POLICY COMMITTEE

August 1, 2019
9:00 a.m.
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the July 11, 2019 Policy Committee Minutes (Pages 2-8)

3. Project Matrix (Page 9)

4. Project Presentations (Staff – Company – Q&A)
   a) Cypress North/Hertel Pacific, LLC (Pages 10-42)
   b) Time Release Sciences (Pages 43-78)

5. Compliance Discussion
   a) SelectOne RE Holdings (Pages 79-93)

6. Adjournment - Next Meeting September 5, 2019 at 9:00 a.m.
MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: July 11, 2019, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York


EXCUSED: Brenda W. McDuffie\(^1\)

ABSENT: Hon. April Baskin, Hon. Byron W. Brown, Hon. Johanna Coleman, John J. Mudie and Maria Whyte

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Dawn Boudreau, Compliance Officer; and Karen M. Fiala, Secretary,

GUESTS: Pietra G. Zaffram, General Counsel; Andrew Federick, Erie County Senior Economic Development Specialist; Kellena Kane on behalf of Uniland Development; Jeff Fierle on behalf of Derby Warehousing; Greg Wilber on behalf of Fisher-Price; Ted Kuzniarck on behalf of Upstate Pharmacy

There being a quorum present at 9:00 a.m., the meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the June 6, 2019 Policy Committee meeting were presented. Upon motion made by Mr. Nellis, and seconded by Mr. Stephens, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

\(^1\) Ms. McDuffie participated via telephone conference call; however, she did not count for quorum purposes and is not considered present or eligible for purposes of voting on any action items.
PROJECT PRESENTATIONS

Buffalo High Technology Centre, Inc., 505 Ellicott Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the adaptive reuse of the former Frey building. The proposed project involves the adaptive reuse of a 20,000 sq. ft. facility by renovating the interior and exterior of the building and adding a mezzanine component which will increase the total square footage of the building to 35,000 sq. ft. The facility will include commercial and residential space. There is a retail determination with regard to 1,326 sq. ft. of retail space for a possible café. Erie County needs to confirm such determination. The project will also contain at least one 880 sq. ft. apartment.

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

Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Project Amount = $7,877,447</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $6,695,829</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year PILOT</td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 4 FTE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% =</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 3</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-year PILOT</td>
<td>Recapture of state and local sales tax, mortgage recording tax and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>real property taxes</td>
</tr>
</tbody>
</table>

Mr. Cappellino introduced Ms. Kane with Uniland Development who spoke to members about the project. Ms. Kane presented an overview of how the proposed project meets the Agency’s eligibility components for adaptive reuse. She noted that the project will serve as a connector between the medical campus and the Central Business District. The building is formerly owned by Frey the Wheelman and the project will entail a mixed-use facility with two residential units, a deli, office and flexible work space to allow for a co-working environment. There are similar spaces in the public sector but the company sees a need for private development of these types of office spaces. The project will take the existing building from 25,000 sq. ft. to 35,000 sq. ft. Financial obstacles facing the proposed development include: (i)
high material and labor costs due to the restructuring of the entire front façade. The project will offer turnkey office space and will be ISUD certified. Benefits for Buffalo, according to Ms. Kane, will include addition of flexible office space, and recruitment, retention and innovation opportunities for those who co-locate in the space. There will be two on-site staff people in the facility that will service the customers. There will be no leases involved; rather, Uniland will utilize “use” agreements for access to the space.

Ms. DiPirro commented that the project resonates with her, in that the adaptive reuse of such a building could be a prototype for other smaller projects to affect systemic change. She noted that in Amherst there are millennials who want to use office space temporarily and do not necessarily have the ability to lease a large office space. She noted there is a general lack of space for promoting entrepreneurial spirit and that this project will fit that demographic.

Ms. Smith concurred with Ms. DiPirro’s comments. She stated that there is a ripple effect for small businesses, and development of this project will start to put a commercial base in the area. Ms. Smith also noted there is a connection to the Beverly Gray facility that is graduating students directly across the street.

Ms. Kane noted that many incubators are currently running out of space, therefore this project would act like an accelerator.

Upon motion by Mr. Blue and seconded by Ms. DiPirro, a motion was made to approve of the project as proposed. Mr. Lipsitz called for the vote and the project was then unanimously approved.

Derby Warehousing, LLC/KPM Exceptional, 1393 Wisconsin Road, Derby, New York. Mr. Cappellino presented this proposed sales tax and real property tax abatement benefits project involving the expansion of the existing warehousing and distribution facility by constructing a 27,700 sq. ft. addition. Mr. Cappellino noted that this is a 1.3 million dollar project. There is currently an existing 28,000 sq. ft. building occupied by KPM and the expansion will represent a doubling of the company’s footprint in the Town of Evans. KPM is based in New Jersey. The Derby facility, compared to the possibility of expansion in New Jersey, offers an experienced workforce, close proximity to suppliers, less traffic congestion and proximity to Canada for planned future territory expansion.

Mr. Cappellino stated that in exchange for providing the sales and use tax and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:
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<tr>
<td></td>
<td></td>
<td>Total Project Amount = $1,132,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $1,132,200</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year</td>
<td>Maintain Base: 6</td>
</tr>
<tr>
<td></td>
<td>PILOT</td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 7</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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<tr>
<td>Pay Equity</td>
<td>Coincides with 7-year</td>
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<tr>
<td>Unpaid Tax</td>
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<td></td>
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<td></td>
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<tr>
<td>Recapture Period</td>
<td>Coincides with 7-year</td>
<td>Recapture of state and local sales tax and real property tax</td>
</tr>
<tr>
<td></td>
<td>PILOT</td>
<td></td>
</tr>
</tbody>
</table>

Mr. Cappellino introduced Mr. Fierle from Derby Warehousing who presented further information to the members on the project. Mr. Fierle noted that KPM is a wholesale distributor with its primary location in New Jersey. They sell equipment to dealers from Maine to Virginia. The business has grown tremendously. Specifically, the 100,000 sq. ft. facility they built in New Jersey three years ago is at capacity. Mr. Fierle was approached about expanding the Derby facility. The Town of Evans approved the proposed 27,000 sq. ft. addition the night prior to Policy Committee meeting. Mr. Fierle noted that if the building is not constructed in Derby it will be built in Landing, New Jersey.

Ms. DiPirro noted that she likes the size of the project and noted that the proposed expansion is in an area of the region that we do not typically see job creation in. Ms. Smith noted that the project has potential to expand warehousing distribution. Mr. Fierle noted that his company’s industry has peaks and valleys and they cannot lay people off. Thus, in order to maintain his workforce, they started another division which focuses on logistics and shipping on behalf of other businesses (3PL).

Mr. Krebs then moved and Mr. Nellis seconded to approve of the project as proposed. Mr. Lipsitz called for the vote and the project was then unanimously approved.

Fisher Price, Inc., 636 Girard Avenue, East Aurora, New York. Mr. Cappellino presented this proposed sales tax benefits project involving Fisher Price’s renovation and updating of the Team Center building’s first floor, which includes Play Lab space, into a Center for Early Childhood Development Research. The project will also involve renovation of office and meeting spaces.
Mr. Cappellino introduced Mr. Wilber from Fisher Price who presented further information on the proposed project. Mr. Wilber noted that Fisher Price’s parent company, Mattel, made a decision to relocate its Early Childhood and Infant lines to East Aurora; therefore they need to upgrade the facility. Mr. Wilber then presented renderings of the proposed upgrades. Mr. Wilber noted that there will be pantry areas for employee collaboration and a new play lab constructed.

Mr. Nellis queried if this will be the central location for early childhood research and development for all of Mattel. Mr. Wilber responded in the affirmative, noting that development will take place for infants and pre-school toy development such as Thomas the Train Engine line.

Ms. Smith noted that research and development positions are high skilled jobs and the company needs to retain and attract the latest and greatest talent. Given this play lab is considered the research and development component for this particular industry’s investment, it makes sense to upgrade the facility.

Ms. DiPirro asked what would happen if the project was not approved and Mr. Wilber noted that failure to approve of the project would jeopardize capital from the parent to undertake this project.

Mr. Krebs asked whether the company is in competition with other companies for design talent and Mr. Wilber responded in the affirmative, noting that many of the company’s designers are approached by opportunities in many other areas of the country to work.

Mr. Cappellino noted that when Mattel first acquired Fisher-Price certain functions were moved away from East Aurora but Mattel has since moved certain lines back.

Ms. McDuffie noted that it is great to have the company back and commended their commitment to growing in Western New York.

Mr. Lipsitz then inquired what the overall employee count is and Mr. Wilber responded that there are 650 employees. Mr. Lipsitz then inquired as to how they get to work and Mr. Wilber noted that 90% commute by vehicle but some do avail themselves of bus lines. Also there is a shuttle service to transport inter-city individuals to East Aurora for seasonal work. Ms. McDuffie noted that this company should be role model because they provide transportation for city residents who would not otherwise have access to the facility.

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

**RECAPTURE DISCUSSION**

Shevlin Land & Cattle Company (“Shevlin”) and Upstate Pharmacy (“Upstate”). Mr. Cappellino discussed the proposed recapture of benefits for Shevlin and Upstate. Mr. Cappellino noted that the projects are inter-related. The ECIDA Board had approved a $65,000 sales tax exemption for Shevlin and a PILOT equaling $174,000 in real property tax savings. The facility
that was constructed by Shevlin was then leased to related company Upstate. Upstate had a sales tax exemption benefit of $27,125 approved by the ECIDA Board. Upstate utilized $4,769.68 in sales tax exemption benefits from June 13, 2016 to November 30, 2016.

Since Shevlin leases the facility to Upstate, Shevlin is responsible for Upstate’s employment requirements. As part of the material terms, Upstate was required to retain 70 employees. In September 2018, the ECIDA Board approved a two-tiered retention goal of 95% depending on the number of employees. Upstate was therefore required to maintain at least 63 employees and create 8 new positions on or before November 30, 2018. However, Upstate did not create its required 8 new positions by said date.

