Agenda

December 7, 2017
8:30 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the October 12, 2017 Policy Committee Minutes (Pages 2-4)

3. Project Matrix (Pages 5-6)

4. Project Presentations (Staff – Company Q&A)
   a. Emerson Huron, LLC/McGuire Development (Pages 7-44)
   b. St. Paul Group, LLC/Our Lady of Lourdes Church (Pages 45-80)

5. Updates/Discussion
   a. Adaptive Reuse Working Group (Informational)

6. Adjournment – Next Meeting January 4, 2018 at 8:30 a.m.
MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: October 12, 2017, at Erie County Industrial Development Agency, 95 Perry
Street, 5th Floor Conference Room, Buffalo, New York

C. Lorigo, Brenda W. McDuffie, David J. State, Paul V. Vukelic and Maria
Whyte

Nellis, Laura Smith, and Hon. Geoffrey M. Szymanski

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

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist;
Mr. Nick Sinatra, on behalf of 157 Great Arrow, LLC

In the absence of the presence of a quorum, Mr. Lipsitz initiated the meeting of the Policy
Committee.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s project matrix.

UPDATES/DISCUSSION

Moog Update. Mr. Cappellino updated members that Moog proactively reached out the Agency
noting that, at the time the company submitted its application for financial assistance, the current number
of jobs at the proposed project location consisted of 251 FTE positions. However, the company has
subsequently noticed that its “jobs at application” total of 251 was not accurate, and as such, the correct
total number of jobs at application should have been 288 FTE positions. Mr. Cappellino explained to the
Committee members that the Board would need to amend the company’s inducement resolution to
account for the change in jobs at application which will have an effect on the material terms and
conditions required by the Agency as a condition of receipt of financial assistance.

Policy Committee Meeting Schedule. Mr. Lipsitz reviewed the 2018 Policy Committee Meeting
Schedule. There being no discussion, Mr. Lipsitz directed that the schedule be received and filed.

Adaptive Reuse Working Group. Ms. Whyte provided members with an update on the Adaptive
Reuse Working Group meeting held earlier this week, noting that the working group identified suburban
shopping malls as becoming obsolete, with increased vacancy becoming more and more likely, such that
the working group believes that it would be worthwhile for suburban shopping malls to be given some
additional consideration as the Adaptive Reuse Working Group continues its review and analysis of the
Agency’s adaptive reuse policy. The working group also reviewed the criteria for eligibility for a project
to be approved as an adaptive reuse project including that the project be at least 20 years old and a
requirement that the project be either vacant or under-utilized for at least three years. Mr. Cappellino
noted that Mike Bartlett and Dave Mingoia provided the working group with a presentation on adaptive reuse efforts in the Town of Hamburg and Amherst, respectively. Mr. Lipsitz then directed that the report be received and filed.

At this point in time, Mr. State joined the meeting. There now being a quorum present, at 9:13 a.m., Mr. Lipsitz called the meeting to order.

MINUTES

The minutes of the September 7, 2017 Policy Committee meeting were presented. Upon motion made by Mr. Lorigo, and seconded by Mr. Blue, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT PRESENTATIONS

157 Great Arrow, LLC, 157 Great Arrow Avenue, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the renovation and adaptive reuse of a portion of the Pierce Arrow complex. When complete, the rehabilitated portion of the Great Arrow complex will house 72 one and two bedroom apartments and approximately 3,000 square feet of space will be established to an amenity-based future, but unknown, tenant. In addition, parking for approximately 100 cars will be made available onsite. Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording 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:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
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<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
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<td>Total project Amount = $15,285,000</td>
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<td>85%: $12,992,250</td>
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<td>Employment</td>
<td>Same as Recapture Period</td>
<td>Create 85% of projected:</td>
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<td>Local Labor</td>
<td>Construction period</td>
<td>Adherence to policy including quarterly reporting</td>
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<td>Unpaid Taxes</td>
<td>Same as Recapture Period</td>
<td>Adherence to policy</td>
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<tr>
<td>Pay Equity</td>
<td>Same as Recapture Period</td>
<td>Adherence to policy</td>
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<tr>
<td>Recapture Period</td>
<td>2 Years After Project Completion</td>
<td>Mortgage Recording Tax State and Local Sales Taxes</td>
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Mr. Cappellino then introduced Mr. Sinatra, on behalf of the company, who provided a brief update on the project to the Committee members.
Ms. Whyte then queried as to the target population for the apartment units. Mr. Sinatra replied that the target is primarily empty nesters, age 50 years and older.

Ms. Whyte then asked Mr. Sinatra about opportunities to provide affordable housing. Mr. Sinatra responded that his company is starting to look at affordable housing but noted that the Department of Housing and Community Renewal low/mod income housing project review process is very time consuming and can take years to obtain such state funding.

Ms. McDuffie asked if there is a reason the company does not do a mixture of rental and condos in the same development. Mr. Sinatra responded that the company is utilizing historic tax credits which require the company to own the improved unit for at least seven years, which would make condo development impossible because such condo units are sold immediately upon completion. In addition, Mr. Sinatra also stated that construction costs versus sales price does not have enough of a spread to make for sale condo units worthwhile.

Ms. Whyte asked when the project would be initiated. Mr. Sinatra responded that the company is looking to start towards the end of the winter and plans on a spring, 2019 opening date.

Mr. Blue queried as to whether utilities are included within the rent. Mr. Sinatra responded that only water is included within the rent, as gas and electric will be separately metered for each unit. Mr. Blue then asked if parking was included within the rent. Mr. Sinatra responded in the affirmative.

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

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

Dated: October 12, 2017

_________________________________________________________________________________

Robert G. Murray, Secretary
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<th>Project Name</th>
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<th>Incentive Amount</th>
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<th>Total Jobs Created</th>
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</tr>
<tr>
<td>1</td>
<td>Sierra at Elk Street</td>
<td>$2,055,000</td>
<td>$1,746,750</td>
<td>8</td>
<td>4</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td>REVPAC</td>
<td>$10,773,684</td>
<td>$9,159,200</td>
<td>3</td>
<td>1</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>WAY PIZZ</td>
<td>$1,760,000</td>
<td>$1,496,000</td>
<td>5</td>
<td>2</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>Pearl Group</td>
<td>$7,245,000</td>
<td>$5,222,500</td>
<td>35</td>
<td>5</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td></td>
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</tr>
<tr>
<td>5</td>
<td>186 Chandler</td>
<td>$4,695,000</td>
<td>$3,995,750</td>
<td>7</td>
<td>5</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td></td>
<td></td>
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<tr>
<td>6</td>
<td>ITT Squirrelia</td>
<td>$1,200,000</td>
<td>$1,020,000</td>
<td>261</td>
<td>8</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
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</tr>
<tr>
<td>7</td>
<td>157 Great Arrow</td>
<td>$15,285,000</td>
<td>$12,992,250</td>
<td>1</td>
<td>1</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Project Amount</th>
<th>85% Threshold</th>
<th>85% New Jobs</th>
<th>Jobs Created</th>
<th>2 Years after Termination of Sales Tax</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adaptive Reuse</td>
<td>$95,750</td>
<td></td>
<td></td>
<td></td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>2017 Sub Total</td>
<td>$98,983,794</td>
<td></td>
<td></td>
<td></td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>2017 Total</td>
<td>$99,983,794</td>
<td></td>
<td></td>
<td></td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>
Emerson Huron, LLC
$36,798,900
INDUCEMENT RESOLUTION

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

<table>
<thead>
<tr>
<th>COMPANY INCENTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Approximately $1,750,000 in sales tax savings</td>
</tr>
<tr>
<td>• Up to 3/4 of 1% of the final mortgage amount estimated at $180,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Retained Jobs = 60 FT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT HISTORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 11/30/2017 - Public Hearing Held. Transcript attached.</td>
</tr>
<tr>
<td>• City of Buffalo, as lead agent adopts a negative declaration in accordance with SEQRA</td>
</tr>
<tr>
<td>• 12/20/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</td>
</tr>
</tbody>
</table>

| Project Title: | Emerson Huron, LLC - c/o McGuire Development Emerson Hospitality School |
| Project Address: | 75 Huron West 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 C.W. Miller Livery for lease to the Buffalo School District.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Acquisition</td>
<td>$2,989,900</td>
</tr>
<tr>
<td>New Building Construction</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Renovation</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$36,798,900</td>
</tr>
</tbody>
</table>

85% $31,279,065

**Company Description**

Emerson Huron, LLC was formed to undertake the project. F. James McGuire, Mark Croce & James Jerge or a related company each own 33.3% of the LLC. The developers have a history of undertaking commercial development projects in Western New York and throughout the country.

