>
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<tr>
<td>1</td>
<td>HH Richardson</td>
<td>Jun-13</td>
<td>$55,153,782</td>
<td>55</td>
<td>85% - New</td>
<td>5</td>
<td>PILOT/SalesMortgage Tax</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$8,465,000</td>
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<td>Simmers Crane</td>
<td>Jun-13</td>
<td>$1,710,000</td>
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<td>85% - New</td>
<td>5</td>
<td>YES Sales/Mortgage Tax</td>
<td>Period of PILOT 10 Years</td>
<td>Retail Highly Distressed/Adaptive Reuse</td>
<td>$388,000</td>
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<td>Compass East</td>
<td>Jul-13</td>
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<td>Sales Tax</td>
<td>2 years or Termination of Sales Tax</td>
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<td>$456,612</td>
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<tr>
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<td>Frey the Wheelman</td>
<td>Jul-13</td>
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<td>85% - New</td>
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<td>Period of PILOT 7 Years</td>
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<td>$478,600</td>
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<td>OSC Equipment Services</td>
<td>Aug-13</td>
<td>$17,539,000</td>
<td>10</td>
<td>85% - New</td>
<td>10</td>
<td>YES PILOT/SalesMortgage Tax</td>
<td>Period of PILOT 10 Years</td>
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<td>$355,135</td>
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<td>1</td>
<td>Calspan Corp - Phase II</td>
<td>Aug-13</td>
<td>$10,000,000</td>
<td>4</td>
<td>85% - New</td>
<td>4</td>
<td>YES Sales Tax</td>
<td>2 years or Termination of Sales Tax</td>
<td></td>
<td>$933,750</td>
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<tr>
<td>1</td>
<td>Calspan Corp/Harper - Phase I</td>
<td>Aug-13</td>
<td>$2,900,000</td>
<td>5</td>
<td>85% - New</td>
<td>5</td>
<td>YES Sales Tax</td>
<td>2 years or Termination of Sales Tax</td>
<td></td>
<td>$306,250</td>
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<tr>
<td>1</td>
<td>Zwepfell Dev. Wythe Will</td>
<td>Sep-13</td>
<td>$18,700,000</td>
<td>217</td>
<td>85% - New</td>
<td>34</td>
<td>YES PILOT/SalesMortgage Tax</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$5,147,500</td>
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<tr>
<td>1</td>
<td>Bosche LLC</td>
<td>Oct-13</td>
<td>$5,800,000</td>
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<td></td>
<td>Sales/Mortgage Tax</td>
<td>YES 2 years or Termination of Sales Tax</td>
<td>Retail Highly Distressed/Adaptive Reuse</td>
<td>$255,000</td>
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</tr>
<tr>
<td>1</td>
<td>Uptite Niagara Coop.</td>
<td>Oct-13</td>
<td>$2,900,000</td>
<td>75</td>
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<td>PILOT/Sales Tax</td>
<td>YES Period of PILOT 7 Years</td>
<td></td>
<td>$265,000</td>
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<td>1</td>
<td>API Heat Transfer</td>
<td>Nov-13</td>
<td>$17,132,134</td>
<td>287</td>
<td>85% - New</td>
<td>7</td>
<td>PILOT/Sales Tax</td>
<td>YES Period of PILOT 10 Years</td>
<td></td>
<td>$187,000</td>
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<td>1</td>
<td>Delaware North Co</td>
<td>Nov-13</td>
<td>$17,132,000</td>
<td>350</td>
<td>85% - New</td>
<td>64</td>
<td>Sales Tax</td>
<td>YES 2 years or Termination of Sales Tax</td>
<td></td>
<td>$807,000</td>
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<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>Factors</td>
<td>Clawback</td>
<td>Local Labor</td>
<td>Length of Term</td>
<td>Additional Findings</td>
<td>Incentive Amount</td>
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<tr>
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</tr>
<tr>
<td>1</td>
<td>Custom Sheet Metal</td>
<td>Dec-13</td>
<td>$1,649,127</td>
<td>11</td>
<td>2</td>
<td>85% -New 2 Jobs</td>
<td>YES</td>
<td>PILOT/SalesMortgage Tax</td>
<td>Period of PILOT 7 Years</td>
<td>Retail Highly Distressed/No Sales Tax for Vacant Space Buildout</td>
<td>$100,000</td>
</tr>
<tr>
<td>1</td>
<td>DNC 250 (Uniland)</td>
<td>Dec-13</td>
<td>$31,785,708</td>
<td>350</td>
<td>64</td>
<td>85% -New 55 Jobs</td>
<td>YES Including Hotel</td>
<td>PILOT/SalesMortgage Tax</td>
<td>Period of PILOT 7 and 10 years</td>
<td>Vacancy/Merch/Drainage/3 Year Space 10</td>
<td>$10,017,000</td>
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</tbody>
</table>