Specifically, Upstate had a four quarter average of 63 employees and therefore was 11% below its employment requirements (63 out of 71). Mr. Cappellino then outlined three options for recapturing Shevlin’s benefits period. Option 1 involved no recapture, Option 2 involved recapturing one year PILOT benefits based on Upstate’s 11% employment shortfall and Option 3 requires recapturing one year PILOT benefits without considering the 11% employment shortfall. Mr. Cappellino noted there the company provided a memorandum outlining the reasons for their circumstances surrounding the employment shortfall.

Mr. Lipsitz then opened the floor to questions for the company. Ms. DiPirro noted that the company had a contract with Roswell Park to spin-off its specialty pharmacy and remarked that what Upstate essentially did was train Roswell’s new employees during the spin-off. She asked whether the committee could count Roswell’s job creation towards this project’s employment goals, given that the employees trained by Upstate ultimately became Roswell versus Upstate employees. Mr. Kuzniarek confirmed that Upstate had trained the Roswell employees and confirmed that Roswell ultimately hired at least 4-5 people as a result of the pharmacy spin-off.

Mr. Cappellino noted that when the ECIDA reports job creation goals they do not count related jobs (such as the Roswell jobs created in this example) rather, they have looked at facilities of the same company in the past but not employment created by new companies.

Mr. Lipsitz noted that he is not in favor of counting the Roswell Park jobs created towards Upstate’s employment requirements. He also noted that the Committee has looked at Option 2 of the recapture scenarios as a measured, reasonable approach to recapture, reminding the Committee that it has had similar scenarios in the past and the recommendation was Option 2.

Ms. Smith inquired whether the employment goals are linked and Mr. Cappellino responded that in this instance they are related.

Ms. McDuffie agreed that the recapture policy entails an obligation to fulfill job creation goals and consistency with other projects and what they have done in the past is important. She noted that she is in favor of Option 2 of the recapture scenarios.
Upon motion made by Mr. Blue and seconded by Mr. Stephens to approve Option 2, recapturing one year of Shevlin’s PILOT benefits based on Upstate’s 11% employment shortfall, Mr. Lipsitz called for the vote and the Option 2 recapture requirements for Shevlin Land & Cattle Company were unanimously approved.

Mr. Cappellino then explained the recapture options for Upstate Pharmacy, noting that in March 2016 the Board approved the sales tax benefit to Upstate Pharmacy in the amount of $27,125 to assist in connection with the equipping of a newly constructed 15,000 sq. ft. facility. Mr. Cappellino explained the Upstate Pharmacy project was directly linked to the Shevlin Land & Cattle Company project as discussed previously.

Upon motion made by Mr. Blue and seconded Mr. Nellis to approve Option 2, recapture of one year of sales tax benefits for Upstate Pharmacy based upon Upstate’s 11 percent employment shortfall, Mr. Lipsitz called for the vote and the Option 2 recapture requirements for Upstate Pharmacy were unanimously approved.

There being no further business to discuss, Mr. Krebs moved, and Mr. Nellis seconded, to adjourn the meeting. Mr. Lipsitz adjourned the meeting at 10:11 a.m.

Dated: July 11, 2019

Karen M. Fiala, Secretary
<table>
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<th>Count</th>
<th>Project Name</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>*Incentive Amount</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
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<td>1</td>
<td>Roar Logistics</td>
<td>Jan-19</td>
<td>$3,425,000</td>
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<td>49</td>
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<td>Period of PILOT 7 Years</td>
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<td>Related Affordable</td>
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<td>Mortgage Sales Tax</td>
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<td>2 Years after Project Completion</td>
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<td>McGuire/CAO</td>
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<td>37</td>
<td>85% -New 2 jobs</td>
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<td>PILOT Mortgage Sales Tax</td>
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<td>Period of PILOT 7 Years</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>McKesson</td>
<td>Mar-19</td>
<td>$18,200,000</td>
<td>85% threshold $15,470,000</td>
<td>62</td>
<td>85% -New 13 jobs</td>
<td>13</td>
<td>Sales Tax</td>
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<td>2 Years after Project Completion</td>
<td>YES</td>
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<td>Steuben Foods, Inc.</td>
<td>Mar-19</td>
<td>$16,854,183</td>
<td>85% threshold $14,326,055</td>
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<td>85% -New 23 jobs</td>
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<td>Period of PILOT 10 Years</td>
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<td>Unifrax 1, LLC</td>
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<td>$36,000,000</td>
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<td>27</td>
<td>85% -New 8 jobs</td>
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<td>PILOT Mortgage Sales Tax</td>
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<td>Period of PILOT 7 Years</td>
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<td>CPI Process Systems</td>
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<td>Buffalo Material Handling</td>
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<td>30</td>
<td>85% -New 2 jobs</td>
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<td>Period of PILOT 7 Years</td>
<td>$191,000</td>
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<td>1</td>
<td>Fisher Price</td>
<td>Jul-19</td>
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<td>274</td>
<td>85% -New 4 jobs</td>
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<td>2 Years after Project Completion</td>
<td>$262,500</td>
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<td>Derby Warehousing</td>
<td>Jul-19</td>
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<td>85% threshold $1,132,000</td>
<td>6</td>
<td>85% -New 1 job</td>
<td>1</td>
<td>PILOT Sales Tax</td>
<td>Yes</td>
<td>Period of PILOT 7 Years</td>
<td>$144,641</td>
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<td>Fedder Lofts, LLC</td>
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<td>85% threshold $21,866,250</td>
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<td>85% -New 2 jobs</td>
<td>2</td>
<td>Mortgage Sales Tax</td>
<td>YES</td>
<td>2 Years after Project Completion</td>
<td>$972,507 Adaptive Reuse</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Buffalo High Technology Campus</td>
<td>Jul-19</td>
<td>$7,877,447</td>
<td>85% threshold $6,695,829</td>
<td>0</td>
<td>85% -New 3 jobs</td>
<td>4</td>
<td>PILOT Mortgage Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$672,348 Adaptive Reuse</td>
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<tr>
<th>Count</th>
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<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
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<th>Adaptive Reuse</th>
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<tr>
<td>2</td>
<td>2</td>
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<td>6</td>
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<td>79</td>
<td>12</td>
<td>12</td>
<td>$8,824,482</td>
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## Hertel Pacific, LLC / Cypress North Corp.

### $935,160

**INDUCEMENT RESOLUTION**

<table>
<thead>
<tr>
<th>Eligibility</th>
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</tr>
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<tbody>
<tr>
<td>• NAICS Section - 541511</td>
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</tr>
</tbody>
</table>

### Company Incentives

- Approximately $30,625 in sales tax savings
- Approximately $41,000 in real property tax savings
- Approximately $5,250 in mortgage recording tax savings

### Employment

- Retained Jobs: FT 16, PT 1
- Projected New Jobs: FT 2, PT 1
- Total Jobs 2 Years After Project Completion: FT 18, PT 2
- Annual payroll: $1,120,000
- Estimated salary of jobs to be created: $60,685
- Estimated salary of jobs to be retained: $60,685

### Project History

- No public hearing required since estimated benefit amount is less than $100,000
- 8/28/2019 Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 8/28/2019 Lease/Leaseback Inducement Resolution presented to the Board of Directors

### Project Title

Hertel Pacific, LLC / Cypress North Corp.

### Project Address

211 Hertel Avenue
Buffalo, New York 14207
(Buffalo City School District)

### Agency Request

A sales tax, mortgage tax and real property tax abatement in connection with the adaptive reuse of a vacant facility.

- Building Acquisition: $236,160
- Renovation/Infrastructure: $600,000
- Non-Manufacturing Equipment: $100,000

**TOTAL PROJECT COST**

$935,160

| 85% | $794,886 |

### Company Description

Hertel Pacific, LLC was formed by Gregory Finn and Matthew Mombrea to undertake the project on behalf of Cypress North Corp. Each gentlemen represents 50% of the ownership team. Cypress North is a software engineering, digital marketing and design agency. The company creates computer software for companies throughout the country as well as internationally. Cypress North is currently leasing space on Exchange Street in the City of Buffalo.

### Project Description

Cypress North has been slowly outgrowing its current leased space as it continues to expand products and services. The company has purchased a former 8,500 sq. ft. manufacturing facility located at 211 Hertel Avenue in the City of Buffalo Black Rock community and will be renovating the building as its primary office location. The building, which is over 90 years old, has been vacant for approximately 10 years. The company will relocate to the new facility once the Exchange Street lease has expired.
## Draft Recapture Material Terms

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<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 = $935,160  
 85% = $794,886                           |
| Employment      | Coincides with 7 Year PILOT term  | Maintain Base: 16  
 Create 85% of Projected  
 Projected: 2  
 85% : 2  
 Recapture Employment: 18                |
| Local Labor     | Construction period               | Adherence to policy including quarterly reporting          |
| Pay Equity      | Coincides with 7 Year PILOT term  | Adherence to Policy                                       |
| Unpaid Tax      | Coincides with 7 Year PILOT term  | Adherence to Policy                                       |
| Recapture Period| PILOT term                        | Real Property Taxes  
 State and Local Sales Taxes  
 Mortgage Tax                        |

Recapture applies to:
Real Property Taxes  
State and Local Sales Taxes  
Mortgage Recording 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 completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount, ii) Company has maintained 16 FTE and created 2 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
## ADDENDUM TO PROJECT LOG