**Project Description**

The project consists of the renovation and redevelopment of the former C.W. Miller Livery facility located on Huron Street; adjacent to the newly renovated Curtiss Building. The building has been vacant for 15 years. When complete, the building will serve as the site for a new Buffalo Culinary School and will be operated and leased solely by the Buffalo Public Schools.

The Emerson program, including the expansion to a second facility, has been extremely successful with high demand from students and a continual waiting list. Since 2015, the Buffalo Public School has operated a temporary hospitality school located on South Park Avenue. The purpose was to increase the number of students in attendance within the program to ensure there would be an adequate number of freshmen to senior level students who would be able to fill the new Emerson hospitality school once completed. Once the new school is ready for occupancy, the new student body would be comprised of current upper level students, together with new students recruited to the program. The current school is led by approximately 60 full time staff comprised of teaching staff, administrators/support staff as well as maintenance technicians. 10 of the 60 are teaching staff at the high school that teach specialized courses relating to the hospitality and/or culinary aspects of this unique high school curriculum. All 60 full time staff will be retained and transferred to the new Emerson Hospitality School once completed in 2019.

11/30/2017 1:29 PM
The facility will be broken out as follows:

<table>
<thead>
<tr>
<th>Floor</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Floor</td>
<td>Lobby/Restaurant open to public/School main entry/small store for school</td>
</tr>
<tr>
<td></td>
<td>supplies/items/sweatshirts</td>
</tr>
<tr>
<td>2nd Floor</td>
<td>School administrative office/Banquet/Special event space/Back of house</td>
</tr>
<tr>
<td></td>
<td>teaching for food prep/serving and bakery/Access to gym</td>
</tr>
<tr>
<td>3rd Floor</td>
<td>Classroom/guidance counselors/nurse</td>
</tr>
<tr>
<td>4th Floor</td>
<td>Special education classroom</td>
</tr>
<tr>
<td>5th Floor</td>
<td>Interchangeable classrooms/science rooms/office space</td>
</tr>
<tr>
<td>6th Floor</td>
<td>Cafeteria/Library/Computer/Resource rooms/1-1 bedroom apartment</td>
</tr>
</tbody>
</table>

The apartment will measure approximately 600 sq. ft. and rent for approximately $900/month.

**New Tax Revenue Estimated**

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 485-a Abatement Period</th>
<th>Additional City Revenue over 485-a Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,800</td>
<td>$12,000,000</td>
<td>$929,000</td>
<td>$648,000</td>
<td>$401,000</td>
</tr>
<tr>
<td>Combined Tax Rate: 33</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total project Amount = $36,798,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 31,279,065</td>
</tr>
<tr>
<td>Employment</td>
<td>Same as recapture period</td>
<td>Maintain 100% of base = 60</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Same as recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of state and local sales taxes and mortgage recording tax</td>
</tr>
</tbody>
</table>

Recapture applies to:
- Mortgage Recording Tax
- Sales Tax

**Recapture**

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

At project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has 60 FTE's at the facility iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.
Internal Report: Emerson Huron, LLC - c/o McGuire Development

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>c/o McGuire Development</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>$36,798,900</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$26,000,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>60</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$1,872,568</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>190</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$9,992,441</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$11,865,010</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits

<table>
<thead>
<tr>
<th>Region</th>
<th>New Property Tax Revenue (PILOT or Improvements)</th>
<th>$5,721,169</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales Tax Revenue</td>
<td>$1,015,842</td>
</tr>
<tr>
<td>State</td>
<td>Income Tax Revenue</td>
<td>$2,529,815</td>
</tr>
<tr>
<td></td>
<td>Sales Tax Revenue</td>
<td>$855,446</td>
</tr>
<tr>
<td></td>
<td>TOTAL Estimated Revenue</td>
<td>$10,122,272</td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$180,000</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$1,930,000</td>
</tr>
</tbody>
</table>
### Table 4: Employment Breakdown

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td></td>
</tr>
<tr>
<td>Direct**</td>
<td>60</td>
</tr>
<tr>
<td>Indirect***</td>
<td>71</td>
</tr>
<tr>
<td>Induced****</td>
<td>39</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>190</td>
</tr>
<tr>
<td>Indirect</td>
<td>69</td>
</tr>
</tbody>
</table>

### Table 5: Ratios

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>5.2:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>44.8:1</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 retakes jobs at risk of being lost to another region. 
Industries 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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<table>
<thead>
<tr>
<th>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</th>
<th>The building is almost 125 years old as it was constructed in the late 1800's.</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 has been vacant for 15 years.</td>
</tr>
<tr>
<td>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)</td>
<td>The facility is not generating income as it is vacant.</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 &quot;developed areas&quot; and &quot;regional centers&quot;. This project falls within the developed areas 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>Being in the brownfield cleanup program along with undertaking a historic renovation adds significant cost to the rehabilitation of the site. 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>The City of Buffalo Planning Board, as lead agency, has approved the 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>The facility is on the 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</td>
<td>The facility must be compliant with current building code</td>
</tr>
<tr>
<td>site presents significant public safety hazard</td>
<td>requirements including all new utility infrastructure along</td>
</tr>
<tr>
<td>and or environmental remediation costs</td>
<td>with significant structural repairs.</td>
</tr>
<tr>
<td>Site or structure is located in a distressed</td>
<td>Property is located in Census Tract 165 which is considered</td>
</tr>
<tr>
<td>census tract</td>
<td>highly distressed under the State statute.</td>
</tr>
<tr>
<td>Structure presents significant costs associates w/ building code compliance.</td>
<td>All new heating, ventilation, air and fire safety systems</td>
</tr>
<tr>
<td></td>
<td>must be installed.</td>
</tr>
</tbody>
</table>

Dated: December 20, 2017
Return on Investment – Emerson Huron, LLC

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value $1,750,000
- ECIDA Mortgage Recording Tax Abatement approximate value $180,000

ROI

Emerson Huron, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 3.1%

Stated ROI for the project with ECIDA assistance is 3.8%
PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits and Percentage of Project Costs financed from Public Sector sources

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

PILOT Estimate Table Worksheet-Emerson Huron, 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>$26,000,000</td>
<td>N/A</td>
<td></td>
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</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>
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<tbody>
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</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>$36,798,900</td>
<td>N/A</td>
<td>$1,750,000</td>
<td>$180,000</td>
<td>$7,000,000</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 24.2 %
PUBLIC HEARING SCRIPT

Emerson Huron, 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 November 30, 2017 at 9:00 a.m., at the Erie County Industrial Development Agency's office located at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE

Lisa Hicks - McGuire Development
Dave Carswell - McGuire Development
Mark Croce - Buffalo Development Corporation

☐ 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 the Emerson Huron, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Monday, November 20, 2017.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) three (3) parcels of land located at 73, 77 and 79 Huron West, City of Buffalo, Erie County, New York (the "Land") improved with the vacant historic C.W. Miller Livery building (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements and the construction and equipping of a 5,000+/- SF addition (the "Improvements") to consist of a new hospitality high school for a population of 500 students, a public restaurant as part of the first floor, and 1-2 self-contained residential units with separate access; 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 December 19, 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.