<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>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
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<tbody>
<tr>
<td></td>
<td>2013 Sub Total</td>
<td></td>
<td>$110,379,671</td>
<td>0</td>
<td>55</td>
<td></td>
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<td>$10,401,612</td>
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<td></td>
<td>2013 Total (Apr- Dec)</td>
<td></td>
<td>$254,836,113</td>
<td>2351</td>
<td>376</td>
<td></td>
<td></td>
<td>$32,243,347</td>
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*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Credits etc
<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval Date</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Material</th>
<th>Jobs Retained</th>
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<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>AMS Servicing, LLC</td>
<td>Jan-14</td>
<td>$2,594,300</td>
<td>85% threshold $1,278,655</td>
<td>100% Base</td>
<td>270 jobs</td>
<td>270</td>
<td>104</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$319,000</td>
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</tr>
<tr>
<td>1</td>
<td>North American Salt</td>
<td>Jan-14</td>
<td>$7,300,000</td>
<td>85% threshold $6,205,000</td>
<td></td>
<td>7</td>
<td></td>
<td>YES</td>
<td>PILOT/Sales Tax</td>
<td>Period of PILOT 7 Years</td>
<td>$1,358,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>500 Seneca, LLC</td>
<td>Feb-14</td>
<td>$31,737,624</td>
<td>85% threshold $26,976,580</td>
<td>100% Base</td>
<td>20 jobs</td>
<td>20</td>
<td>18</td>
<td>Sales/ Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse Retail Highly Distressed/No Sales Tax for Vacant Space Buildout</td>
<td>$1,180,000</td>
</tr>
<tr>
<td>1</td>
<td>Elm-Michigan Holdings</td>
<td>Feb-14</td>
<td>$8,133,102</td>
<td>85% threshold $6,913,136</td>
<td>100% Base</td>
<td>19 jobs</td>
<td>19</td>
<td>1</td>
<td>Sales/ Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse Sales Tax Limited to Residential Buildout</td>
<td>$259,000</td>
</tr>
<tr>
<td>1</td>
<td>ARCO Lofts</td>
<td>Mar-14</td>
<td>$12,424,750</td>
<td>85% threshold $10,561,037</td>
<td></td>
<td>7</td>
<td></td>
<td>YES</td>
<td>85% Construction on 34 jobs</td>
<td>2 years or Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$416,000</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>8187 Group (173 Elm St)</td>
<td>Mar-14</td>
<td>$1,768,002</td>
<td>85% threshold $1,502,800</td>
<td></td>
<td>9</td>
<td></td>
<td>YES</td>
<td>85% Construction on 92 jobs</td>
<td>2 years or Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$65,800</td>
<td></td>
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<tr>
<td>1</td>
<td>954 West Ferry LLC</td>
<td>May-14</td>
<td>$1,615,000</td>
<td>85% threshold $1,372,750</td>
<td></td>
<td>9</td>
<td></td>
<td>YES</td>
<td>85% Construction on 43 jobs</td>
<td>2 years or Termination of Sales Tax</td>
<td>Adaptive Reuse /No Sales Tax for Tenant Space Buildout</td>
<td>$64,500</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Petrof+</td>
<td>Jun-14</td>
<td>$3,582,250</td>
<td>85% threshold $3,344,932</td>
<td></td>
<td>9</td>
<td></td>
<td>YES</td>
<td>85% Construction on 9 jobs</td>
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<td>$9,730,000</td>
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<td>477 jobs</td>
<td>477</td>
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## Project Matrix/Material Factors/Clawbacks

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<th>Length of Term</th>
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<td>Cameron Compression</td>
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*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Cred
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<td>Lazarus Properties</td>
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<td>$2,110,550</td>
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<td>Spec Space/ Warehouse/ Manufacturing</td>
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### Project Matrix/Material Factors/Clawbacks

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<th>Incentive Amount</th>
<th>Pay Equity</th>
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<tr>
<td>1</td>
<td>Uniland (Codexx)</td>
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*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Credits, etc*
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<td>Oct-16</td>
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<th>Job Creation</th>
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<td>Garden Plaza, 570 Assoc</td>
<td>Feb-17</td>
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<td>128 Pearl (St. Paul's)</td>
<td>Mar-17</td>
<td>$1,840,427</td>
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<td>85% - New 1 job</td>
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<td>85% threshold $2,710,000</td>
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<td>8</td>
<td>Curtis Buffalo</td>
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<tr>
<td>9</td>
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<td>$2,670,000</td>
<td>85% threshold $2,268,500</td>
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<td>Delaware Lodge</td>
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<td>85% - New 15 jobs</td>
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<td>Linkeys 1</td>
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**Project Matrix/Material Factors/Clawbacks**
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<th>Approval</th>
<th>CIP Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
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<th>Additional Findings</th>
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<th>Pay Equity</th>
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<td>$58,067,917</td>
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<th>Count</th>
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166 Chandler Holding, LLC
$4,695,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Up to 3/4 of 1% of the final mortgage amount estimated at $12,750.
- Approximately $115,500 in sales tax savings.

EMPLOYMENT

Thin Man

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

PROJECT HISTORY

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

Project Title: 166 Chandler Holding, LLC

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

Agency Request

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

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<th>Item</th>
<th>Amount</th>
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<td>Addition</td>
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<td>Manufacturing Equipment</td>
<td>$2,000,000</td>
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<tr>
<td>Soft Costs</td>
<td>$1,045,000</td>
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TOTAL PROJECT COST $4,695,000
85% $3,990,750

Company Description

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

Project Description

The proposed project includes the renovation of an existing 40,000 sq. ft. facility along with the construction of a 10,000 sq. ft. addition. Once complete, the building will house the Thin Man Brewery which will occupy approximately 20,000 sq. ft. with the remaining 30,000 sq. ft. leased to incubator-type tenants.