**HERTEL PACIFIC, LLC/CYPRESS NORTH CORP.**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage Rate (above median wage for area)</td>
<td>Erie County median worker income: $33,350</td>
</tr>
<tr>
<td></td>
<td>Company estimated average salary of jobs to be retained: $60,685</td>
</tr>
<tr>
<td></td>
<td>Company estimated average salary of jobs to be created: $60,685</td>
</tr>
<tr>
<td>Regional Wealth Creation (% sales/customers outside area)</td>
<td>Sales:</td>
</tr>
<tr>
<td></td>
<td>Outside Erie County and within NYS: 15%</td>
</tr>
<tr>
<td></td>
<td>Outside NYS and within U.S.: 30%</td>
</tr>
<tr>
<td></td>
<td>Outside U.S.: 5%</td>
</tr>
<tr>
<td>In Region Purchases (% of overall purchases)</td>
<td>Not relevant to day to day operations however for renovation project, company estimates utilizing all Erie County companies.</td>
</tr>
<tr>
<td>Supports Local Business or Cluster</td>
<td>50% of company sales are to Erie County clients.</td>
</tr>
<tr>
<td>Retention/Flight Risk</td>
<td>The company provides online business to business marketing services for large companies around the country with some clients located outside of the U.S. Furthermore, one of the principals resides in Rochester and several employees have been hired from the Rochester area.</td>
</tr>
<tr>
<td>LEED/Renewable Resources</td>
<td>N/A</td>
</tr>
<tr>
<td>MBE/WBE Utilization</td>
<td>The company will work directly with the Workforce Investment Board</td>
</tr>
<tr>
<td>Workforce Access – Proximity to Public Transportation</td>
<td>Bus routes 40A, 11D and 23A provide transportation to the facility</td>
</tr>
</tbody>
</table>

August 28, 2019
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-Hertel Pacific, LLC/Cypress North, Corp.- 2019

<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>$600,000</td>
<td>$210,000</td>
<td>$7.33</td>
<td>$28.219</td>
<td></td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$154</td>
<td>$593</td>
<td>$747</td>
<td>$7,465</td>
<td>$6,719</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$154</td>
<td>$593</td>
<td>$747</td>
<td>$7,465</td>
<td>$6,719</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>$308</td>
<td>$1,185</td>
<td>$1,493</td>
<td>$7,465</td>
<td>$5,972</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$308</td>
<td>$1,185</td>
<td>$1,493</td>
<td>$7,465</td>
<td>$5,972</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
<td>$462</td>
<td>$1,778</td>
<td>$2,240</td>
<td>$7,465</td>
<td>$5,226</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>$462</td>
<td>$1,778</td>
<td>$2,240</td>
<td>$7,465</td>
<td>$5,226</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$2,309</td>
<td>$8,889</td>
<td>$11,198</td>
<td>$52,257</td>
<td>$41,059</td>
</tr>
</tbody>
</table>

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$935,160</td>
<td>$41,000</td>
<td>$30,625</td>
<td>$5,250</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 8.2 %

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Cypress North Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(541) Professional, Scientific, and Technical Services</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$936,160</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$600,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>18 (2 created and 16 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$1,095,570</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>4</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$230,595</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$1,326,165</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$6,217</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$158,326</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$428,916</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$133,327</td>
</tr>
<tr>
<td>TOTAL Estimated Revenue</td>
<td>$726,787</td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Estimated Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$23,547</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$35,000</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$5,250</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$63,797</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 (2 created and 16 retained)</td>
</tr>
<tr>
<td>Indirect***</td>
<td>6</td>
</tr>
<tr>
<td>Induced****</td>
<td>10</td>
</tr>
</tbody>
</table>

** Construction

| Direct          | 4                |
| Indirect        | 2                |

### Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>11.4:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>198:1</td>
</tr>
</tbody>
</table>

* Figures over 7 years and discounted by 3.49%

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

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

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

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Cypress North 211 Hertel

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name: Cypress North - 211 Hertel Reuse
Applicant Name: Cypress North Corp
Applicant Address: 567 Exchange Street STE 309
Applicant Address 2: 
Applicant City: BUFFALO
Applicant State: New York
Applicant Zip: 14210
Phone: 7162042785
Fax: 7163329269
E-mail: mombreaa@cypressnorth.com
Website: https://cypressnorth.com
Federal ID#: 27-2669091
NAICS Code: 541511,541810,541430

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: Hertel Pacific, LLC
Federal ID#: 83-4107918
State and Year of Incorporation/Organization: NY 2019
List of stockholders, members, or partners of Real Estate Holding Company: Gregory Finn Matthew Mombreaa

Individual Completing Application

Name: Matthew Mombreaa
Title: Principal
Address: 23 Knob Hill Rd
Address 2: 
City: Orchard Park
State: New York
Zip: 14127
<table>
<thead>
<tr>
<th>Phone</th>
<th>7163926923</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fax</td>
<td>7163329269</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:mombrea@cypressnorth.com">mombrea@cypressnorth.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney Rich DiGiacomo
Firm Name Nesper, Ferber, DiGiacomo, and Grimm, LLP
Address 200 John James Audubon Parkway
Address Suite 302
City Amherst
State New York
Zip 14228
Phone 716-688-3800
Fax
E-Mail rfd@nfdlaw.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business Corporation
Type of Ownership
Year Established 2010
State of Organization New York

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

https://www.ecidany.com/app/tax-incentive-application-2014/print/877
Please include name and % of ownership.

Gregory Finn 50% Matthew Mombre 50%
Applicant Business Description

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

Cypress North is a software engineering, digital marketing, and design agency in Buffalo, NY. We create enterprise computer software for companies in Buffalo and around the country/world. We provide online B2B marketing services for large companies around the world. All of our work is performed by our full time staff in Buffalo, NY. Many of our hires are entry level college graduates that we invest heavily in.

**Estimated % of sales within Erie County**

50

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

15

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

30

**Estimated % of sales outside the U.S.**

5

(*Percentage to equal 100%)

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

We don't really have these day-to-day but for this reuse project I think nearly 100% would be from Erie County.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
Buffalo, NY

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

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

Address
211 Hertel Ave. Buffalo, NY 14207

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

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

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

SBL Number for Property upon which proposed Project will be located
77.81-6-23

What are the current real estate taxes on the proposed Project Site
$2,700

Assessed value of land
11,000

Assessed value of building(s)
64,000

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Buffalo / Black Rock

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?
Yes

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

Cypress North has been slowly outgrowing its current space as we continue to hire local talent and expand our products and services. We've added a creative/design department in recent years which, coupled with our digital marketing and software engineering departments, has made us an all Buffalo, all in-house full service agency. Roughly half of our clients are now outside of Buffalo, and we've been proud to bring outside revenue to the area. Additionally, we've added a photo/video studio and sound studio and are running low on room. We have a 12 month lease in our current space at 567 Exchange street through March 2020 - at the end of which we would relocate to our new building. We've communicated our intentions to our current landlord. Renting means that there is a limit to what we can invest in and control in our environment. We want to have something really good for our employees to come to and spend their days in, and we also want that experience to extend to our clients. Purchasing this property means that we'll have a blank slate to build to our needs, and hopefully build something that is one-of-a-kind. It will give us ample room to continue to hire and grow for years to come, and will give us the freedom to work how we want. This will be a challenging project I'm sure, but our hope is that once we get through it, we can work with the Black Rock community to become supportive residents and give back to the area. Cypress North seeks to renovate the building at 211 Hertel for use as its primary office location. Cypress North and its 16 (and growing) full time staff will occupy 100% of the building. The building required a complete build out including roof, windows, masonry, HVAC, plumbing, electrical, interior office build out, computer/server equipment, desks, bathrooms, floors, and more.

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)

This is a large project for us. Without assistance we would be cash strapped for many years which would slow or halt our ability to add new full time positions in the area. Additionally we would be limited in the scope of our renovations without assistance. The location of the project is not desirable today, and we may be forced to seek more desirable opportunities outside the area if the project becomes no longer feasible.

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?

Slow or halt our ability to add new full time positions in the area and potentially seek more desirable locations outside of Erie county.

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

Light Industrial (D-IL)

Describe required zoning/land use, if different

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

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

Yes

If yes, please explain
There is a rail spur side with some contaminated soil. There is an air quality issue requiring an SSDS system. There is asbestos and other hazardous materials inside the building that need remediation.

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

If yes, please provide a copy.

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

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?
Modern and efficient computer/network equipment and lighting will be installed

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

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

If yes, please explain.

Generally new computer software products

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
10%

Select Project Type for all end users at project site (you may check more than one)
Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales No Services No

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 235,160  8,500 square feet  acres

New Building Construction

$ 0  square feet

New Building addition(s)

$ 0  square feet

Infrastructure Work

$ 250,000

Renovation

$ 350,000  8,500 square feet

Manufacturing Equipment

$ 0

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

$ 100,000

Soft Costs: (professional services, etc.)

$ 0

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 935,160

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:

building acquisition ($235,160)

Sources of Funds for Project Costs:

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

$ 235,160

Bank Financing:

$ 700,000

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):

https://www.ecidany.com/app/tax-incentive-application-2014/print/877
$0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

$935,160

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

No

Mortgage Recording Tax Exemption Benefit:

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

$700,000

Lender Name, if Known

Lake Shore Savings

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

$5,250

Construction Cost Breakdown:

Total Cost of Construction

$700,000

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

Cost for materials

$350,000

% sourced in Erie County

90%

% 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

$350,000

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

$30,625

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</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>8,500</td>
<td>$700,000</td>
</tr>
</tbody>
</table>

https://www.ecidany.com/app/tax-incentive-application-2014/print/877
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

10/1/2019

End date: Estimated completion date of project

3/1/2020

Project occupancy: Estimated starting date of operations

3/1/2020

Have construction contracts been signed?