Dave Carswell, McGuire Development – We are presenting the Emerson II project located at 75 West Huron Street in the City of Buffalo. The building is approximately 100,000 sq. ft. and will be leased to the Buffalo Public School system for a second Culinary High School. The project has been in the works for more than 2 years and is finally coming to fruition. We hope to start construction by January of 2018. The project will also be involved in the 485-a program through the City. The project will have a small residential component with a separate entrance and access from the school. The main part of the building is a historic structure. The project will have an addition on the side of the building. The addition will be approximately 5,000 sq. ft. and will be for a full-size functioning basketball gym for the students. We have received all variances and we have site plan approval from the City. We are looking for a sales tax and mortgage tax abatement to facilitate the project. 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

November 30, 2017, at 9:00 a.m.
at the Erie County Industrial Development Agency’s office located
at 95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

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

Project Location: 73, 77 and 79 Huron West, Buffalo, New York 14202

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisa Hicks</td>
<td>McGuire Development 560 Delaware Avenue Suite 300 Buffalo, New York 14202</td>
<td></td>
</tr>
<tr>
<td>Dave Carswell</td>
<td>McGuire Development 560 Delaware Avenue Suite 300 Buffalo, New York 14202</td>
<td>X</td>
</tr>
<tr>
<td>Mark Croce</td>
<td>Buffalo Development Corporation 257 Franklin Street Buffalo, New York 14202</td>
<td></td>
</tr>
</tbody>
</table>
Emerson II

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Emerson Hospitality School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Name</td>
<td>Emerson Huron, LLC c/o McGuire Development Company</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>560 Delaware Avenue</td>
</tr>
<tr>
<td>Applicant Address 2</td>
<td>Suite 300</td>
</tr>
<tr>
<td>Applicant City</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Applicant State</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14202</td>
</tr>
</tbody>
</table>

Phone 7168291938
Fax 7168851319
E-mail lhicks@mcguiredevelopment.com
Website www.mcguiredevelopment.com/
Federal ID# 20-4957022
NAICS Code 236220

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
Emerson Huron, LLC

Individual Completing Application

<table>
<thead>
<tr>
<th>Name</th>
<th>Lisa Hicks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Associate Director, Development &amp; Finance</td>
</tr>
<tr>
<td>Address</td>
<td>560 Delaware Avenue</td>
</tr>
<tr>
<td>Address 2</td>
<td>Suite 300</td>
</tr>
<tr>
<td>City</td>
<td>Buffalo</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14202</td>
</tr>
</tbody>
</table>

Phone
7168291938

Fax
7168851319

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

Name: Dave Carswell
Title: Assistant Vice President, Development
Address: 560 Delaware Avenue
City: Buffalo
State: New York
Zip: 14202
Phone: 7168291563
Fax: 7168851319
E-Mail: dcarswell@mcguiredevelopment.com

Company Counsel

Name of Attorney: Philip S. Bousquet
Firm Name: Bousquet Holstein PLLC
Address: 110 West Fayette Street
City: Syracuse
State: New York
Zip: 13202
Phone: 3157016309
Fax: 3154232866
E-Mail: Phil@bhlawpllc.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business: Limited Liability Company
Type of Ownership: 
Year Established: 2017

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

Please include name and % of ownership.

F. James McGuire 33.33%, Buffmark Holdings, LLC 33.33%, James Jerge 33.33%
Applicant Business Description

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

For more than 50 years, since the founding of Frank McGuire's first company in 1960, the McGuire name has been synonymous with honesty, integrity, and hard work. While Western New York is most familiar with The McGuire Group Health Care Facilities, business interests have spanned the United States and a number of industries, including construction, hospitality, healthcare, real estate, and venture capital, from Alaska to Florida. No matter the industry, or the location, every McGuire business has a common theme of commitment to the customer and superior service. In 2005, Jim McGuire and Jim Dentinger re-energized McGuire Development Company. With a continued focus on providing quality service and representation to all clients, McGuire Development was built upon the qualities of integrity, value, service and trust. For ten years, we have continually grown and broadened our capabilities and the depth and knowledge of our team. From our offices in Downtown Buffalo, we provide full-service commercial real estate and development company, including real estate consulting, owner's representation, brokerage, property management, leasing and development services. Our unique combination of skills as a broker, developer, property manager, owner, and consultant give our customers broad resources to draw upon. Combine those skills with our company's experience as an owner, developer, and manager of more than 4 million square feet of space, and you can see why McGuire Development is one of the most sought-after development partners in Western New York. The culmination of these varied perspectives and expertise allows us to assist and guide our clients as they realize their real property goals.

Estimated % of sales within Erie County 90
Estimated % of sales outside Erie County but within New York State 5
Estimated % of sales outside New York State but within the U.S. 5
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.

CCS WNY - 15% AJ J of Amherst - 15% Doritex - 10% Suburban Property - 10% Gorenflo's - 10% Held's Janitorial - 10% Suburban Lock & Key - 10% Plant People - 5% Graybar - 5% DWC Mechanical - 10%
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
75 Huron West (Formerly known as 73-79 Huron West)

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

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

SBL Number for Property upon which proposed Project will be located
111.37-4-10 and 111.37-4-11 and 11.37.4.17.2

What are the current real estate taxes on the proposed Project Site
Assessed value of land
(SBL 111.37-4-10 $60,200) (SBL 111.37-4-11 $123,600) (SBL 111.37-4-17.2 $25,300) total $209,100

Assessed value of building(s)
(SBL 111.37-4-10 $89,800) (SBL 111.37-4-11 $0) (SBL 111.37-4-17.2 $0) total $89,800

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
City of Buffalo

School District of Project Site
Buffalo School 140200

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
Presently vacant building and surface parking.

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, and/or
McGuire Development intends to work with its tenant Buffalo Public Schools to develop one of the last large parcels remaining for redevelopment in the Hospitality Corridor, 75 Huron West, into a hospitality high school operated by the Buffalo Public School District. The building is surrounded by complimentary hospitality businesses. In addition, the adaptive reuse of a nationally recognized historic building, into a multi-purpose commercial facility will bring vibrancy and economic investment to the neighborhood. The historic C.W. Miller Livery at 75 Huron West has been designed to satisfy the programmatic needs of a new Hospitality High School for a population of 500 students. A description of our proposed solution by floor is as follows: • Basement Level - Mechanical/electrical support space, plus available space for food and program storage as required. • First Floor - A lobby/concierge area facing West Huron Street which acts as an upscale hotel-like entry point serving both the public restaurant and as the school’s main entry. The restaurant will feature a private dining room for intimate functions. The north/south side of the building will accommodate deliveries and distribution space for food supplies entering the building, with direct access to a freight/service elevator serving all floors. The balance of the floor is dedicated to a teaching kitchen/culinary lab, prep and support space. • Second Floor - The main administrative office for the school will front along West Huron Street. A large and divisible banquet/special event space is provided along with back-of-house teaching spaces for food prep/serving and a bakery. This floor also provides access to a full-size Gymnasium, built as an addition to the building, including locker and toilet rooms. The Gym is built on piers to accommodate staff parking below. • Third Floor - This floor accommodates more traditional interchangeable school classrooms, including a dedicated art room, as well as offices for guidance and the school nurse. • Fourth Floor - Traditional interchangeable and special education classrooms. • Fifth Floor - Traditional interchangeable classrooms including dedicated science rooms, plus office space for the assistant principal. • Sixth Floor - This space is the most striking in this historic building, due to the exposed structural trusses and bracing. This floor will accommodate large open-plan spaces including the cafeteria and library. Computer and resource rooms will serve to divide these two, large sky-lit spaces from each other. We envision the use of suspended panels and glass partitions to highlight the unique character of this space. • Residential: 1 self-contained residential dwelling unit, with separate access. The unit will be approximately 600 square feet and will rent for an estimated $900.00 per month. The apartment will be separately metered and the tenant will be responsible for all utilities except that water will be the responsibility of the landlord. In reference to the job creation requirement portion of the ECIDA application, this narrative serves to explain employment that currently exists at BPS's temporary location and the number of jobs which will be retained when the permanent Emerson Hospitality School is completed and fully occupied in 2019. The Emerson program, including the expansion to a second facility, has been extremely successful with high demand from students and a continual waiting list. Currently, the Buffalo Public School operates a temporary hospitality school which was initiated in 2015. The purpose of "Emerson Annex@28" located at 1515 South Park Avenue was to increase the number of students in attendance within the program to ensure there would be an adequate number of freshmen to senior level students who would be able to fill the new Emerson hospitality school once completed. Once the new Emerson hospitality school is ready for occupancy, the new student body would be comprised of current upper level students, together with new students recruited to the program. The Emerson Annex@28 is currently led by approximately 60 full-time staff, comprised of teaching staff, administrators/support staff as well as maintenance technicians. Of the 60 full time staff, 10 are teaching staff at the high school that teach specialized courses relating to hospitality and/or culinary aspects of this unique high school curriculum. All 60 full-time staff, including the 10 specialized positions which are considered unique to this program and location, will be transferred to the new Emerson Hospitality School once completed in 2019. In terms of job retention, all positions would be retained and transferred to the new location, including the 10 specialized positions which are considered unique to this program and location.