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

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

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

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<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 485-b Abatement Period</th>
<th>Additional Local Revenue over 485-b Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
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<td>$2,100</td>
<td>$500,000</td>
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<td>Combined Tax Rate: $33</td>
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### Draft Recapture Material Terms

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<th>Term</th>
<th>Recapture Provision</th>
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<td>Total Investment Review with Company</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 = $4,695,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% : $3,990,750</td>
</tr>
<tr>
<td>Employment</td>
<td>2 Years After Project Completion</td>
<td>Maintain Base: 7 FTE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment: 13 FTE</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to Policy Including</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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 7 FTE jobs and created 85% of projected employment or a total of 6 FTE; iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.
### Addendum to Project Log

**166 Chandler Holding, LLC**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Wage Rate (above median wage for area)  
- The wage rate given is for the Thin Man employees | Erie County per capita income: $28,879  
Company estimated average salary of jobs to be created: $35,000 |
| Regional Wealth Creation (% sales/customers outside area) | Sales:  
All developer activity is within Erie County. |
| In Region Purchases (% of overall purchases) | 100% of total annual supplies, raw materials and vendor services are purchased from firms located within Erie County. |
| Research & Development Activities | N/A |
| Investment in Energy Efficiency | N/A |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The land is currently zoned for industrial use. |
| LEED/Renewable Resources | NA |
| Retention/Flight Risk | N/A |
| MBE/WBE Utilization | N/A |
| Workforce Access – Proximity to Public Transportation | Facility is on bus route 3A City Line. |

August 23, 2017
**The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

**PILOT Estimate Table Worksheet-166 Chandler Holding, LLC- 2017**

<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>$1,350,000</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Apply equalization rate to value
It is expected company will apply to City of Buffalo for 485-b exemption

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Pa’ayment</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>$4,695,000</td>
<td>N/A</td>
<td>$115,500</td>
<td>$12,750</td>
<td>$2,646,000</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax + Est. Mortgage Tax + Other)/Total Project Costs: 59 %
## Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>166 Chandler Holding, LLC</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>$4,695,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$1,350,000</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>8</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$249,676</td>
</tr>
<tr>
<td>Direct Construction</td>
<td>10</td>
</tr>
<tr>
<td>Direct Construction</td>
<td></td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$768,514</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>$198,040</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$120,871</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$296,763</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$101,786</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$717,461</strong></td>
</tr>
</tbody>
</table>

## Table 3: Estimated Project Incentives

<table>
<thead>
<tr>
<th>Incentive Type</th>
<th>Estimated Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$115,938</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$12,750</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$128,688</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>8</td>
</tr>
<tr>
<td>Indirect***</td>
<td>10</td>
</tr>
<tr>
<td>Induced****</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
</tr>
<tr>
<td>Indirect</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>5.6:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>76.2:1</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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PUBLIC HEARING SCRIPT

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

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

ATTENDANCE

Rocco Termini, Signature Development

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

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

☐ 2. PURPOSE: Purpose of the Hearing.

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

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a parcel of land located at 166 Chandler Street in the City of Buffalo, Erie County, New York (the "Land") improved with an existing 40,000 +/- SF building (the "Existing Improvements"), (ii) the construction and equipping of a new 10,000 +/- SF addition and the renovation, upgrading, and equipping of the Existing Improvements thereon into a total of approximately 20,000 +/-
SF of manufacturing space and 30,000 +/- SF of commercial space (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on August 22, 2017. There are no limitations on written comments.

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

Hearing Officer: If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.

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

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

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

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

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

<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>391 Washington</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Buffalo, New York</td>
<td></td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>
166 Chander Holding, LLC (2)

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

- **Project Name**: Thin Man Brewery of Buffalo, LLC
- **Applicant Name**: 166 Chandler Holding, LLC
- **Applicant Address**: 391 Washington Street
- **Applicant Address 2**: Suite 800
- **Applicant City**: Buffalo
- **Applicant State**: New York
- **Applicant Zip**: 14203
- **Phone**: 716-861-5385
- **Fax**: 716-768-1829
- **E-mail**: rtermini@wnylofts.com
- **Federal ID#**: 81-1247741
- **NAICS Code**
- **Will a Real Estate Holding Company be utilized to own the Project property/facility**: Yes
- **What is the name of the Real Estate Holding Company**: 166 Chandler Holding, LLC
- **Federal ID#**: 81-1247741
- **State and Year of Incorporation/Organization**: 2016
- **List of stockholders, members, or partners of Real Estate Holding Company**: Rocco Termini

Individual Completing Application

- **Name**: Rocco Termini
- **Title**: Managing Member
- **Address**: 391 Washington Street
- **Address 2**: Suite 800
- **City**: Buffalo
- **State**: New York
- **Zip**: 14203
8/2/2017

Phone 7165108391
Fax 7165108391
E-Mail retermini@wnylofts.com

Company Contact (if different from individual completing application)

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

Company Counsel

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

Identify the assistance being requested of the Agency

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

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

Business Organization

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

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

Please include name and % of ownership.

Rocco Termini - 100%
Applicant Business Description

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

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

Estimated % of sales within Erie County 100%

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

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

Estimated % of sales outside the U.S. 0

(*Percentage to equal 100%)

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

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

Project Location

Municipality or Municipalities of current operations
n/a

Will the Proposed Project be located within a Municipality identified above?
No

In which Municipality will the proposed project be located
Buffalo, NY

Address
166 Chandler Street, Buffalo, NY 14207

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?
No

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?
No

(If yes, you will need to complete the Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

What are the current real estate taxes on the proposed Project Site
$2,000

Assessed value of land
20,000

Assessed value of building(s)
100,000

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Buffalo

School District of Project Site
Buffalo

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

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

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

Describe the present use of the Proposed Project site
project site is vacant.