Yes

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

No

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<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>16</td>
<td>16</td>
</tr>
<tr>
<td>Part time</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>17</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>20</td>
<td>$60,685</td>
<td>$7,000</td>
<td>$40,000</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>$0</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>
</tbody>
</table>

https://www.ecidany.com/app/tax-incentive-application-2014/print/877
Will any of the facilities described above be closed or subject to reduced activity?
No

Payroll Information

Annual Payroll at Proposed Project Site
$ 1,120,000

Estimated average annual salary of jobs to be retained (Full Time)
$ 60,685

Estimated average annual salary of jobs to be retained (Part Time)
$ 40,000

Estimated average annual salary of jobs to be created (Full Time)
$ 60,685

Estimated average annual salary of jobs to be created (Part Time)
$ 40,000

Estimated salary range of jobs to be created

<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>To (Full Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 45,000</td>
<td>$ 70,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>From (Part Time)</th>
<th>To (Part Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 38,000</td>
<td>$ 44,000</td>
</tr>
</tbody>
</table>

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?
Yes

If yes, please explain and identify out-of-state locations investigated
We’re exploring Rochester, NY as well. One partner (Greg Finn) lives in Rochester and several of our employees came from Rochester (Xerox, RIT)

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

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

If yes, please indicate the Agency and nature of inquiry below
Talked with Empire State Development about job incentive opportunities.

Do you anticipate applying for any other assistance for this project?
No

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)
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: Cypress North Corp
Address: 567 Exchange Street #309
Contact Person: Matthew Mombrea
Phone: 7163926923
Fax
E-Mail: mombrea@cypressnorth.com
Federal ID #: 27-2669091
SIC/NAICS Code: 541511

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
PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name
Cypress North Corp

Property Address:
211 Hertel Ave

City/Town/Village
Buffalo, NY 14207

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)
9,000

What percentage of the building does this represent?
100

Are terms of lease:
GROSS

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

Estimated date of occupancy
3/1/2020

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
Cypress North Corp

Local Contact Person:
Matthew Mombrea

Title:
Principal

Current Address:
567 Exchange Street STE 309

Phone:
7162042785

Fax:

E-Mail:
mombrea@cypressnorth.com

Website:
https://cypressnorth.com

Company President/General Manager:
Matthew Mombrea

Number of employees moving to new project location:

Full-Time:
16

Part-Time:
1

Total:
17

https://www.ecidany.com/app/tax-incentive-application-2014/print/877
Do you anticipate increasing employment within the next two years? If yes, how many additional employees moving to new project location?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time:</td>
<td>2</td>
</tr>
<tr>
<td>Part-Time:</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>
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:
Cypress North is a software engineering, digital marketing, and design agency in Buffalo, NY. We create enterprise computer software for companies in Buffalo and around the country / world. We provide online B2B marketing services for large companies around the world. All of our work is performed by our full time staff in Buffalo, NY. Many of our hires are entry level college graduates that we invest heavily in with on the job training. NAICS Code 541511 We don't sell products or collect sales tax.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)
Cypress North has been slowly outgrowing its current space as we continue to hire local talent and expand our products and services. We've added a creative/design department in recent years which, coupled with our digital marking and software engineering departments, has made us an all Buffalo, all in-house full service agency. Roughly half of our clients are now outside of Buffalo, and we've been proud to bring outside revenue to the area. Additionally, we've added a photo/video studio and sound studio and are running low on room. Renting means that there is a limit to what we can invest in and control our environment. We want to have something really good for our employees to come to and spend their days in, and we also want that experience to extend to our clients. Purchasing this property means that we'll have a blank slate to build to our needs, and hopefully build something that is one-of-a-kind. It will give us ample room to continue to hire and grow for years to come, and will give us the freedom to work how we want. This will be a challenging project I'm sure, but our hope is that once we get through it, we can work with the Black Rock community to become supportive residents and give back to the area. Cypress North seeks to renovate the building at 211 Hertel for use as its primary office location. Cypress North and its 16 (and growing) full time staff will occupy 100% of the building. The building required a complete build out including roof, windows, masonry, HVAC, plumbing, electrical, interior office build out, computer/ server equipment, desks, bathrooms, floors, and more.

Please list the square footage which the proposed tenant will lease at the Project location
9,000

Please list the square footage which the proposed tenant leases at its present location(s)
3,000

Describe the economic reason for either the increase or decrease in leased space.
Running out of room to add employees and continue to grow

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:
567 Exchange Street STE 309
City/Town/Village:
BUFFALO
State:
NY
Zip:
14210

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?
3/1/2020

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

Maintain your company's competitiveness within the industry:
Yes

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)
Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility
No

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
No

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

If yes, who was contacted and what was the outcome?
Spoke with representative from Empire State Development.

If no, why not?

Will present location be your company's headquarters?
Yes

If No, Where is the location of HQ:

City:
State:

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

General Background Information

Address of Premises 211 Hertel Ave. Buffalo, NY 14207

Name and Address of Owner of Premises Hertel Pacific LLC 211 Hertel Ave. Buffalo, NY 14207 Matthew Mombre 23 Knob Hill Rd Orchard Park NY 14127 Greg Finn 159 S Main Street Pittsford, NY 14534

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
The immediate and surrounding area is part of the northwest side of Buffalo closest to the Black Rock section but also close to the Military section and south of the Old Town area. The target property lies between a mostly residential area to the west towards the Niagara River, and a commercial/industrial and railroad corridor to the east. Hertel Avenue, which is a main thoroughfare in North Buffalo, stretches from Main street to Niagara Street along the Niagara River.

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
Prior to construction in approximately 1930, the target property location was either vacant or part of a larger rail yard and rail spur station. Through the '50s and '60s until present day, west of the target property became more residential while the north, east and south became increasingly railroad, commercial and industrial.

Describe all known former uses of the Premises
The target property was built in approximately 1930s and has always been used as a manufacturing or factory building for fuses and industrial chemicals. Records also seem to indicate that the structure was built to house medical manufacturing activities. In recent history, the building has been vacant.

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

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

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

If yes, describe and attach any incident reports and the results of any investigations
The target property was identified in the following environmental databases searched: • NY Spills o Spill Number 1602463; commercial/industrial; reported 6/1/16; last update - 6/13/2016; one, 1,000-gallon tanks removed with 50 tons of impacted soil; #2 fuel oil; DEC requires no further work and site is closed.

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

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

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

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

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

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

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

Yes

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

there was a tank that was removed by previous owner

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

12x12 floor tile floor leveler pipe insulation elevator break shoe transite breaker bars roof repair tar
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?

Yes

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

- present site not large enough, lack of ability to improve location
- 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.)
  - minimum 6000sqft, well lit, parking, close to majority of employees, close to down town

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

Yes

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

Renting means that there is a limit to what we can invest in and control in our environment. We want to have something really good for our employees to come to and spend their days in, and also want that experience to extend to our clients. Purchasing this property means that we’ll have a blank slate to build to our needs, and hopefully build something that is one-of-a-kind. It will give us ample room to continue to hire and grow for years to come, and will give us the freedom to work how we want. Training has always been big for us, and we’d love to make a space to help others in our industry throughout the area. This will be a challenging project I’m sure, but our hope is that once we get through it, we can work with the Black Rock community to become supportive residents and give back to the area.

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.

- site not large enough, not enough parking
Section VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program? No
What is the age of the structure (in years)? 0
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) Yes
If vacant, number of years vacant. 0
If underutilized, number of years underutilized. 0
Describe the use of the building during the time it has been underutilized: 
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) 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 Low to High</th>
<th>Rent Range Low to High</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$</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)
Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities
Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments
Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? No

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>
### Time Release Properties, LLC / Time Release Sciences, Inc.

**INDUCEMENT RESOLUTION**

<table>
<thead>
<tr>
<th><strong>ELIGIBILITY</strong></th>
<th><strong>COMPANY INCENTIVES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAICS Section - 326150</td>
<td>• Approximately $463,167 in sales tax savings</td>
</tr>
<tr>
<td></td>
<td>• Approximately $105,000 in mortgage tax savings</td>
</tr>
<tr>
<td></td>
<td>• Approximately $2,873,000 in real property tax savings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EMPLOYMENT</strong></th>
<th><strong>PROJECT BENEFITS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Jobs: 103</td>
<td>• The project is estimated to generate approximately $764,000 of revenue to the local taxing jurisdictions over the abatement period representing $61,000 to the County of Erie, $391,000 to the City of Lackawanna and $312,000 to the Lackawanna City School District</td>
</tr>
<tr>
<td>Projected New Jobs: 12</td>
<td></td>
</tr>
<tr>
<td>Total Jobs 2 Years After Project Completion: 115</td>
<td></td>
</tr>
<tr>
<td>Annual payroll: $5,400,000</td>
<td></td>
</tr>
<tr>
<td>Estimated salary of jobs to be created: $40,000</td>
<td></td>
</tr>
<tr>
<td>Estimated salary of jobs to be retained: $53,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>PROJECT HISTORY</strong></th>
<th><strong>PROJECT DESCRIPTION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>7/23/19–Public hearing conducted. Transcript attached</td>
<td>Erie County has spent and appropriated for future expenditures, millions of dollars to improve rail and road access and utility infrastructure at the project site with the goal of creating one of the largest commercial/industrial parks, with tri-modal access and with pre-certified New York State tax incentives.</td>
</tr>
<tr>
<td>City of Lackawanna as lead agency adopts negative declaration in accordance with SEQRA.</td>
<td>The proposed project consists of the construction of an approximately 290,000 sq. ft. manufacturing facility at the former Bethlehem Steel site in the City of Lackawanna. The company currently operates out of a 120,000 sq. ft. facility located in the City of Buffalo at 205 Dingens Street and due to space constraints is unable to expand at its current location. Since the project involves movement of a company from the City of Buffalo to the City of Lackawanna, the ECIDA will follow its Inter-Municipal Move Policy. The City of Buffalo has been notified of the relocation.</td>
</tr>
<tr>
<td>8/28/19–Lease/Leaseback Inducement Resolution presented to the Board of Directors</td>
<td>In addition to the construction of the facility, TRS will also be investing $6 million in new production equipment.</td>
</tr>
</tbody>
</table>

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**Project Title:** Time Release Properties, LLC / Time Release Sciences, Inc.