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 ECIDA’s mandate includes, among other things, "providing resources that encourage investment and improves the quality of life for the residents of the region”. Should this project be undertaken by the Agency, it would not only aid in fulfilling the Agency’s mandate but also facilitate the rehabilitation of this long vacant historic building, which is essential to changing the character of Huron Street, thereby improving the aesthetic appearance and quality of life for those who live, work and visit downtown Buffalo. The property is also in an area with a large concentration of hospitality businesses, namely hotels. Tourists visiting the city will also be positively impacted by the presence of a fully rehabbed historic building, which adds to the city’s progressive image. Most importantly however, is the impact that the rehabilitation will have on 450+ of our city’s youth who choose to attend this school. This building will become a state-of-the-art educational institution used by high school students with an interest in the field of hospitality. Today’s youth will be the leaders of tomorrow, and the building in itself serves as a tool to helping them achieve readiness to enter into the workforce or higher education, should they so choose, with the knowledge and skills needed to excel in their chosen path. ECIDA’s assistance will free up funds to be reinvested into the school, its curriculum, supplies and other resources required to effectively run a Buffalo Public School which exceeds all expectations.

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)

This project involves the reuse of a historic building and will incur significant costs to completely re-purpose the structure, initially used as a livery stable into an educational institution. Safeguards must be put in place to ensure the building is structurally sound, and also to ensure that the students be afforded the best possible work space and technology to complete their education and training, giving students the best chances for success after graduation. This comes at a substantial cost. Financial assistance from the Agency may be used to cover costs frequently incurred by public schools, freeing up money that can be spent on improvements to programs and curriculum. Furthermore, a high school with a hospitality focus will incur costs that are not normally incurred in a traditional high school setting, such as the cost of equipment and supplies, necessary for the proper functioning of this specialized program. Assistance from the Agency will greatly assist in the District’s ability to run a first-rate hospitality program. Financial assistance not only will help to achieve our vision for the project, but it will also help to facilitate investment and provide a much needed revitalization to this part of Huron Street, improving the overall physical infrastructure of this urban community. The addition of a high school will create an outgrowth of positive urban transformational activity, increasing population density and further stimulating investment to serve newly added populations downtown.

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

No

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

Should the project be denied assistance, our tenant, the Buffalo Public School District, will be forced to take on additional costs, money that is needed in other areas (as outlined in previous responses). Furthermore, Erie County will not be able to add this project to the list of projects that successfully contributed to regional development initiatives.

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

Based upon the City of Buffalo, Unified Development Ordinance, the property is currently zoned as N-1D (downtown hub). The building located at the site is vacant and the adjacent lot operates a surface parking lot. The new use will be a high school operated by Buffalo Public Schools. This use is permitted and no changes to zoning/land use will be required. However, under the City of Buffalo’s Unified Development Ordinance, there are certain restrictions on the development of the site which may require a variance.

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

The project may need to apply to the zoning board of appeals to request a variance(s) with respect to an addition to the current historic building. Possible variances include building height, ground floor transparency and upper floor transparency. Requirement for these variances have not yet been determined by the City and we are working with our architects to amend our preliminary designs to address these issues, thereby eliminating any need for variances.

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

Yes

If yes, please explain

The property is in the New York State Brownfield Clean Up program. The Certificate of Completion is anticipated by the end of the year. Additional work is required in the building (see attached Stohl Report).

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

No

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?**

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.

<table>
<thead>
<tr>
<th>Retail Sales</th>
<th>Yes</th>
<th>Services</th>
<th>No</th>
</tr>
</thead>
</table>

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) (l) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

<table>
<thead>
<tr>
<th>No</th>
<th>Manufacturing</th>
<th>No</th>
<th>Multi-Tenant</th>
<th>Yes</th>
<th>Mixed Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Acquisition of Existing Facility</td>
<td>No</td>
<td>Commercial</td>
<td>No Facility for the Aging</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Housing</td>
<td>No</td>
<td>Back Office</td>
<td>No Civic Facility (not for profit)</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>Equipment Purchase</td>
<td>Yes</td>
<td>Retail</td>
<td>Yes Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Public High School</td>
<td></td>
</tr>
</tbody>
</table>
Project Information
Estimated costs in connection with project
Land and/or Building Acquisition
$ 298,900 square feet acres
New Building Construction
$ 0 square feet
New Building addition(s)
$ 2,000,000 5,000 square feet
Infrastructure Work
$ 0
Renovation
$ 24,000,000 95,000 square feet
Manufacturing Equipment
$ 0
Non-Manufacturing Equipment: (furniture, fixtures, etc.)
$ 4,500,000
Soft Costs: (professional services, etc.)
$ 6,000,000
Other Cost
$ 0
Explain Other Costs

Total Cost
$ 36,798,900

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:
Stohl Environmental Hazmat Report $ 6,120 AJ Petrelli Structural Letter $600 C&S Survey/Civil/Site Plan Work $13,250 Traffic Demand Management Study $2,500

Sources of Funds for Project Costs:
Equity (excluding equity that is attributed to grants/tax credits):
$ 5,798,900

Bank Financing:
$ 24,000,000

Tax Exempt Bond Issuance (if applicable):
$ 0

Taxable Bond Issuance (if applicable):
$ 0

Public Sources (Include sum total of all state and federal grants and tax credits):
$ 7,000,000

Identify each state and federal grant/credit:
State & Federal Historic Tax Credit Brownfield Tax Credit

Total Sources of Funds for Project Costs:
$36,798,900

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

Mortgage Recording Tax Exemption Benefit:
Estimated Mortgage Amount (Sum total of all financing – construction and bridge).
*Amount of mortgage, if any, that would be subject to mortgage recording tax.
$ 24,000,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$240,000

Construction Cost Breakdown:
Total Cost of Construction
$ 30,500,000

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

Cost for materials
$ 15,250,000

% sourced in Erie County
90%

% sourced in State
95% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency’s sales and use tax exemption benefit
$ 20,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$ 1,750,000

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency’s PILOT benefit:
485(a) - the mixed-use urban project will include 1 residential unit as well as a commercial component and will qualify for a 12-year partial tax exemption through the NYS department of taxation and finance (Office of Real Property Tax Services).

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>square feet</td>
<td>$ 0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>square feet</td>
<td>$ 0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>square feet</td>
<td>$ 0</td>
</tr>
<tr>
<td>Commercial</td>
<td>square feet</td>
<td>$ 0</td>
</tr>
<tr>
<td>Retail</td>
<td>5,000 square feet</td>
<td>$ 1,000,000</td>
</tr>
</tbody>
</table>
The Erie County Industrial Development Agency (ECIDA)

Office

Specify Other

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking

Will project result in significant utility infrastructure cost or uses?

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

1/1/2018

End date: Estimated completion date of project

6/1/2019

Project occupancy: estimated starting date of operations

7/1/2019

Have construction contracts been signed?

No

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<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>60</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 created upon TWO Years after Project Completion.


29
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># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>55</td>
<td>$70,000</td>
<td>$20,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>$25,000</td>
<td>$10,000</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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<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>
Will any of the facilities described above be closed or subject to reduced activity?
Yes

Payroll Information
Annual Payroll at Proposed Project Site
$ 3,975,000

Estimated average annual salary of jobs to be retained (Full Time)
$ 66,250

Estimated average annual salary of jobs to be retained (Part Time)
$ 0

Estimated average annual salary of jobs to be created (Full Time)
$ 0

Estimated average annual salary of jobs to be created (Part Time)
$ 0

Estimated salary range of jobs to be created
<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>$ 0</th>
<th>To (Full Time)</th>
<th>$ 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>From (Part Time)</td>
<td>$ 0</td>
<td>To (Part Time)</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

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)
State and Federal Historic Tax Credits, Brownfield Tax Credits, 485(a)
Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name: Buffalo Public School District
Address: 406 City Hall Buffalo, New York 14202
Contact Person: Joseph Giusiana
Phone: (716) 816-3560
Fax: (716) 878-9718
E-Mail: jgiusiana@buffaloschools.org
Federal ID #: 
SIC/NAICS Code: 611110

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

No

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

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

Section IV: Tenant Information
PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name
Buffalo Public School District

Property Address:
75 Huron West

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)
+/- 100,000 square feet

What percentage of the building does this represent?
100%

Are terms of lease:
NET

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

Estimated date of occupancy
6/1/2019

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
Buffalo Public School District

Local Contact Person:
Joseph Giusiana

Title:
Executive Director, Plant Services

Current Address:
City Hall, Rm. 403 Buffalo, New York 14202

Phone:
716-816-3560

Fax:
716-878-9718

E-Mail:
JGiusiana@buffaloschools.org

Website:
http://www.buffaloschools.org/plantservices.cfm

Company President/General Manager:

Number of employees moving to new project location:

Full-Time:
60

Part-Time:
0

Total:
60

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:
0

Total:
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:
The code 61111 is for public schools. There will be limited retail transactions occurring on the school property. Primarily, one of the teaching facilities used by this specialized high school will be a restaurant, where food will be prepared and sold to members of the general public, students, and staff. Secondary to this will be a small booth located in the lobby of the school (exact location to be determined) where apparel and other items adorned with school insignia will be available for purchase. 100% of the sales will be made from the location as the school does not anticipate providing a method of shipping merchandise elsewhere.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)
The tenant is a city of Buffalo Public School which will be leasing space to expand its current secondary school offerings to a larger pool of students. Currently, there is a restaurant located on West Chippewa which functions in the same way that the new restaurant will function - as a teaching facility, offering prepared food items to members of the general public, students, and staff.