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

equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users:
(This information is critical in determining project eligibility)

The project includes the renovation of an existing 40,000 sq. ft. facility along with the construction of a 10,000 sq. ft. addition. Once complete, the building will be the home of Thin Man Brewery which will occupy appx. 20,000 sq. ft. with the remaining 30,000 sq. ft. leased to incubator-type tenants. Thin Man was started in August, 2016 at 486 Elmwood Avenue. Since its inception beer sales have grown beyond the capacity at that location. Since the business began, they signed distribution agreements with T. J. Sheehan and Remarkable Liquids which will distribute these products throughout New York State. The existing building has been vacant for over 10 years. It has been accepted into the Brownfield Cleanup Program. Past uses at the site along with a fire in 2001 has created an environmental hazard. This project complements the work currently underway across the street to convert the former Linde Air manufacturing complex into an industrial incubator.

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

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

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

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

Yes

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

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

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

Industrial

Describe required zoning/land use, if different

n/a

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

n/a

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

Yes

If yes, please explain

N. Y. Brownfield

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

<BLANK>

If yes, please provide a copy.

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

If yes, please provide copies of the study.

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

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

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

Yes

If yes, please explain.

they will be developing new beer and yeast strains

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

10%

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

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

Please check any and all end uses as identified below.

**Retail Sales** 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  **No** Multi-Tenant  **No** Mixed Use

  **Yes** Acquisition of Existing Facility  **Yes** Commercial  **No** Facility for the Aging

  **No** Housing  **No** Back Office  **No** Civic Facility (not for profit)

  **Yes** Equipment Purchase  **No** Retail  **No** Other
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$ 300,000  40,000 square feet  acres

New Building Construction

$ 0  square feet

New Building addition(s)

$ 350,000  10,000 square feet

Infrastructure Work

$ 0

Renovation

$ 1,000,000  40,000 square feet

Manufacturing Equipment

$ 2,000,000

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

$ 0

Soft Costs: (professional services, etc.)

$ 1,045,000

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 4,695,000

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

$ 0

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

Yes

If Yes, describe particulars:

Sources of Funds for Project Costs:

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

$ 413,100

Bank Financing:

$ 3,323,900

Tax Exempt Bond issuance (if applicable):

$ 0

Taxable Bond Issuance (if applicable):

$ 0

Public Sources (include sum total of all state and federal grants and tax credits):

$ 958,000

Identify each state and federal grant/credit:
  BCP

Total Sources of Funds for Project Costs:
  $4,695,000

Has a financing preapproval letter or loan commitment letter been obtained?
  No

Mortgage Recording Tax Exemption Benefit:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge).
  *Amount of mortgage, if any, that would be subject to mortgage recording tax.
  $ 1,700,000

Lender Name, if Known
  Five Star

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
  $17,000

Construction Cost Breakdown:

Total Cost of Construction
  $ 2,200,000

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

  Cost for materials
  $ 1,320,000

  % sourced in Erie County
  100%

  % sourced in State
  % (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency’s sales and use tax exemption benefit
  $ 1,320,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
  $ 115,500

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:
  485B

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>20,000 sq ft</td>
<td>$ 2,000,000</td>
</tr>
<tr>
<td>Warehouse</td>
<td></td>
<td>$ 0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td></td>
<td>$ 0</td>
</tr>
<tr>
<td>Commercial</td>
<td>30,000 sq ft</td>
<td>$ 1,350,000</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>$ 0</td>
</tr>
<tr>
<td>Office</td>
<td></td>
<td>$ 0</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

8/1/2017

End date: Estimated completion date of project

5/1/2018

Project occupancy: estimated starting date of operations

5/1/2018

Have construction contracts been signed?

No

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

<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>
<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>0</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>20</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>$ 40,000</td>
<td>$ 4,000</td>
</tr>
<tr>
<td>Professional</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Administrative</td>
<td>$ 38,000</td>
<td>$ 4,000</td>
</tr>
<tr>
<td>Production</td>
<td>$ 35,000</td>
<td>$ 4,000</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>486 Elmwood Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Buffalo, NY 14207</td>
</tr>
<tr>
<td>Full time</td>
<td>5</td>
</tr>
<tr>
<td>Part time</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></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
$ 350,000

Estimated average annual salary of jobs to be retained
$ 0

Estimated average annual salary of jobs to be created
$ 35,000

Estimated salary range of jobs to be created
From $ 20,000 To $ 40,000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?
No

If yes, please explain and identify out-of-state locations investigated

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

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?
No

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

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

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)
485 B, Brownfields
Section III: Facility Type - Single or Multi Tenant

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

For Single Use Facility
Occupant Name
Address
Contact Person
Phone
Fax
E-Mail
Federal ID #
SIC/NAICS Code

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility
This is the second incubator building to be started on Chandler. The first 155 Chandler is 100% occupied

Have any tenant leases been entered into for this project?
Yes

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

<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 IV: Tenant Information
Section V: Environmental Questionnaire

General Background Information

Address of Premises 166 Chandler
Name and Address of Owner of Premises Chandler Holding, LLC 391 Washington Street Buffalo, NY 14203

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

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

Describe all known former uses of the Premises

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?
   No

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

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?
   No

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

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?
   No

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

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?
   No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?
   No

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

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?
   No

If yes, please provide copies of the permits.

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

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

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

If yes, please identify the substance, the quantity and describe how it is stored
Discharge Into Waterbodies
Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges
Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site
Is any waste discharged into or near surface water or groundwaters?
<BLANK>
If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution
Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?
No
If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source
Are any of the air emission sources permitted?
<BLANK>
If yes, attach a copy of each permit.