**Project Address:** 2303 Hamburg Turnpike
Lackawanna, New York 14218
(Lackawanna City School District)

**Agency Request**

A sales tax, mortgage tax and real property tax abatement in connection with the construction of 290,000 sq. ft. manufacturing facility.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$1,060,000</td>
</tr>
<tr>
<td>New Building Construction</td>
<td>$10,100,130</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$3,529,870</td>
</tr>
<tr>
<td>Manufacturing Equipment</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Non-Manufacturing Equipment</td>
<td>$750,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$1,260,000</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT COST**

$22,700,000

85%

$19,295,000

**Company Description**

Time Release Sciences, Inc. ("TRS") is a manufacturing and packaging company established in 2003. The company provides die cutting, debossing and various other manufacturing and packaging capabilities. Its sole product line is a consumer cleaning product produced for a Fortune 500 company. Ninety-four percent of company sales are outside New York State including 10% of sales outside of the United States.
## 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 = $22,700,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $19,295,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 10 Year PILOT term</td>
<td>Maintain Base: 103</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected: 12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% : 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment: 113</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 10 Year PILOT term</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 10 Year PILOT term</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>PILOT term</td>
<td>Real Property Taxes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State and Local Sales Taxes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mortgage Tax</td>
</tr>
</tbody>
</table>

Recapture applies to:
- Real Property Taxes
- State and Local Sales Taxes
- Mortgage Recording 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 completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained 103 FTE and created 12 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
### ADDENDUM TO PROJECT LOG

Time Release Science - 2019

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Wage Rate (above median wage for area) | Erie County median worker income: $33,350  
Company estimated average salary of jobs to be retained: $53,000  
Company estimated average salary of jobs to be created: $40,000 |
| Regional Wealth Creation (% sales/customers outside area) | Sales:  
Outside NYS and within U.S.: 84%  
Outside U.S.: 10% |
<p>| In Region Purchases (% of overall purchases) | Approximately 7.5% of total annual supplies, raw materials and vendors services are purchased from firms located within Erie County. |
| Research &amp; Development Activities | Approximately 3% of annual operating expenses are devoted to research and development activities. TRS continually performs research and development of new products for this consumer line of cleaning products. The most recent innovation was the development over a 3-year period of the new &quot;Thin Sheets&quot; which will add approximately 20% to TRS’ sales. TRS also designed and built the production equipment necessary to manufacture and package this new product in a cost-efficient manner. |
| Investment in Energy Efficiency | All equipment purchases are of the most highly energy efficiency, utilizing variable speed motors. In addition, the new equipment will be highly automated reducing the amount of equipment necessary to produce the same amount of product. |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The site is a former steel producing plant which has been remediated. Millions of dollars have been allocated to improve rail and road access and utility infrastructure at the project site with the goal of creating one of the largest commercial/industrial parks. |</p>
<table>
<thead>
<tr>
<th>LEED/Renewable Resources</th>
<th>Not applicable to this project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention/Flight Risk</td>
<td>The company has only one customer, a fortune 100 company. This company has suggested that since a move was inevitable it may make sense for TRS to move the operation closer to their distribution centers or corporate headquarters located in the mid-west. To avoid this scenario, TRS, through a significant public investment, will solidify its presence in Erie County.</td>
</tr>
<tr>
<td>MBE/WBE Utilization</td>
<td>Approximately 69% of the employees are minorities including 4 supervisors and company has worked closely with Journey’s End to source their workforce.</td>
</tr>
<tr>
<td>Workforce Access – Proximity to Public Transportation</td>
<td>Facility is on bus route 42</td>
</tr>
</tbody>
</table>

August 28, 2019
** 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.

<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>$13,630,000</td>
<td>$4,400,000</td>
<td>$6.56</td>
<td>$42.33</td>
<td>$33.77</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

N/A

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$2,886</td>
<td>$18,625</td>
<td>$14,859</td>
<td>$36,370</td>
<td>$363,704</td>
<td>$327,334</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$2,886</td>
<td>$18,625</td>
<td>$14,859</td>
<td>$36,370</td>
<td>$363,704</td>
<td>$327,334</td>
</tr>
<tr>
<td>3</td>
<td>10%</td>
<td>$2,886</td>
<td>$18,625</td>
<td>$14,859</td>
<td>$36,370</td>
<td>$363,704</td>
<td>$327,334</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$5,773</td>
<td>$37,250</td>
<td>$29,718</td>
<td>$72,741</td>
<td>$363,704</td>
<td>$290,963</td>
</tr>
<tr>
<td>5</td>
<td>20%</td>
<td>$5,773</td>
<td>$37,250</td>
<td>$29,718</td>
<td>$72,741</td>
<td>$363,704</td>
<td>$290,963</td>
</tr>
<tr>
<td>6</td>
<td>20%</td>
<td>$5,773</td>
<td>$37,250</td>
<td>$29,718</td>
<td>$72,741</td>
<td>$363,704</td>
<td>$290,963</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$8,659</td>
<td>$55,876</td>
<td>$44,576</td>
<td>$109,111</td>
<td>$363,704</td>
<td>$254,593</td>
</tr>
<tr>
<td>8</td>
<td>30%</td>
<td>$8,659</td>
<td>$55,876</td>
<td>$44,576</td>
<td>$109,111</td>
<td>$363,704</td>
<td>$254,593</td>
</tr>
<tr>
<td>9</td>
<td>30%</td>
<td>$8,659</td>
<td>$55,876</td>
<td>$44,576</td>
<td>$109,111</td>
<td>$363,704</td>
<td>$254,593</td>
</tr>
<tr>
<td>10</td>
<td>30%</td>
<td>$8,659</td>
<td>$55,876</td>
<td>$44,576</td>
<td>$109,111</td>
<td>$363,704</td>
<td>$254,593</td>
</tr>
</tbody>
</table>

| $60,614                              | $391,129                | $312,035           | $763,778          | $3,637,040  | $2,873,262        |

*** 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>$22,700,000</td>
<td>$2,873,262</td>
<td>$463,167</td>
<td>$105,000</td>
<td>$6,194,020</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: **42.4 %**

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Time Release Sciences, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(326) Plastics and Rubber Products Manufacturing</td>
</tr>
<tr>
<td>Municipality</td>
<td>Lackawanna City</td>
</tr>
<tr>
<td>School District</td>
<td>Lackawanna</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$22,700,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$10,100,130</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>115 (12 created and 103 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$6,095,000</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>74</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$3,881,729</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$9,976,729</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>$681,794</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales Tax Revenue</td>
<td>$1,452,217</td>
</tr>
<tr>
<td>State</td>
<td>Income Tax Revenue</td>
<td>$3,853,845</td>
</tr>
<tr>
<td></td>
<td>Sales Tax Revenue</td>
<td>$1,222,920</td>
</tr>
<tr>
<td>TOTAL Estimated Revenue</td>
<td>$7,210,776</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Estimated Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$2,689,032</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$463,756</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$105,000</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$3,257,788</td>
</tr>
</tbody>
</table>

* Figures may be subject to change and should be verified by local authorities.
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th>Direct**</th>
<th>Indirect***</th>
<th>Induced****</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>115 (12 created and 103 retained)</td>
<td>48</td>
<td>76</td>
</tr>
</tbody>
</table>

Construction

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>74</td>
<td>27</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>2.2:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>35.7:1</td>
</tr>
</tbody>
</table>

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

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

Public Hearing to be held on July 23, 2019 at 10:00 a.m., at the City of Lackawanna City Hall, 714 Ridge Road (Council Chambers), Lackawanna, New York 14218

ATTENDANCE:

Robert Laughlin/TMP
Andy Federick/Erie County
Maria Whyte/Erie County
Marcia Cullens/Lackawanna Assessor’s Office
Frank Krakowski/Lackawanna Assessor’s Office
☐ 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 10:04 a.m. My name is Beth O’Keefe and 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 Time Release Properties, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf. 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 Saturday, July 13, 2019.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 26+- acre portion of land located at 2303 Hamburg Turnpike, City of Lackawanna, Erie County, New York (the “Land”) known as Parcels II-9 and II-10 in the Bethlehem Redevelopment Area Light Industrial District; (ii) the construction of a 290,000+- SF light industrial building comprised of 190,000+- SF of manufacturing/processing space, 90,000+- SF of
warehouse space, and 8,000+/- SF of office space, and the installation of certain infrastructure improvements on the Land (collectively, the “Improvements”) to be utilized by Time Release Sciences, Inc. (the “Tenant”), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, collectively with the Land and the Improvements, the “Facility”).

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on August 27, 2019. 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.