Please list the square footage which the proposed tenant will lease at the Project location
+/- 100,000

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

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

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:
N/A
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?

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?

Is location necessary to:

Discourage your company from moving out of New York State
No

Maintain your company’s competitiveness within the industry:
No

( 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?
No

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

If no, why not?
This is a new public school. A temporary facility is being used to populate this new program until the new facility is complete but no facilities are being closed as a result of this new school being created. The site was chosen based upon an extensive RFP process. The site location was ultimately voted on and approved by the Buffalo Public School Board of Education.

Will present location be your company's headquarters?
No

If No, Where is the location of HQ:

City:
City Hall, Buffalo

State:
New York

Form Completed By:
Joseph Giusiana

Relationship to Company:
Executive Director, Plant Services
Section V: Environmental Questionnaire

General Background Information

Address of Premises
75 Huron West, Buffalo NY 14202 (Formerly known as 73-79 Huron West)

Name and Address of Owner of Premises
Emerson Huron, LLC 257 Franklin Street Buffalo, NY 14202

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
The Premises are located on an urban street, in the heart of downtown Buffalo New York.

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
There are three parcels that will be developed into the Emerson Hospitality High School. One of the parcels, houses a building that has been vacant for approximately 15 years. The other two parcels are currently used for surface parking but will be developed to include a gymnasium that will be connected to the historic building and form a part of the high school.

Describe all known former uses of the Premises
The building has historically been used as a livery stable and most recently as multi-level parking garage.

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
The parking lot immediately adjacent to the vacant historic building is currently being occupied by the owner of the building for use as paid surface parking, Pay2Park.

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

If yes, describe and attach any incident reports and the results of any investigations
See the attached spills incident, which was not a discharge directly on the site, but which spread to contaminate the site. The spill and any hazardous conditions have since undergone remediation, as evidenced in the report located on the NYSDEC Environmental Site Remediation Database - Spill No. 1106834.

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

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

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

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

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

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

If yes, please provide copies of the permits.
Identify the transporter of any hazardous and/or solid wastes to or from the Premises
Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years
Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?
   No
   If yes, please identify the substance, the quantity and describe how it is stored

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

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

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

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

Asbestos was detected on the following materials on the Premises: aircel/mag pipe insulation-boiler fire box lining-boiler door gasket-transite back panel of fuse box/panel-exterior/interior window caulk-elevator brake shoes-elevator control wire-roof tar, roof field felt, roof flashing felt
Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo? No

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

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

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

<BLANK>

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

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

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

Are you applying for tax incentives under the Adaptive Reuse Program?  Yes
What is the age of the structure (in years)?  125
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.  15
If underutilized, number of years underutilized.  15
Describe the use of the building during the time it has been underutilized:  Vacant
Is the structure currently generating insignificant income?  (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)  No
If yes, please provide dollar amount of income being generated, if any $
If apartments are planned in the facility, please indicate the following:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Sq. Ft. Range</th>
<th>Low to High Rent Range Low to High</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>600</td>
<td>$800</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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 $7 million

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

Without ECIDA incentives, the Buffalo Public School District will incur additional costs given that the district would not be able to complete construction with the tenant allowances that was allocated for this project. As well, the Brownfield Clean Up program and the building's recognition on the national register of historic places also increases the costs associated with the rehabilitation of this site. ECIDA assistance will help to minimize the costs incurred by the Buffalo Public School District and increase the overall feasibility of the project.

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 expect to receive the full support of all City of Buffalo departments for the rehabilitation of the building (including the Department of Permits, Planning Board, Zoning Board, Buffalo Sewer Authority, Preservation Board).

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 rehabilitation of this building is important for the revitalization of the City of Buffalo. The building will be a significant benefit to BPS high school students once in operation. The facade work and brick re-pointing necessary as well as remediation of hazardous materials will reduce public safety hazards currently present. The structure presents a significant cost associated with building code compliance, specifically, the requirement that the building achieve a high seismic rating will be a costly endeavor. The building is already listed on the National Register of Historic Places but due to its condition and vacancy, receives a low tax assessment. Once the rehabilitation is complete, the City of Buffalo will not only enjoy a beautifully redesigned, functional and fully tenanted historic building, but also increase tax base.
Section VIII: Senior Citizen Rental Housing Projects

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

<BLANK>

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area?
# St. Paul Group, LLC
## $3,785,000
### INDUCEMENT RESOLUTION

**Eligibility**

- NAICS Section - 531110

**Company Incentives**

- Approximately $142,146 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at $26,495

**Employment**

- New Jobs Projected = 18 FT

**Project History**

- 12/01/2017 - Public Hearing Held
- 12/20/2017 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 12/20/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

<table>
<thead>
<tr>
<th>Project Title: St. Paul Group, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Address: 1115 Main Street</td>
</tr>
<tr>
<td>Buffalo, New York 14209</td>
</tr>
<tr>
<td>(Buffalo City School District)</td>
</tr>
</tbody>
</table>

**Agency Request**

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of the former Our Lady of Lourdes Church.

| Building Acquisition | $ 40,000 |
| Renovation           | $3,249,060 |
| Soft Costs           | $ 495,940  |
| **Total Project Cost** | $3,785,000 |
| **85%**              | $3,217,250 |

**Company Description**

St. Paul Group, LLC is a corporation formed by Ellicott Development. The LLC is 100% owned by 1238 Group, LLC which LLC is 100% owned by Santa Croce Group. The applicant is a newer formed LLC, however, its principals have over 40 years of successful real estate development and management experience redeveloping many properties in the City of Buffalo and Western New York.

**Project Description**

The proposed project involves the full-scale renovation of an existing vacant structure originally constructed in 1898 and known as Our Lady of Lourdes Church. The proposed renovation includes the construction of two new floors within the open cathedral nave which will result in a building that will measure approximately 32,000 sq. ft.

End uses include 1st floor retail/restaurant or brewery uses, 2nd floor offices although tenants are unknown at this time and 3 residential apartments in 1-3 BR configurations on the 3rd floor. While the apartment component has not yet been fully laid out, the average unit square footage for a one bedroom would be approximately 900 sq. ft. and 1,300 sq. ft. for the 2 BR and 1,800 sq. ft. for the 3 BR. Rents will be in the $1,100 to $1,950 per month range and includes water.

The church was constructed in the late 1800’s and has been vacant for approximately 24 years.

The former church will internally connect with a new 6-story medical office building soon to be under construction at 1091 Main Street.

The new medical office building is not seeking financial assistance from the ECIDA.

11/29/2017 11:51 AM
New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 485-a Abatement Period</th>
<th>Additional City Revenue over 485-a Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000</td>
<td>$1,500,000</td>
<td>$116,000</td>
<td>$81,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Combined Tax Rate: 33

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</td>
<td>5,550</td>
<td>$812,265</td>
<td>25%</td>
</tr>
<tr>
<td>Office</td>
<td>5,703</td>
<td>$812,265</td>
<td>25%</td>
</tr>
<tr>
<td>Residential/Other</td>
<td>11,200</td>
<td>$1,624,530</td>
<td>50%</td>
</tr>
<tr>
<td>Total</td>
<td>22,453</td>
<td>$3,249,060</td>
<td>100%</td>
</tr>
</tbody>
</table>

On December 20, 2017 the Board determined that the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County shall provide 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  | At project completion       | Investment amount equal to or greater than 85% of project amount. Total project Amount = $3,785,000  
85% = 3,217,250 |
| Employment        | Same as recapture period    | Create 85% of projected: Projected = 18  
Recapture Employment = 15 |
| Local Labor       | Construction Period         | Adherence to policy including quarterly reporting                                    |
| Pay Equity        | Same as recapture period    | Adherence to Policy                                                                 |
| Unpaid Tax        | Same as recapture period    | Adherence to Policy                                                                 |
| Recapture Period  | 2 years after project completion | Recapture of state and local sales taxes and mortgage recording tax                  |