Storage Tanks
List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks
Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?
<BLANK>
If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos
Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.
Have there been any PCB spills, discharges or other accidents at the Premises?
No
If yes, relate all the circumstances
Do the Premises have any asbestos containing materials?
No
If yes, please identify the materials
Section VI: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

<BLANK>

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

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

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

<BLANK>

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

n/a

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

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

Are you applying for tax incentives under the Adaptive Reuse Program? No
What is the age of the structure (in years)? 100
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) Yes
If vacant, number of years vacant. 6
If underutilized, number of years underutilized. 0
Describe the use of the building during the time it has been underutilized: <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? No
Are you applying for either State/Federal Historical Tax Credit Programs? No
If yes, provide estimated value of tax credits $

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

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

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

Are you applying for tax incentives under the Senior Rental Housing policy?
No

Has the project received written support from the city, town or village government in which it is located?
No

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

Is the project consistent with the applicable municipal master plan?
No

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

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?
No

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

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?
No

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?
No

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

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?
No

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

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project’s return on investment?
No

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

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?
No

If yes, please describe provide a narrative citing key facts that substantiate this finding.
Section IX: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?
If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?
0 %
If the answer to this is less than 33% do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).
If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

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

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?
# Pearl Group, LLC
## $7,245,000
### INDUCEMENT RESOLUTION

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

<table>
<thead>
<tr>
<th><strong>COMPANY INCENTIVES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Up to 3/4 of 1% of the final mortgage amount estimated at $41,000</td>
</tr>
<tr>
<td>• Approximately $184,406 in sales tax savings.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EMPLOYMENT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Projected Jobs = 30 FT / 10 PT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>PROJECT HISTORY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• 7/31/17 - Public Hearing held. Transcript attached.</td>
</tr>
<tr>
<td>• 8/23/17 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.</td>
</tr>
</tbody>
</table>

### Project Title:
Pearl Group, LLC

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

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Acquisition</td>
<td>$2,575,000</td>
</tr>
<tr>
<td>Renovation</td>
<td>$4,215,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$455,000</td>
</tr>
<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td><strong>$7,245,000</strong></td>
</tr>
<tr>
<td>85%</td>
<td>$6,158,250</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

### Employment Impact
**Projected Jobs:** 30 FT / 10 PT

7/26/2017 11:29 AM
Retail Determination

<table>
<thead>
<tr>
<th>Use</th>
<th>Sq. Ft.</th>
<th>Cost</th>
<th>% of Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail / Office</td>
<td>67,000</td>
<td>$4,215,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

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

Draft Recapture Material Terms

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

Recapture applies to:

Mortgage Recording Tax
State and Local Sales Tax

Recapture

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

At project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) 29 FTE’s, iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.
<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 approximately 1914 and is over 100 years old.</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). Project promotes the elimination of slum and blight.</td>
<td>The building had been underutilized by the previous owners, Buffalo Christian Center, for a period of 10 years. Only a portion of the 1st floor of the building was used by the occupant with upper floors essentially locked out. Since ownership by Pearl Group, LLC, approximately 20% of the total square footage in the building has been utilized by Road Less Traveled Productions on a limited basis. The remaining space is vacant.</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>Since the only tenant in the building is Road Less Traveled, there is no significant rental income.</td>
</tr>
<tr>
<td>Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans</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.</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>Because of the building’s age and its status on the National Register, very specific construction methods and materials must be utilized that conform to state and federal historical standards which raises the cost of construction considerably. The developer has submitted an ROI which indicates below average rate of return on the investment.</td>
</tr>
<tr>
<td>Demonstrated support of local government entities</td>
<td>Letter of support forthcoming from Mayor. City Planning Board has approved project.</td>
</tr>
<tr>
<td>LEED/Renewable Resources</td>
<td>N/A</td>
</tr>
<tr>
<td>Site or structure has delinquent property or other local taxes</td>
<td>Taxes are current</td>
</tr>
<tr>
<td>MBE/WBE Utilization</td>
<td>N/A</td>
</tr>
<tr>
<td>Transit Oriented Development</td>
<td>Facility accessible by Metro Rail</td>
</tr>
<tr>
<td>OTHER FACTORS TO CONSIDER:</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------</td>
</tr>
<tr>
<td>Environmental/Safety Issues: Structure or site presents significant public safety hazard</td>
<td>The facility must be compliant with current building code</td>
</tr>
<tr>
<td>and or environmental remediation costs</td>
<td>requirements including abating environmental contamination</td>
</tr>
<tr>
<td></td>
<td>removing lead based paint and installation of all new</td>
</tr>
<tr>
<td></td>
<td>mechanicals.</td>
</tr>
<tr>
<td>Site or structure is located in a distressed census tract</td>
<td>The building is located in census tract 165 and is considered</td>
</tr>
<tr>
<td></td>
<td>highly distressed under the State statute</td>
</tr>
<tr>
<td>Structure presents significant costs associated w/ building code compliance.</td>
<td>All new heating, ventilation, air and fire safety systems must</td>
</tr>
<tr>
<td></td>
<td>be installed</td>
</tr>
</tbody>
</table>

August 23, 2017
Pavl Group LLC

Return on Investment

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

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

ROI

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

Annual ROI for the project with ECIDA assistance is 7.5%
Annual ROI for the project without ECIDA assistance is 7.1%

Historic Status

None
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet-Pearl Group, LLC - 2017