Robert Laughlin, President of TMP Technologies, Inc. and TMP Acquisitions, Inc. I’ll start by giving you a brief history of where we’ve been and how we got to where we are today. This won’t be long. We started in 1954 with a sole product of a clothesline holder which brought the clothesline through this holder and that’s how you dried your clothes in the fresh air. The first major project was shoe polish applicators. In our peak we were doing approximately 120-140 million shoe polish applicators a year and then we went into office machine products, mostly in the copier field. There we manufactured the toner roller that puts the image on the paper and the other rollers that bring the paper through the copier. In 1992 we wanted to vertically integrate because the applicator base was made of rubber and was growing so nicely. To vertically integrate we purchased a rubber injection molding plant in Wyoming, New York. Subsequently the base went from rubber to plastic so we had to reinvent that company. We didn’t want to close it down, so we re-invented it. We went into the electrical distribution market and the safety mass market and that’s actually where it is today. In 2003, because we have this great foam expertise, we landed the Mister Clean Magic Eraser contract. In 2003 we moved it to the Tri-Main building where we leased 25,000 sq. ft. Shortly thereafter we got another 25,000 sq. ft. We
were at 50,000; that’s all they really had so we had to look for a new spot. In 2006, I think, we found our current location on Dingens Street which is 100,000 sq. ft. We continued to grow and then in 2012 we put on an extension of 20,000 sq. ft. and that was it. That is all that land allowed so we couldn’t expand anymore. The way we expanded was we pushed out our inside storage to outside storage space and so right now we have 4 outside storage locations but now we are running out of our manufacturing space. We are at the end of our manufacturing space so that puts us in a pretty precarious position because we really have only one customer and that customer from the beginning has wanted us to move next to their distribution center which would be a huge freight savings. We’ve always said no that would be way too much, we have a nice operation here, it’s too disruptive and the cost of the move would not make sense. The problem now is we are moving anyway so they resurrected this idea that we move next to the distribution center. So, we went back and thought what can we do here? We’ve got to make an appealing case for this and one thing that Buffalo has we thought was a lot of abandoned warehouse, abandoned manufacturing and closed manufacturing sites so we said okay. We know we can get a good deal here, but we looked and there is nothing out there. They’ve all been converted. That took us by surprise so we looked for an existing spot, couldn’t find it. So, we go back, and we say okay what do we do here? Our options are we have to look for land and build the building and land isn’t plentiful either. We talked to some developers and that was eye opening. The price to build a new building you’re talking about probably two and half or more times the cost of an existing building so at this point we’re kind of panicking and trying to figure out which direction we go to. That’s when we talked to the ECIDA and they had this idea of resurrecting the old Bethlehem Steel site. They did a lot of work there. It was large acreage and so we went to talk to them and they went over all the advantages. The first location worked out well for shipping and receiving. We interviewed all our employees. They thought the location was easy to get to and then in terms of acreage, there was enough acreage there to build exactly what we needed. They then presented the economic benefits package with incentives and we are saying okay if you take all this together let’s go back to our main customer. We went back to our main customer with this information and we have concluded that, in fact, our renewal contract comes up and still is not renewed. We put together a pretty aggressive scenario for them and they have not brought that up again so we’re not sure it’s done but we think it’s okay now. We are going onto other items. I have this great sense of urgency as I want to close on the land and I want to build the building because once we move our current facility into this building that will secure this company in Buffalo for years to come and it will be very difficult to have them suggest we move again. The project overall, including land and building is a little less than $14,000,000 in land and building, combined everything is going to be about $15,000,000 in capital investment and then there is also because of the expansion of lines another $6-7 million in equipment funding that we’re doing. We employ a little over 100 employees and we’ve committed to creating 6 jobs every year for the next 5 years for a total of additional 30 jobs. That’s my story.

Beth O'Keefe: Thank you very much. I know we have one other speaker. If you would like to come up Maria. If you wouldn’t mind signing in and then you are free to speak.

Maria Whyte: Good morning, I am Maria Whyte Deputy County Executive also Board member of the Industrial Land Development Corporation that owns the property on which Bob is hoping to locate his new facility. I’m really delighted to be here to testify in favor of the project and I have really two reasons that I wanted to offer in favor. First is that I believe the incentives
are necessary to support the growth of the company. As Bob indicated they are land locked at their present location but they produce a great product, a product which I personally have brand loyalty to and they need to be able to grow and they want to expand their facility but at their present location are unable to do that. As a region it is important to us, to taxpayers, to our community, to support that kind of job growth but that means they do need to relocate. They anticipate adding an additional 30 jobs over 5 years, but that kind of growth has to be supported with a relocation package and that is one of the first reasons why we support the incentives offered here on this project and on their application. The second reason why we’re in favor of TMP’s application is because together with Welded Tube they serve as a pioneer on the Bethlehem Steel property. That’s no small matter, that is old land with a very storied past. It signals to 10s of thousands of commuters that drive by it every day, signals both the rise and the fall of this region. This one property is in the collective psyche of the region such that people who drive by it every day remember the wealth that their family built when Bethlehem Steel was profitable but they also remember, including the County Executive himself, what they were wearing and where they were standing and who they were with when Bethlehem Steel announced it was closing. What does that mean to be a pioneer on a property with that kind of storied past? It means that you have to grapple with the past in order to build a new future. It means you have to take difficult land which is brownfield land which does have challenges and resurrect its previous value. Remember that the land has a strategic location that you can move material by shipping, by rail, by truck and that you can grow -- all of the reasons why it was attractive 100 years ago are some of the reasons why it is attractive now and being a pioneer on that property means you have to grapple with that past and help build its new future. It is for those reasons, both the growth of the company as well as the pioneer on this new version of the Bethlehem Steel land that we support proudly the project in front of the IDA. Thank you.

**Beth O'Keefe:** Thank you very much Maria. Is there anybody else that would like to speak today?

**6. ADJOURNMENT:**

As there were no further comments, the Hearing Officer closed the public hearing at 10:16 a.m.
SIGN IN SHEET
PUBLIC HEARING

July 23, 2019, at 10:00 a.m.
at the City of Lackawanna City Hall, 714 Ridge Road (Council Chambers),
Lackawanna, New York 14218
regarding:

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

Project Location: 2303 Hamburg Turnpike, City of Lackawanna, New York 14218

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Laughlin</td>
<td>1200 Northland Avenue Buffalo, NY 14215</td>
<td>X</td>
</tr>
<tr>
<td>Andy Federick</td>
<td>Erie County</td>
<td></td>
</tr>
<tr>
<td>Maria Whyte</td>
<td>Erie County</td>
<td>X</td>
</tr>
<tr>
<td>Marcia Cullens</td>
<td>Lackawanna Assessor’s Office</td>
<td></td>
</tr>
<tr>
<td>Frank Krakowski</td>
<td>Lackawanna Assessor’s Office</td>
<td></td>
</tr>
</tbody>
</table>
## Section I: Applicant Background Information

### Applicant Information - Company Receiving Benefit

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>TRS New Building Construction</td>
</tr>
<tr>
<td>Applicant Name</td>
<td>Time Release Properties, LLC/Time Release Sciences, Inc.</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>205 Dingens St.</td>
</tr>
<tr>
<td>Applicant Address 2</td>
<td></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>14206</td>
</tr>
<tr>
<td>Phone</td>
<td>716-895-6100</td>
</tr>
<tr>
<td>Fax</td>
<td>716-895-6396</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:rlaughlin@tmpotech.com">rlaughlin@tmpotech.com</a></td>
</tr>
<tr>
<td>Website</td>
<td>tmpotech.com</td>
</tr>
<tr>
<td>Federal ID#</td>
<td>01-0812715</td>
</tr>
<tr>
<td>NAICS Code</td>
<td>32615000</td>
</tr>
<tr>
<td>Will a Real Estate Holding Company be utilized to own the Project property/facility</td>
<td>Yes</td>
</tr>
<tr>
<td>What is the name of the Real Estate Holding Company</td>
<td>Time Release Properties, LLC</td>
</tr>
<tr>
<td>Federal ID#</td>
<td>Applied for</td>
</tr>
<tr>
<td>State and Year of Incorporation/Organization</td>
<td>NY 2019</td>
</tr>
<tr>
<td>List of stockholders, members, or partners of Real Estate Holding Company</td>
<td>Robert Laughlin (66.67%) Kirk Dorn (33.33%)</td>
</tr>
</tbody>
</table>

### Individual Completing Application

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Robert J Laughlin</td>
</tr>
<tr>
<td>Title</td>
<td>President</td>
</tr>
<tr>
<td>Address</td>
<td>1200 Northland Ave.</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>14215</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>716-895-6100</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td>716-895-6396</td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:rlaughlin@tmptech.com">rlaughlin@tmptech.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney       Richard DiGiacomo
Firm Name             Nesper, Ferber, DiGiacomo, Johnson & Grimm, LLP
Address               200 John James Audubon Pkwy, Suite 302
Address 2             
City                  Amherst
State                 New York
Zip                   14228
Phone                 716-688-3800
Fax                   716-688-3891
E-Mail                rfd@ndlaw.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business                  Corporation
Type of Ownership
Year Established                  2003
State of Organization             New York

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

https://www.ecida.ny.gov/tax_incentive_application_2016/print/APP

57
Please include name and % of ownership.

Robert Laughlin (66.67%) Kirk Dorn (33.33%)
Applicant Business Description

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

Time Release Sciences, Inc. (TRS) is a manufacturing and packaging company that was started in May 2003. This company has die cutting, debossing and various other manufacturing and packaging capabilities. The sole product line produced at this facility is a consumer cleaning product, produced for a Fortune 100 company.

**Estimated % of sales within Erie County**

| Percentage | 0.3 % |

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

| Percentage | 5.7 % |

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

| Percentage | 84 % |

**Estimated % of sales outside the U.S.**

| Percentage | 10 % |

(*Percentage to equal 100%)

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

7.5% of goods and services are purchased from vendors within Erie County. See supporting schedule for list of Vendors as well as percentages for each vendor.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
Buffalo

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

In which Municipality will the proposed project be located
Lackawanna

Address
2303 Hamburg Turnpike, Lackawanna NY 14218

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?
Yes

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

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

SBL Number for Property upon which proposed Project will be located
141.11-1-48.13

What are the current real estate taxes on the proposed Project Site
-0-

Assessed value of land
$568,750

Assessed value of building(s)
-0-

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Lackawanna

School District of Project Site
Lackawanna

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

If No, indicate name of present owner of the Project Site
Parcel II-9 & II-10 - Buffalo and Erie County Industrial Land Development Corporation

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

Describe the present use of the Proposed Project site
Land that is earmarked for industrial use.