Recapture Applies to:
Mortgage Recording Tax
Sales Tax

Recapture

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

At project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has 15 full time employees at the facility 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 1: Basic Information

<table>
<thead>
<tr>
<th></th>
<th>St. Paul Group, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td></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>$3,785,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$3,249,060</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>18</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$561,770</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>24</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$1,248,694</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$1,810,464</td>
</tr>
</tbody>
</table>

## Table 2: Estimated State & Regional Benefits*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Region</td>
<td></td>
</tr>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$714,939</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$273,416</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$671,769</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$230,245</td>
</tr>
<tr>
<td>TOTAL Estimated Revenue</td>
<td>$1,890,370</td>
</tr>
</tbody>
</table>

## Table 3: Estimated Project Incentives*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$142,146</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$26,495</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$168,641</td>
</tr>
</tbody>
</table>
### Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>18</td>
</tr>
<tr>
<td>Indirect***</td>
<td>21</td>
</tr>
<tr>
<td>Induced****</td>
<td>12</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>24</td>
</tr>
<tr>
<td>Indirect</td>
<td>9</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>11.2:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>133.1:1</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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# Adaptive Reuse Report & Evaluative Criteria

**St. Paul Group, LLC/Our Lady of Lourdes**

<table>
<thead>
<tr>
<th>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</th>
<th>The building is almost 120 years old as it was constructed just before 1900.</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 has been vacant for 24 years.</td>
</tr>
<tr>
<td>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)</td>
<td>The facility is not generating income as it is vacant.</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 areas 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>The functional obsolescence of the building will require a heavy cash outlay as the developer needs to undertake extensive structural repairs on the building’s interior, replacement of all windows, extensive restoration of decorative plasterwork on the building’s interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities. 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>The City of Buffalo Planning Board has approved the 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>The facility is on the 8A bus line as well as Metro Rail.</td>
</tr>
<tr>
<td>OTHER FACTORS TO CONSIDER:</td>
<td></td>
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<td>----------------------------</td>
<td>------------------------------------------------------------------</td>
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<tr>
<td>Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs</td>
<td>The facility must be compliant with current building code requirements including all new utility infrastructure along with significant structural repairs.</td>
</tr>
<tr>
<td>Site or structure is located in a distressed census tract</td>
<td>Property is located in Census Tract 31 which is considered 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 be installed.</td>
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</table>

Dated: December 20, 2017
Return on Investment – St. Paul Group, LLC – Our Lady of Lourdes

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value $142,146
- ECIDA Mortgage Recording Tax Abatement approximate value $26,495

ROI

St. Paul Group, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 1.8%

Stated ROI for the project with ECIDA assistance is 2.1%
** 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-Our Lady of Lourdes- 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>$3,249,060</td>
<td>N/A</td>
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</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>
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</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>$3,785,000</td>
<td>N/A</td>
<td>$142,146</td>
<td>$26,495</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 4.4 %
PUBLIC HEARING SCRIPT

St. Paul 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 December 1, 2017 at 9:00 a.m.,
at the Erie County Industrial Development Agency’s office located
at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE

Tom Fox, EDC
Kirk Laubenstein, Coalition for Economic Justice
Anthony Baney, Erie County Green Party
John Washington, PUSH Buffalo
Robert Murphy, PUSH Buffalo
Brian Nowak, Councilmember Elect, Town of Cheektowaga
Dennice Barr, F.B.A.C.
☐ Members of the General Public

☐ 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 the St. Paul 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 Tuesday, November 21, 2017.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a .57 +/- acre parcel of land located at 1115 Main Street, City of Buffalo, Erie County, New York (the “Land”) improved with the vacant Our Lady of Lourdes Church (the “Existing
(ii) the renovation, upgrading and equipping of the Existing Improvements and the construction and equipping of two (2) additional floors to the Existing Improvements (the "Improvements") to consist of 5,550 +/- SF of retail space on the first floor, 5,703 +/- SF of professional office space on the second floor, and 11,200 +/- SF of on the third floor to consist of 3 apartments; 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 December 19, 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, Director of Development: Here today regarding our proposed adaptive reuse of the former Our Lady of Lourdes Church at 1115 Main Street near Best. The church was constructed in 1898, currently 119-year-old, vacant and neglected for over 25 years. The building was stripped to its bones by the previous owner. The proposed renovation includes the construction of two new floors within the open cathedral as you mentioned. The first floor will be retail and restaurant space
approximately 5,500 sq. ft., second floor would be commercial office space at approximately 5,700 sq. ft. and the third floor will include three market-rate apartments in 1 and 2-bedroom configurations approximately 900-1,800 sq. ft. in size. It’s our objective to fit-out the 1st and 2nd floors as innovative “incubator” space. While we are considering several potential users that have shown interest in the 1st floor space, including a small brewery, we ultimately see the floor containing multiple small users as a “pop-up” concept providing different services such as a food outlet, a small shop for snacks, clothing and other items that would change from time-to-time. The 2nd floor would contain a co-work space geared to medical and tech start-ups. While permanent full-time job counts for incubator space are typically on the low end up-front, the concept will ultimately cultivate many new and successful business concepts and related jobs. At 1115 Main Street, we anticipate the creation of at least 18 new jobs within 2 years of completing the project. The completed project will also create a significant jump in real estate taxes given the current total assessment is $390k with the building valued at $5k. So, it will be a big jump for the city and county. The total project costs are estimated at approximately $3,785,000. Like other adaptive reuse projects that we have undertaken, the viability of 1115 Main Street is plagued in many ways requiring a need for every available resource to finance and yield a modest return. In this case, we projected under 5%. Redeveloping a long-vacant and dilapidated 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, all new utility infrastructures, and significant structural repairs in this case. 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 the rates it can bare. These low market rates result in unwillingness by lenders to commit to the project due to market 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 securing project financing and ultimately breathe new life into a long-derelict and underutilized structure. As Grant mentioned, the requested inducement is for construction sales tax abatement and mortgage recording tax credit. Thank you.

Kirk Laubenstein: I am the director of the Coalition for Economic Justice. We have long been interested in reform at the Erie County Industrial Development Authority. I guess my thinking is the County Executive has said “but for”. We need a but for test in every inducement that the IDA gives out and as I was looking over this package in front of me it looks like everything is in line right so the entire project is ready to go, all the permits are given, financing seems to be in order, and so the question that I have I guess is but for. They are asking for about $200,000 worth of tax breaks. Some of that is mortgage recording tax, so about $26,000 of that is mortgage recording tax. Mortgage recording tax takes away from public transit. We also know, I mean you are talking about a derelict building, it’s been owned by Ellicott Development for a long time now, so I guess the question is who let it go derelict. The crucial component really is that the adaptive reuse policy when it was put in place was put in place to make sure that derelict old buildings could be put back online. At this point, we are in a whole different place than when the adaptive reuse policy started. The adaptive reuse policy started I don’t know a while ago and our city is in a whole different place. We have incredible gentrification, we have rents $1,500, $2,000, and everything has changed. It is our firm belief that there should be no new inducements of residential properties before a new adaptive reuse policy is formed that can actually make sure that people who make minimum wage, people that make very little money can actually be taken into account. Today we would like to request a moratorium on all residential adaptive reuses inducements because it’s just not okay that huge developers that have millions and millions and millions and millions of dollars are here at the ECIDA with their hand out asking for the cherry on top of their millions. Again, I will reiterate, we want a moratorium on all adaptive reuse inducements until a new adaptive reuse policy can be put in place.

Anthony Baney from the Erie County Green Party: I just want to make a very urgent request that the ECIDA hold these meetings in a more public fashion. I believe that going about this does not allow people that work during the day to be able to speak to these projects. I wasn’t able to in my previous job
working third shift talk to the proposal for the Great Arrow building project. That’s not relevant to this project but while I look over this project I don’t really know what market rate means to be honest with you and I don’t really see what that range would be specifically to the apartments that are being proposed in this project. I don’t think that is a justification for the exemption they are asking from the city and I really believe that there should be more public oversight of these proposals especially because as previously talked about the developers do have millions of dollars and we continue to give out these inducements and these tax exemptions and I understand that it is under the guise of industrial development but I think if the ECIDA were to actually put focus towards projects of public importance such as the Huntley Plant in Tonawanda, there is still not much that is being put into that. I think that should be more of a focus as opposed to these small projects that go to developers. There needs to be more of a change on the focus of what the projects are tackling and I also believe like I said before there needs to be more public oversight, so I think that there needs to be some type of claw back reform in these projects that if they don’t fulfill all of the project requirements, that all of the money comes back to the public taxpayers in any form that was given out so that is all I have to say to this project. Thank you.