<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>$4,215,000</td>
<td></td>
<td></td>
<td></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>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<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>$7,245,000</td>
<td>N/A</td>
<td>$184,406</td>
<td>$41,000</td>
<td>$764,500</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax + Est. Mortgage Tax + Other)/Total Project Costs: 13.7 %
### Table 1: Basic Information

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Pearl Street, LLC</td>
</tr>
<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>$7,245,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$4,215,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>35</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$1,092,331</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>31</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$1,619,928</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$2,712,260</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$618,326</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$517,165</td>
</tr>
<tr>
<td>Region</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$1,265,941</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$435,508</td>
</tr>
<tr>
<td>TOTAL Estimated Revenue</td>
<td>$2,836,941</td>
</tr>
</tbody>
</table>

### Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$184,406</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$41,000</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$225,406</td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>35</td>
</tr>
<tr>
<td>Indirect***</td>
<td>42</td>
</tr>
<tr>
<td>Induced****</td>
<td>23</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>31</td>
</tr>
<tr>
<td>Indirect</td>
<td>11</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>12.6:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>185.1:1</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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PUBLIC HEARING SCRIPT

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

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

ATTENDANCE

Tom Fox, Ellicott Development

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

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

☐ 2. PURPOSE: Purpose of the Hearing.

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

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

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

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on August 22, 2017. There are no limitations on written comments.

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

Hearing Officer: If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.

The Hearing Officer calls on those who raise their hand.

Tom Fox, Ellicott Development Company. I’m here today to talk about the adaptive reuse of 512 Pearl Street, the former Buffalo Christian Center. The proposed project at 512 Pearl Street is a full-scale renovation of the existing underutilized structure. Historically home of the Fraternal Order of Eagles, 512 Pearl is eligible for NYS and Federal historic tax credits which we are pursuing. Accordingly, the Secretary of Interiors Standards for Historic Preservation will be
followed in the buildings rehabilitation. While the overall scope of work is extensive, some of the key rehabilitation costs will include masonry repairs on the building’s exterior, restoration of original windows, extensive restoration of decorative plasterwork on the building’s interior, installation of new vertical circulation and stairs and elevator, a fire suppression system and restroom facilities among other items, in order to bring the building into code compliance. 512 Pearl Street was vacated by its former owner, the Buffalo Christian Center, prior to our purchase of the property in September of 2014. At the time of their departure from 512 Pearl, Buffalo Christian Center was utilizing approximately 30% of the building’s net useable footage and for minimal programming as their operations had been in decline for several years prior. In the redevelopment of 512 Pearl, we will establish a mix of uses including professional meeting and banquet space, office space, a combination of lounge, café and bar, an indoor pool and a fitness facility and locker rooms with a steam room and sauna. In addition, Road Less Traveled Productions currently utilizes a portion of the building historically known as the Forbes Theatre. We intend to keep them as a tenant at the property long term although we may relocate them within the facility. Several of the proposed uses for 512 Pearl will complement and service the uses and future tenants of our new 12-story building currently under construction at 500 Pearl Street. The two properties will internally connect. The new 12 story building will include retail, commercial office, residential and hotel space along with structured parking for approximately 380 vehicles. The adaptive reuse of 512 Pearl Street that includes the proposed jobs creation of 30 full-time, 10 part time. Total project cost is about $7.245 M and what we’re looking, we’re asking for assistance in this project would equal to a sales tax certificate in the amount total possible amount of $184,000 and a mortgage recording tax of $40,753 which is at 3/4% of the mortgage amount of $5.433M. Thank you.

6. ADJOURNMENT.

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

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

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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Fox</td>
<td>Ellicott Development Co. 295 Main Street, Suite 210 Buffalo, New York 14202</td>
<td>X</td>
</tr>
</tbody>
</table>
蚌埠基督教中心

Section 1: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name 512 Pearl Street Adaptive Reuse
Applicant Name Pearl Group, LLC
Applicant Address 295 Main St, Suite 210
Applicant Address 2
Applicant City Buffalo
Applicant State New York
Applicant Zip 14203
Phone 7168540060
Fax 7168522829
E-mail jwassel@ellicottdevelopment.com
Website www.ellicottdevelopment.com

Federal ID# 38-3937881

Will a Real Estate Holding Company be utilized to own the Project property/facility Yes

What is the name of the Real Estate Holding Company Pearl Group, LLC

State and Year of Incorporation/Organization New York,

List of stockholders, members, or partners of Real Estate Holding Company 7112 Group, LLC, Castle Mosey, LLC, Jerry Williams

Individual Completing Application

Name Jeremy P. Wassel
Title Planning & Development Assistant
Address 295 Main St, Suite 210
Address 2
City Buffalo
State New York
Zip 14203
The Erie County Industrial Development Agency (ECIDA)

Phone  7168540060
Fax    7168522829
E-Mail jwassel@ellicottdevelopment.com
**Company Contact (if different from individual completing application)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Thomas M. Fox</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Director of Development</td>
</tr>
<tr>
<td>Address</td>
<td>295 Main St, Suite 210</td>
</tr>
<tr>
<td>City</td>
<td>Buffalo</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14203</td>
</tr>
<tr>
<td>Phone</td>
<td>7168540060</td>
</tr>
<tr>
<td>Fax</td>
<td>7168522829</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:tfox@ellicottdevelopment.com">tfox@ellicottdevelopment.com</a></td>
</tr>
</tbody>
</table>