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

The project is a new build of approximately 290,000 Sq.Ft. that will house the entire Time Release Sciences, Inc. (TRS) operations. The current operation is located at 205 Dingens St., Buffalo, NY in a 120,000 Sq.Ft. facility, which will be moved into the new facility upon completion. The current facility at 205 Dingens St. will be sold. In addition to the construction of this building TRS will purchase approximately $6 million of production equipment. A significant amount of this equipment may be completed prior to TRS moving into the new building and therefore will need to be stored and moved subsequently when the new building is complete. The TRS operations manufactures a consumer cleaning line of products in 5 variations, for a fortune 100 company.

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 key focus behind this project is maintaining our customer's confidence that TRS will continue to meet its needs in a very cost competitive way. If we can not deliver and manufacture their products in an extremely cost effective manner we may lose the contract for the manufacture of this product line. Without every possible cost savings we risk this result and therefore this project could not proceed without the Financial Assistance provided 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)

TRS has only one customer, a fortune 100 company. Our contract with this customer needs to be renewed by September 1, 2019. Our sole customer has indicated to us that since we are moving anyway it might make sense to move the operation closer to their distribution centers or corporate headquarters located in the mid west. To avoid this scenario TRS needs to offer them financial reasons why maintaining the TRS operation in Western NY is the best financial decision based on our expertise, skilled work force, low operational costs, and a very competitive expansion scenario of constructing and moving the entire operation into this new building. The cost of constructing and operating this new building has to be extremely competitive with any other options our customer is looking at. And key to that competitiveness is the Financial Assistance provided by the agency. Without putting our best "financial" foot forward we may lose the entire contract.

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?

Without the Financial Assistance the worst case scenario would be the loss of the contract to manufacture this line of products due this September 2019 and therefore the complete shutdown of the entire TRS operations and the permanent loss of the current workforce of 100 jobs as well as the 60 additional jobs that are anticipated to be created over the next 10 years. In addition the current expenditures of $2.6 million with local vendors would be lost.

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

City of Lackawanna Bethlehem Redevelopment area Light Industrial District (BRA-LI).

Describe required zoning/land use, if different

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

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

If yes, please explain
The land is located in a Brownfield which has been subject to extensive investigation and remediation as well as extensive DEC involvement and professional services to follow the guidelines and requirements as they relate to Brownfield cleanup and post-remedial monitoring. Accordingly a Phase I ESA has not been prepared.

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?
Yes all equipment purchases are of the most energy efficient, utilizing variable speed motors. In addition the new equipment will be highly automated reducing the amount of equipment necessary to produce the same amount of product.

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

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

If yes, please explain.

TRS continually performs research and development in the development of new products for this consumer line of cleaning products. The most recent innovation was the development over a 3 year period of the new "Thin Sheets" which will add approximately 20% to TRS's sales. TRS also designed and built the production equipment necessary to manufacture and package this new product in a cost efficient manner.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
Approximately 3% of all operational expenses including materials, supplies and labor is spent on research and development.

Select Project Type for all end users at project site (you may check more than one)
Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales  No  Services  No

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

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 1,060,000  square feet  26 acres

New Building Construction

$ 10,100,130  288,000 square feet

New Building addition(s)

$ 0  square feet

Infrastructure Work

$ 3,529,870

Renovation

$ 0  square feet

Manufacturing Equipment

$ 6,000,000

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

$ 750,000

Soft Costs: (professional services, etc.)

$ 260,000

Other Cost

$ 1,000,000

Explain Other Costs

Moving expenses from existing location at 205 Dingens St., Buffalo, NY to the new building.

Total Cost

$ 22,700,000

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?

No

If Yes, describe particulars:

Sources of Funds for Project Costs:

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

$ 4,344,000

Bank Financing:

$ 14,000,000

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):
$4,356,000

**Identify each state and federal grant/credit:**
- NYS Brownfield Tax Credit $4,226,000
- Excelsior Jobs Tax Credit $130,000

**Total Sources of Funds for Project Costs:**
$22,700,000

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

**Mortgage Recording Tax Exemption Benefit:**

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

$14,000,000

**Lender Name, if Known**
- Bank of America

**Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):**
$105,000

**Construction Cost Breakdown:**

**Total Cost of Construction**
$13,630,000

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

**Cost for materials**
$4,543,333

**% 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**
$5,293,333

**Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):**
$463,167

**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:**
No other exemption is anticipated.

**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>190,000 square feet</td>
<td>$8,930,000</td>
</tr>
<tr>
<td>Warehouse</td>
<td>90,000 square feet</td>
<td>$4,230,000</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>0 square feet</td>
<td>$0</td>
</tr>
</tbody>
</table>
The Erie County Industrial Development Agency (ECIDA)

Office
8,000 square feet $470,000 3
Specify Other
square feet $0 0

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?
No

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

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

Will project result in significant utility infrastructure cost or uses
Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities
9/15/2019

End date: Estimated completion date of project
9/15/2020

Project occupancy: estimated starting date of operations
10/1/2020

Have construction contracts been signed?
No

Have site plans been submitted to the appropriate planning department for approval?
No

Has the Project received site plan approval from the appropriate planning department?
No

Is project necessary to expand project employment?
Yes

Is project necessary to retain existing employment?
Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th></th>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>103</td>
<td>103</td>
<td>12</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>103</td>
<td>103</td>
<td>12</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>5</td>
<td>$ 98,000</td>
<td>$ 14,700</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Professional</td>
<td>23</td>
<td>$ 86,000</td>
<td>$ 14,400</td>
<td>$ 0</td>
<td>$ 0</td>
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<tr>
<td>Administrative</td>
<td>6</td>
<td>$ 57,000</td>
<td>$ 12,700</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Production</td>
<td>81</td>
<td>$ 38,000</td>
<td>$ 12,000</td>
<td>$ 0</td>
<td>$ 0</td>
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<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>$ 0</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>1200 Northland Ave., Buffalo, NY 14215</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>23 0 0</td>
</tr>
<tr>
<td>Part time</td>
<td>0 0 0</td>
</tr>
<tr>
<td>Total</td>
<td>23 0 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**

$ 5,400,000

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

$ 53,000

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

$ 0

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

$ 40,000

**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>$ 34,000</th>
<th>To (Full Time)</th>
<th>$ 80,000</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?

Yes

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

Our only customer wants us to move close to either their major distribution centers or their corporate headquarters, especially now that are sales volumes with them have increased considerably. We are resisting that pressure and need to put before them a financial reason to stay in Western New York. A significant part of our presentation to them is to outline the cost efficient move within the Buffalo area, the low cost of the actual move, that we are not requesting any increase in their prices to accommodate this move. A significant part of maintaining a low cost move is the incentives this application is applying for. In addition we will espouse the talented, experienced workforce that we have developed at our current location which would continue on in the new location.

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

The number one factor is the proximity to our only customer. Our sole customer has also described their state's Tax structure as far superior to New York's especially in terms of personal income tax rates which they indicated will max out at 5% versus 8.82% in New York. This is especially significant in light of the fact that these taxes are no longer deductible for federal income tax purposes. Since TRS is a "S" corporation all of the income passes through to the individual owners and is paid at the personal tax rates. Becoming a "C" corporation for NYS tax purposes does not work for TRS as distributions must still be made for Federal Income tax purposes which would be taxed at ordinary income tax rates for NYS.

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)
Brownfield Tax credits, Excelsior Tax credits
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: Time Release Sciences, Inc.
Address: 205 Dingens St., Buffalo, NY 14206
Contact Person: Robert Laughlin
Phone: 716-895-6100
Fax: 716-895-6396
E-Mail: rlaughlin@tmptech.com
Federal ID #: 01-0812715
SIC/NAICS Code: 32615000

Multi-Tenant Facility

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

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

General Background Information

Address of Premises
2303 Hamburg Turnpike Lackwanna, Erie County, New York Tax Parcel 141.11-1-48.1

Name and Address of Owner of Premises
Time Release Properties, LLC 1200 Northland Ave. Buffalo, NY 14215

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

The project is to purchase land within the old Bethlehem Steel site. It has been designated as a Brownfield. For the most part the land has been remediated and is ready for commercial or industrial construction.

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

A new building of approximately 290,000 sq.ft. will be constructed on what is now vacant land. The building will be used for light manufacturing.

Describe all known former uses of the Premises

The site has been vacant for many years but was previously used by the old Bethlehem Steel company as part of their extensive steel making operations.

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?

Yes

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

NYD002134880

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

Disposal Connections, Inc., 6569 Heather Drive, Lockport, NY 14094 (One 55-gallon drum of oil sent to EQ Detroit, Inc.)
Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years
EQ Detroit, Inc. - EPA ID MID980991566 1923 Frederick Street Detroit, MI 48211

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
Wet scrubber discharge: Maximum 2500 gallons per day will discharge to sanitary sewer on Dona Street leading to ECSD#6.
Current BSA permit attached - ECSD permit will be secured.

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
Wastewater: Sanitary estimated at 7500GPD, wet scrubber estimated at 2500 GPD (max), storm water to be infiltrated and detained with over flow to onsite drainage channel. No septic.

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?
Yes

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source
Three process source emission points contemplated per current operation: 1). Lamination process emission 2. )Fragrance hood emission 3.) Foam compressing process emission with wet scrubber control.

Are any of the air emission sources permitted?
Yes

If yes, attach a copy of each permit.

Storage Tanks
List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks
NONE

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

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?  Yes

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

Our only customer wants us to move closer to either their major distribution centers or their corporate headquarters which are centrally located in the mid west, especially now that are sales volumes with them have increased considerably. We are resisting that pressure and need to put before them a financial reason to stay in Western New York. A significant part of our presentation to them is to outline the cost efficient move within the Buffalo area, the low cost of the actual move, that we are not requesting any increase in their prices to accommodate this move. A significant part of maintaining a low cost move is the incentives this application is applying for.