John Washington. I’m with PUSH Buffalo. I want to start by first reiterating what everybody else said that this needs to be a public process. I know that I would not know about this if it wasn’t for the Deputy County Executive Maria Whyte and my relationship with Paul Vukelic and Dick Lipsitz who are on the board but if you go on the website it is extremely difficult to find out about public hearings. Also, public hearings should be held in public forums and there should be public notice. And public notice is not the six pages of City and Region in the Buffalo News. Public notices putting things on social media. It being the first thing that you see, the public sees on their website is how they can get involved in the process. It has been difficult to find and figure out where we can insert ourselves in this process without having relationships with people on the board of the ECIDA. I think that is what is fundamentally wrong. As far as this project goes, I have a series of fundamental problems with how the ECIDA operates. If you look at the percentage of money that is being allocated for these tax breaks in relationship to the overall cost of the project, not receiving these inducements is not going to stop this project. This is gravy and this gravy money that Nick Sinatra, William Paladino and others get takes away from the resources that people desperately need in this city. We live in the third poorest and sixth most segregated city in the country. That is not getting any better. In fact, the ECIDA, BUDC and every institution in this building is making this worse. Statistically any quality in Erie County has grown over the past ten years and its grown partly because of the adaptive reuse policy that has created rising rents, created virtually no jobs and I know your statistics will say that these corporations are reporting jobs but when you go out into the communities of this city, people are starving for jobs. Unemployment is ridiculously high, and this is an industrial development agency. This is not developing industry. It is developing an industry of gentrification that is pushing rents higher and making it harder for working people to live in the city of Buffalo. Until the ECIDA can create a policy that mirrors the Department of Social Services policy that the rest of us have to abide by in which we have to certify our income, how much assets do we have. If I want to go get food stamps they would ask me how much money is in my bank account, they would ask where I lived before, who I lived with, how much those people make. We have people that are multi-millionaires that are asking for assistance and there is no consideration for how much money they already have in figuring out should we actually give them assistance; do they deserve assistance. While there are single mothers who are being denied and cut a couple hundred dollars a month to buy food for their families. To me that is disgusting and I don’t understand how anyone can sit in this building, around this table, and know that is happening and still continue to give these giveaways to multi-millionaires who are supporting an administration that wants to eviscerate the social safety net that is the only thing that is holding cities like Buffalo together. We have an extremely poor city, we have a struggling and starving city, and instead of investing in affordable housing, instead of investing in education, we are taking away from the pool of resources that is used to invest in our people and we are handing it to the richest people in our county. The only thing that is going to result in that is continued poverty and inequality. I think that the ECIDA needs to get much more strict and stringent in how it identifies who it is investing in and this but for that because I have no question that the majority of projects that the ECIDA has invested in
could have been done through any other form of financing. Why aren’t these companies going to their shareholders, going to the banks and when they come, they’ve already secured all of the financing, everything is already done, so it is ridiculous to me to assume this narrative that oh, well if they didn’t get this extra $200,000 suddenly the building that they bought and owned for years and all the money that they have already invested in it, they are going to just throw that away. Buffalo is a changing market. Buffalo is one of the most popular real estate markets in the country and that is only going to get better for developers so why do we continue to invest the resources we so desperately need in our neighborhoods to support people to multi-millionaires who frankly express in every single way possible their disdain for people of color, their disdain for people on public assistance and their disdain for women, families and children in Erie County. To me it is disgusting, despicable and it has to stop. Thank you.

Brian Nowak, Councilmember Elect, Town of Cheektowaga: Good morning everybody. I didn’t plan on speaking but I just wanted to be very brief. Every time we give one of these breaks to developers that doesn’t need it we erode trust with the public who already has a distain for the political system and for people with wealth, power and prestige that’s just growing. Whoever has to vote on this, whoever has the power to go to Sinatra, William Palladino, pull them aside, have a private conversation, and the question they need to ask themselves is at what point is it enough for them and do they want to take the personal responsibility on their shoulders of eroding public trust even more than it already is and destabilizing a system that is on its way to being in tatters. I have nothing else to say. These guys covered everything else beautifully. Thank you.

Robert Murphy with PUSH: I wasn’t going to say anything today but there is an article that appeared on my Facebook page, I think it is from the Buffalo News that says that Buffalo has the worst survival rate, I’m not sure what word they used because I didn’t read the article, but life span is lowest of any of the major cities in New York state so that’s news today. Thank you.

Grant Lesswing: As there are no further comments, there are no other people who have signed in.

John Washington: There is one person who is on a bus here. I just want to see how far away she is if you wouldn’t mind.

Grant Lesswing: That’s fine.

Dennice Barr: My statement is that again I’ve travelled 49 miles to get here today because it is just that important to me. I am living in a community that has been pushed back and reined in for generations, not receiving anything and I’m at a point where I am so frustrated because when are we going to stand up and do right by the communities that are suffering and have managed to pay their taxes and hang on throughout the generations. You know we are consistently handing out these tax breaks and all of these lovely gifts to wealthy developers who have millions of dollars. When I think about what $15 million dollars could do for my community, it’s outrageous and we consistently keep handing these things out. I understand that this is the week of giving and it’s close to Christmas but enough. In 2017 this is December and we are closing out the end of the year and people are standing up all around the nation and all around the city saying, listen we’ve seen the numbers, they’ve already come into the city about the disparity, about the inequity that is going on around the city about the housing crisis, all of this, and yet we’re still not paying attention. We have a major housing crisis in this city. Our homeless population is growing. All of these numbers have been crunched, they’ve already been handed over. So why is it that at a time when we are at this point even at the end of the year when we ought to be sitting back and looking at how we are going to fix some of this mess that we got ourselves into. Instead we’re looking at how we are going to continue to build these beautiful glass and steel structures that people can’t afford to live in and my community doesn’t want. It’s not right and it needs to stop. I need for two things to
happen. Here is my Christmas list as leadership of the Fruit Belt Community. The first thing is that you know that somebody owes us some money. Somebody owes my community some money like not even this year or last year but we are talking about years that this has been going on and we’ve received nothing. In the shadow of the medical corridor and all these lovely buildings and I don’t fault anybody for wanting to do well in this life. I want my sons to do well but I don’t want them to do well on the backs of poor people. If that’s how you make your living I have a problem with you so that’s my first issue. My second issue is when are we going to get our community benefits agreement? We have been asking for it now for 8-9 years. We’ve been talking about it. We need partnership. This business of coming in and prancing around us and waving at us from across the street and acting like we’re not supposed to be a part of the conversation is so past done. It’s time for somebody to put their big boy pants on and get into a situation of responsibility and deal with my community the way that they need to. This conversation is long overdue to the point of what I had to go through just to get here today because I represent my community. Somebody’s privilege is showing in this situation. I’m not saying, I’m just saying somebody’s privilege is showing that we can continue to hand out this money like it’s just candy to people who already have abundance in the face of communities that are suffering and are being pushed back and homeless populations are growing, and we just act like it’s okay. This is not business as usual. The day for that is done. It’s over, it’s finished. They had their party. Great for them. It’s done but now it’s time to build some partnerships. I want to remind some people that yes the fruit belt looks like a small community but we have developed some partnerships and grown some alliances and we are not small anymore. Our voice is very large, and we are growing. People better wake up and pay attention to the fact that just because there was a time when there were a few people that you had to deal with and that was okay because you could get around them and it didn’t matter. They are just poor black people. That is done. I can guarantee you that when you deal with me, you’re going to deal with a whole lot of other entities now because we need for people to be responsible and to get in position of partnership. If you don’t want to partner with us, then you are going to continue feel us pinch. We are not asking anymore. We are demanding at this point. I have seniors that are aging out and I’m not going to see these people die before they get what they deserve. It’s not right. They have done what they are supposed to do. They have invested in the city. They have maintained their properties. They have pride in their community. When are we going to see people step up and recognize that. Aside from the fact that we are a historic community and we have to keep reminding other communities of that. People in some other areas of the city don’t have to do that. They are well recognized. But for some reason when it comes to the fruit belt, we don’t get recognized for that, but we know it so we gotta keep coming out here to tell you because for some reason people don’t understand it and if I seem like I’m angry, you’re damn right I’m angry. This is my community and I’m tired of seeing them get pushed back and pushed aside and being told to wait. We have waited more than one generation. Now it’s time for some responsible conversation. You want to give somebody some money, invest in my community. Start with a community center. We need a community center. Start with that. Come and help us. Do something for us instead of always looking to get something for free. It’s done and that’s what I’m going to say about that. Thank you. I appreciate you waiting for me.