**Company Counsel**

<table>
<thead>
<tr>
<th>Name of Attorney</th>
<th>Joseph Cavan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Name</td>
<td>Paladino, Cavan, Quinlivan &amp; Pierce</td>
</tr>
<tr>
<td>Address</td>
<td>295 Main St, Suite 210</td>
</tr>
<tr>
<td>City</td>
<td>Buffalo</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14203</td>
</tr>
<tr>
<td>Phone</td>
<td>7168528222</td>
</tr>
<tr>
<td>Fax</td>
<td>7168522829</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:jrc1015@aol.com">jrc1015@aol.com</a></td>
</tr>
</tbody>
</table>

**Identify the assistance being requested of the Agency**

<table>
<thead>
<tr>
<th>Exemption from Sales Tax</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption from Mortgage Tax</td>
<td>Yes</td>
</tr>
<tr>
<td>Exemption from Real Property Tax</td>
<td>No</td>
</tr>
<tr>
<td>Tax Exempt Financing*</td>
<td>No</td>
</tr>
</tbody>
</table>

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

**Business Organization**

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Limited Liability Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Ownership</td>
<td></td>
</tr>
<tr>
<td>Year Established</td>
<td>2014</td>
</tr>
<tr>
<td>State of Organization</td>
<td>New York</td>
</tr>
</tbody>
</table>

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

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

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

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

(*Percentage to equal 100%)

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

100
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
City of Buffalo

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

In which Municipality will the proposed project be located
City of Buffalo

Address
512 Pearl Street

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?
No

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?
No
(If yes, you will need to complete the Retail Section of this application)

SBL Number for Property upon which proposed Project will be located
111.30-6-14

What are the current real estate taxes on the proposed Project Site
$50,539.27

Assessed value of land
$207,000.00

Assessed value of building(s)
$1,439,100.00

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Buffalo

School District of Project Site
Buffalo School District

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

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

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

Describe the present use of the Proposed Project site
Formerly the Buffalo Christian Center, the 67,000 square foot building is vacant with exception to the use of the theater space by
Road Less Traveled Productions.

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

(This information is critical in determining project eligibility)

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

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

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

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

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

Yes

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

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

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use


65
The project site is located in an N-1C zone.

Describe required zoning/land use, if different.

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

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

No

If yes, please explain.

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

N/A

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

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

No

If yes, please explain.

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

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

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

Please check any and all end uses as identified below.

Retail Sales       Yes       Services       Yes

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4) (i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

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

Estimated costs in connection with project:

Land and/or Building Acquisition:
- $2,575,000
- 67,350 square feet
- acres

New Building Construction:
- $0

New Building addition(s):
- $0

Infrastructure Work:
- $0

Renovation:
- $4,215,000
- 67,350 square feet

Manufacturing Equipment:
- $0

Non-Manufacturing Equipment: (furniture, fixtures, etc.)
- $0

Soft Costs: (professional services, etc.)
- $455,000

Other Cost:
- $0

Explain Other Costs:

Total Cost:
- $7,245,000

Project Refinancing; estimated amount (for refinancing of existing debt only):
- $0

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

If Yes, describe particulars:
- Purchase and carry costs, design fees, asbestos abatement, selective demolition and clean out

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):
- $1,811,250

Bank Financing:
- $5,433,750

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

Taxable Bond Issuance (if applicable):
- $0

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

$764,500

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

**Total Sources of Funds for Project Costs:**
$8,009,500

Has a financing preapproval letter or loan commitment letter been obtained?
No

**Mortgage Recording Tax Exemption Benefit:**

Estimated Mortgage Amount (sum total of all financing – construction and bridge).
*Amount of mortgage, if any, that would be subject to mortgage recording tax.

$5,433,750

**Lender Name, if Known**

**Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):**
$54,337

**Construction Cost Breakdown:**

Total Cost of Construction
$4,215,000

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

Cost for materials
$2,107,500

% sourced in Erie County
100%

% sourced in State

100% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency’s sales and use tax exemption benefit

$2,107,500

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

$184,406

**Real Property Tax Benefit:**

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency’s PILOT benefit:
We will apply for a 485a upon completion of the project

---

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

<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>
<tr>
<td>Retail</td>
<td>$6,520,500</td>
<td>90</td>
</tr>
<tr>
<td>Office</td>
<td>$724,500</td>
<td>10</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

[Blank]

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

9/1/2017

End date: Estimated completion date of project

7/1/2018

Project occupancy: estimated starting date of operations

7/1/2018

Have construction contracts been signed?

No

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

<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>0</td>
<td>0</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</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>$ 75,000</td>
<td>$ 18,750</td>
</tr>
<tr>
<td>Professional</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Administrative</td>
<td>$ 29,000</td>
<td>$ 7,250</td>
</tr>
<tr>
<td>Production</td>
<td>$ 22,000</td>
<td>$ 5,500</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>
</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
  $1,320,000

Estimated average annual salary of jobs to be retained
  $0

Estimated average annual salary of jobs to be created
  $33,000

Estimated salary range of jobs to be created
From $22,000 To $75,000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?
  No

If yes, please explain and identify out-of-state locations investigated

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

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?
  No

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

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

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)
  Historic Tax Credits at approximately $764,500 and a 485a RPTC
Section III: Facility Type - Single or Multi Tenant

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

For Single Use Facility
Occupant Name
Address
Contact Person
Phone
Fax
E-Mail
Federal ID #
SIC/NAICS Code

Multi-Tenant Facility
Please explain what market conditions support the construction of this multi-tenant facility
Have any tenant leases been entered into for this project?
Yes
If yes, please fill out a tenant form in section VII, for each tenant.

<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
PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name
Road Less Traveled Productions

Property Address:
512 Pearl Street
City/Town/Village
Buffalo

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

Amount of space to be leased (square feet)
13,431

What percentage of the building does this represent?
20

Are terms of lease:

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

Estimated date of occupancy
1/1/2012

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
Road Less Traveled Productions

Local Contact Person:
Scott Behrend

Title:
Executive Director

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

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

Fax:
NA

E-Mail:
sbehrend@roadlesstraveledproductions.org

Website:
www.roadlesstraveledproductions.org

Company President/General Manager:
Scott Behrend, Executive Director; Ellen Hassett Cahill, Board of Directors, Chair Emeritus

Number of employees moving to new project location:

Full-Time:
3

Part-Time:
60-75

Total:
63

Do you anticipate increasing employment within the next two years?

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

**Full-Time:**
0

**Part-Time:**
10-15

**Total:**
10
Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:
Road Less Traveled Productions (RLTP) is a professional, 501c3, not-for-profit theatre company dedicated to the development and production of new theatrical works, and the presentation of esteemed modern dramas of outstanding literary merit. RLTP is recognized as a key county cultural asset and best-practice regional theatre. RLTP offerings include an annual live-play season, ongoing performing arts educational and development programming, a large artistic ensemble, and community collaboration. RLTP is a member of the National New Play Network, the Theatre Communications Group, and the Theatrical Alliance of Buffalo. RLTP operates the Road Less Traveled Theater in Downtown Buffalo, New York’s Historic Theatre District. The applicable NAICS category is Arts, Entertainment, and Recreation - Performing Arts and the associated NAICS code is 711110 (Theater Companies). 100% of RLTP ticket sales are in Erie County.

Attach additional information as necessary.

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

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

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

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

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?
No

Where is company relocating from?

Address:
City/Town/Village:
State:
Zip:

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

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

If leased, when does lease expire?
1/1/2012

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?
No

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

Is location necessary to:

Discourage your company from moving out of New York State
Yes

Maintain your company's competitiveness within the industry:
Yes

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)
Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility
Yes

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

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

If yes, who was contacted and what was the outcome?
City of Buffalo (Mayor's Office, Office of Strategic Planning); no other appropriate and affordable facility available.

If no, why not?

Will present location be your company's headquarters?
Yes

If No, Where is the location of HQ:

City:
State:

Form Completed By:
Relationship to Company:
Section V: Environmental Questionnaire

General Background Information

Address of Premises 512 Pearl Street Buffalo, NY

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

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
The property is located in downtown Buffalo, a fully developed urban area.

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

Describe all known former uses of the Premises
Assembly

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?
Yes
If yes, please identify them and describe their use of the property
A portion is currently occupied by Road Less Traveled Productions.

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?
No

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

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?
No

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

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?
No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?
No

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

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?
No

If yes, please provide copies of the permits.

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

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

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?
No
If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies
Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges
Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site
Is any waste discharged into or near surface water or groundwaters?
   No
If yes, please describe in detail the discharge including not only the receiving water’s classification, but a description of the type and quantity of the waste

Air Pollution
Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?
   No
If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source
Are any of the air emission sources permitted?
   No
If yes, attach a copy of each permit.

Storage Tanks
List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks
Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?
   No
If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos
Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.
Have there been any PCB spills, discharges or other accidents at the Premises?
   No
If yes, relate all the circumstances
Do the Premises have any asbestos containing materials?
   No
If yes, please identify the materials
Section VI: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant’s competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency’s Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant’s competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State <BLANK>

Within Erie County <BLANK>

If Yes to either question, please explain

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

<BLANK>

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

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

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

<BLANK>

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

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

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

Are you applying for tax incentives under the Adaptive Reuse Program?  
Yes

What is the age of the structure (in years)?  
103

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

If vacant, number of years vacant.  
0

If underutilized, number of years underutilized.  
10

Describe the use of the building during the time it has been underutilized:  
The building was underutilized by the Buffalo Christian Center prior to our purchase of the building in 2014. Only a portion of the 1st floor of the building was used by the occupant with upper floors essentially locked out. Since our ownership, about 20% of the total square footage in the building has been utilized by Road Less Traveled Productions. The remaining space is vacant.

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

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

Does the site have historical significance?  
Yes

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

If yes, provide estimated value of tax credits  
$ 764,500

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

Current rental rates do not support the cost of the proposed commercial adaptive reuse of 512 Pearl Street

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

We have secured approval from City of Buffalo Planning Board and Common Council which advocates for positive urban development.

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

The redevelopment of 512 Pearl Street faces many issues that when paired with weak rental rates complicate a feasible redevelopment of the property. Among these issues is the cost of bringing the building into current code compliance, updating outdated infrastructure, repair of structural issues and the heightened cost associated with complying to the Secretary of Interior Standards for rehabilitation of historic structures.
Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

<BLANK>

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.

<BLANK>

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.

<BLANK>

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.

<BLANK>

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)

<BLANK>

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)

<BLANK>

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

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.
Section IX: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? Yes

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

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

Is the project located in a Highly Distressed Area? Yes
July 10, 2017

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

Re: Ellicott Development 500 Pearl Street Application

Dear Agency Members;

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

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

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

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

Sincerely,

[Signature]

Ellen Hassett Cahill  Scott Behrend
Chair Emeritus  Executive Director

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