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:40 a.m.
SIGN IN SHEET
PUBLIC HEARING

December 1, 2017, at 9:00 a.m.
at the Erie County Industrial Development Agency’s office located
at 95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

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

Project Location: 1115 Main Street, Buffalo, NY 14209

<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>EDC, 295 Main Street, Buffalo, NY</td>
<td>X</td>
</tr>
</tbody>
</table>
| Kirk Loubenstein| Coalition for Economic Justice  
2495 Main Street, Suite 547  
Buffalo, NY 14214                                           | X                      |
| Anthony Baney   | Erie County Green Party                                          | X                      |
| John Washington | PUSH Buffalo                                                     | X                      |
| Robert Murphy   | PUSH Buffalo                                                     | X                      |
| Brian Nowak     | 4 Pendennis Place  
Buffalo, NY                                                           | X                      |
| Dennise Barr    | F.B.A.C.                                                         | X                      |
Our Lady of Lourdes Church

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name: Our Lady of Lourdes Church
Applicant Name: St Paul 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: 7168540060
E-mail: bpaladino@elicottdevelopment.com
Website: www.elicottdevelopment.com
Federal ID#: 47-4487836
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: 

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

Individual Completing Application

Name: Jeremy P. Wassel
Title: Planning & Development Coordinator
Address: 295 Main St, Suite 210
Address 2: 
City: Buffalo
State: New York
Zip: 14203
Phone 7168540060
Fax 7168522829
E-Mail jwassel@elicottdevelopment.com
**Company Contact (if different from individual completing application)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Thomas 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>Address 2</td>
<td></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>Lori Carbaugh</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>Address 2</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Buffalo</td>
</tr>
<tr>
<td>State</td>
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</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:lcarbaugh@ellicottdevelopment.com">lcarbaugh@ellicottdevelopment.com</a></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Assistance</th>
<th>Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption from Sales Tax</td>
<td>Yes</td>
</tr>
<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.

St Paul Group LLC is 100% owned by 1238 Group, LLC. 1238 Group, LLC is 100% owned by Santa Croce Group, LLC. Santa Croce Group, LLC is 25% owned by William Paladino, 22.20% owned by Magliano Group, LLC, 9.50% owned by 9912 Group, LLC, 5.50% owned by Paladino 2000 trust, 5.00% owned by Joe Cavan, 5.00% owned by Joseph Hannon, 5.00% owned by Joseph Paladino, and the remaining owners have less than 5% ownership interest each.
Applicant Business Description

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

The applicant is newer formed, LLC, however, it's principals has over 40 years of successful real estate development and management experience redeveloping many properties in the City of Buffalo and Western New York.

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
1115 Main 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
100.71-2-49.2

What are the current real estate taxes on the proposed Project Site
3,136

Assessed value of land
85,000

Assessed value of building(s)
5,000

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
Presently vacant, this former church was historically home to Our Lady of Lourdes.
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 1115 Main Street is a full-scale renovation of the existing vacant structure, constructed circa 1898 as Our Lady of Lourdes church. The proposed renovation includes the construction of two new floors within the open cathedral nave, which will result in a total of 22,453 usable square feet from the basement to the 3rd floor. End uses will include 1st floor retail/restaurant, 2nd floor professional-office space, (tenants unknown at this time) and 3 residential apartments in 1, 2, and 3 bedroom configurations on the 3rd floor. The apartments will range from 900 to 1,800 square feet in size with rents projected from $1,100 to $1,950 per month. The basement will be used for storage. The former church will internally connect with our new 6-story medical office building soon to be under construction at 1091 Main Street. Prior to our purchase of the property, the former owner had stripped the building's interior down to bare bones. While the overall scope of work is extensive, some of the key rehabilitation costs will include extensive structural repairs on the building's interior, replacement of all windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities among other items to bring the building into code compliance.

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 long-vacant and dilapidated 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, all new utility infrastructure, and significant structural repairs. While construction costs in our area generally in line with and in some cases higher than in other major American cities, our rental market significantly lags behind 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 the 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, office, and residential apartments does not support the high cost of redevelopment which includes extensive structural repairs on the building's interior, replacement of all windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities among other items to bring the building into code compliance.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

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

Describe required zoning/land use, if different

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


66
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?

No

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?

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 uses as identified below.

<table>
<thead>
<tr>
<th>Retail Sales</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>No</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Acquisition of Existing Facility</td>
</tr>
<tr>
<td>Yes</td>
<td>Housing</td>
</tr>
<tr>
<td>No</td>
<td>Equipment Purchase</td>
</tr>
<tr>
<td>Yes</td>
<td>Multi-Tenant</td>
</tr>
<tr>
<td>Yes</td>
<td>Commercial</td>
</tr>
<tr>
<td>Yes</td>
<td>Back Office</td>
</tr>
<tr>
<td>Yes</td>
<td>Retail</td>
</tr>
<tr>
<td>Yes</td>
<td>Mixed Use</td>
</tr>
<tr>
<td>No</td>
<td>Facility for the Aging</td>
</tr>
<tr>
<td>No</td>
<td>Civic Facility (not for profit)</td>
</tr>
<tr>
<td>No</td>
<td>Other</td>
</tr>
</tbody>
</table>
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$40,000

24,411 square feet

1 acres

New Building Construction

$0

New Building addition(s)

$0

Infrastructure Work

$0

Renovation

$3,249,060

32,128 square feet

Manufacturing Equipment

$0

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

$0

Soft Costs: (professional services, etc.)

$495,940

Other Cost

$0

Explain Other Costs

Total Cost

$3,785,000

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):

$1,135,500

Bank Financing:

$2,649,500

Tax Exempt Bond Issuance (if applicable):

$0

Taxable Bond Issuance (if applicable):

$0

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

$0
Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:
$3,785,000

Has a financing preapproval letter or loan commitment letter been obtained?
<BLANK>

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.
$2,649,500

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$26,495

Construction Cost Breakdown:

Total Cost of Construction
$3,249,060
(sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$1,624,530

% sourced in Erie County
100%

% sourced in State
100% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency’s sales and use tax exemption benefit
$1,624,530

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$142,146

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency’s PILOT benefit:

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

<table>
<thead>
<tr>
<th>Use</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0 square feet</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0 square feet</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0 square feet</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0 square feet</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>5,550 square feet</td>
<td>$812,265</td>
</tr>
<tr>
<td>Office</td>
<td>5,703 square feet</td>
<td>$812,265</td>
</tr>
<tr>
<td>Specify Other</td>
<td>11,200 square feet</td>
<td>$1,624,530</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

1/1/2018

End date: Estimated completion date of project

7/1/2017

Project occupancy: estimated starting date of operations

7/1/2017

Have construction contracts been signed?

Yes

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>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># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$30,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

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

No

Payroll Information

Annual Payroll at Proposed Project Site

$ 60,000

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

$ 0

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

$ 0

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

$ 30,000

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

$ 0

Estimated salary range of jobs to be created

<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>$ 30,000</th>
<th>To (Full Time)</th>
<th>$ 30,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>From (Part Time)</td>
<td>$ 0</td>
<td>To (Part Time)</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

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?

<BLANK>

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(a) assistance through City of Buffalo
### 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?
- <BLANK>

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

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

General Background Information

Address of Premises 1115 Main Street, Buffalo, NY 14209
Name and Address of Owner of Premises St Paul 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

Church

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?

<BLANK>

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


75
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 currently 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)?  
119

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.  
24

If underutilized, number of years underutilized.  
0

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

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

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

If apartments are planned in the facility, please indicate the following:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Sq. Ft. Range Low to High</th>
<th>Rent Range Low to High</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>1</td>
<td>900</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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)

Current rental rates do not support the heightened costs of the proposed commercial adaptive reuse of 1115 Main Street which include extensive structural repairs on the building’s interior, replacement of all windows, extensive restoration of decorative plasterwork on the building’s interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities among other items to bring the building into code compliance.

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

485(a) from the City of Buffalo

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

The redevelopment of 1115 Main Street faces many issues that when paired with market rental rates complicate a feasible redevelopment of this property situated in a highly distressed area. Among these issues is the cost of bringing the building into current code compliance, replacing outdated infrastructure and making significant structural repairs to a building left in total disrepair by its previous owner.
Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?  
25%

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

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

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

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

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

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

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

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

If yes, explain

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