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

Within New York State  Yes

Within Erie County  Yes

If Yes to either question, please explain

TRS is currently located in a 120,000 sq.ft. facility at 205 Dingens St., Buffalo, NY 14206 and will be moving into a much larger facility at the old Bethlehem Steel site.

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

Yes

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

TRS is currently in a 120,000 sq.ft. facility and we need to move into a much larger facility of approximately 290,000 Sq.FT.

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.)

TRS needs at a minimum 290,000 sq.ft., 26 foot high ceilings to accommodate our storage needs and 10-14 docks.

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

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

TRS has to find a cost competitive solution to our need for a larger facility to assure our only customer that we will not only be able to continue to satisfy their current needs but also their future needs in a very cost competitive manner. The financial assistance incentives as well as the Brownfield credits associated with the site we have selected provide such a cost efficient answer to our customer. We need to offset their analysis of freight savings and travel expense savings that they will have if we locate the facility next to their major distribution centers or their headquarters with the reduced cost of TRS’s move into a larger facility.

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

TRS’s current facility will be put on the market and sold. It is excellent industrial space that has been will maintained.

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.

Initially, Time Release Sciences sought to expand their operations at 205 Dingens St. through acquisition of an adjacent property (271 Dingens St) that was currently being leased by a trucking operation. The trucking operation was planning to move to an industrial park - North America Center in West Seneca. The trucking operation’s move to W. Seneca was continually delayed and cast doubt on the timing of the move, and whether or not the move to West Seneca would ever happen. This uncertainty and the imminent need for additional manufacturing space resulted in Time Release Sciences having to explore other options. Time
Release Sciences expanded their search with assistance from Invest Buffalo Niagara. Invest Buffalo Niagara provided a listing of possible sites - 6 existing buildings and 7 land options per criteria supplied by Time Release Sciences. Of the 6 existing buildings, none were located in the City of Buffalo. Of the 7 land options - 2 were in the City of Buffalo: 132 Dingens St (13 acres) and Buffalo Lakeside Commerce Park (10 acres). Both were eliminated due to insufficient size and/or price. Although not on the Invest BN listing, Time Release Sciences did look at 1001 E. Delevan Ave, Buffalo. They felt this site did not meet the high-quality space expectations of their one and only client that seeks to protect its image and brand. After exhausting their options, Time Release Sciences has chosen to pursue 2 parcels totaling approx. 28 acres to build a 290,000 sq ft manufacturing facility in Lackawanna. Attracted by the location (commutable by current workforce), brownfield tax credits and being within an Opportunity Zone - Time Release Sciences believes this facility will meet the needs of its business, client and workforce.
Section VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?  No
What is the age of the structure (in years)?  0
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) <BLANK>
If vacant, number of years vacant.  0
If underutilized, number of years underutilized.  0
Describe the use of the building during the time it has been underutilized: <BLANK>
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) <BLANK>
If yes, please provide dollar amount of income being generated, if any $
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>0</td>
<td>$</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$</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)

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

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

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?
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?
To: ECIDA Policy Committee
From: John Cappellino
Date: August 1, 2019
Re: SelectOne RE Holdings Recapture Options

In October 2014, the ECIDA Board approved a sales tax benefit in the amount of $50,300, a mortgage recording tax benefit, and a real estate tax exemption in connection with the adaptive reuse of the building.

SelectOne utilized $47,356 in sales tax benefits from 12/18/15 through 5/31/17. SelectOne’s PILOT is: County 2019-2025 and the City of Buffalo 2018 – 2024. The 2018 City of Buffalo PILOT payment is reflected below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Municipality</th>
<th>AIO Amount</th>
<th>PILOT</th>
<th>Net Exemption (AIO – PILOT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>City of Buffalo</td>
<td>$24,381</td>
<td>$6,164</td>
<td>$18,217</td>
</tr>
</tbody>
</table>

As part of its material terms, SelectOne was required to retain 14 full and 2 part-time employees (15 FTEs). In September 2018, the ECIDA Board approved a two-tiered retention goal of 90 or 95 percent (depending on the number of employees a company has). Accordingly, SelectOne was required to maintain at least 13.5 employees (15 x 90%). SelectOne was also required to create an additional five full-time jobs by May 31, 2019 (two years following project completion), however, this recapture action is based on SelectOne’s 2018 employment.

SelectOne was compliant with its retention requirements from 2014-2017. However, SelectOne fell below its job retention requirements in 2018. In 2018, SelectOne had a four-quarter average of 12 employees instead of the required 13.5 employees. Accordingly, SelectOne was 11 percent below its employment requirements (12/13.5).

Recapture Options

Option #1 – Continue to monitor SelectOne’s employment, no recapture.

Option #2- This option recaptures one year of PILOT benefits based on SelectOne’s 11 percent employment shortfall.

<table>
<thead>
<tr>
<th>Year</th>
<th>Municipality</th>
<th>Amount Under PILOT</th>
<th>Tax Rate</th>
<th>PILOT payment made</th>
<th>Shortfall percentage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>City of Buffalo</td>
<td>$799,000</td>
<td>28.219214</td>
<td>$6,164</td>
<td>11</td>
<td>$1,802</td>
</tr>
</tbody>
</table>

Option #3 – This option recaptures one year of PILOT benefits without considering SelectOne’s 11 percent employment shortfall.

<table>
<thead>
<tr>
<th>Year</th>
<th>Municipality</th>
<th>Amount Under PILOT</th>
<th>Tax Rate</th>
<th>PILOT payment made</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>City of Buffalo</td>
<td>$799,000</td>
<td>28.219214</td>
<td>$6,164</td>
<td>$16,383</td>
</tr>
</tbody>
</table>
Dawn Boudreau
Compliance Officer
Erie County Industrial Development Agency (ECIDA)
95 Perry Street, Suite 403
Buffalo, New York 14203

July 15, 2019

Dear Dawn,

We are in receipt of the ECIDA’s notice of recapture as of July 11th, 2019 regarding the census report for SelectOne Search relative to the PILOT program for SelectOne RE Holdings located at 760 Seneca Street. Please consider the following information as a summary of our past 2.5 years residing in Buffalo.

Current Status:

SelectOne Search is 2 years and 5 months into our lease at 760 Seneca Street through SelectOne RE Holdings. From our original planning in making the move into the City of Buffalo to revitalize a dormant building in conjunction with RE Holdings, SelectOne forecast adding 5 new professional positions in the city over a 2-year period post construction and occupancy. As of 8/1/2019, SelectOne employs 14 full-time staff (FTEs) and 2 part-time staff (PTEs equaling 1 FTE). This number is in line with our obligation as we have added additional staff since our reporting at the end of Q1 2019.

Changing Labor Market in the US:

While SelectOne is currently on the path toward achieving the obligated 20 FTE goal for December of 2019, we want to publicly state several factors that have significantly altered the timeline by which we will be able to fulfill our obligation which will likely extend past this date:

1.) Technology advancements have rapidly revolutionized our industry and SelectOne. Within a remarkably brief time span since we have occupied 760 Seneca Street our business has significantly changed as it must to keep pace. Our projected volume once requiring 7-10 recruiters to process today takes 4.5 – 6.5 people thanks to enhanced platform tools and outsourcing and our Administrative/Customer Support work that required 1.5 – 2.5 employees has become a fully automated function requiring no labor;

2.) The so called “Gig Economy” has been a boon to SelectOne. Functional areas such as Marketing, IT and Sales where we allocated 2.5 FTEs in our planning have been outsourced to specialists who are able to provide C-Level power and expertise to our business at a significant reduction in labor cost. The net effect is SelectOne has become a client to several smaller organizations now prospering in WNY and adding to our growing entrepreneurial ecosystem.

Our staff planning and business model in 2016 when we were under construction at 760 Seneca Street forecast SelectOne to be at 20-22 people within 2 years with plans to increase employment annually. We are on path to continue to create professional jobs in WNY, but our timeline has altered significantly given the factors above stated. However, we are proud to state that our 12,000 Sq. Ft building in the center of Larkinville is a fully-leased, vibrant hub where 4 emerging businesses are growing and employing over 45+ people at this site.
Today – SelectOne is a solid Investment for Buffalo

SelectOne Search is growing and hiring national sales and recruitment professionals as we support clients in 20+ states. Our proforma designed through 2025 calls for us to far exceed our commitment to ECIDA employment totals.

Additionally, we have created a hub for growing companies that are making an impact in Buffalo – Lorraine Capital Partners, Rodríguez Construction Group and Material Exchange are thriving new businesses solidly entrenched in the city and making significant employment contributions to our region.

The fact is SelectOne RE and SelectOne Search have made a substantial personal and corporate commitment - well over $2.7 million - to renovate a dormant, decaying building in the center of Larkinville that is now a fully leased property bringing close to 50 people into Buffalo to work and spend money the city every day. This project was more complicated than planned which did not deter us. Rather than putting together a 2nd rate renovation, we additionally invested well over 25% from the original project budget so we could create a signature building in keeping with the A+ rate properties in Larkinville. We could not have achieved this without the help of the ECIDA and the result is truly an exemplar of what can happen with strong public/private collaboration to revitalize our city.

We are proud that our contributions have become an integral part of the Larkinville community where Buffalo’s renaissance really began.

Outcome:

We hope the board and committee will take our comments into consideration as it deliberates its recapture decision. SelectOne has enjoyed its relationship with the ECIDA and appreciates your support from conception through renovation and post-construction. We appreciate the board’s discretion.

Thank you,

[Signature]

John J. Baldo, President
SelectOne Search

CC:

Blaine S. Schwartz, Esq.
Robert G. Murray, Esq.
SelectOne RE Holdings
$1,700,000
INDUCEMENT RESOLUTION

Project Title: SelectOne RE Holdings

Project Address:
760 Seneca Street
Buffalo, New York 14210
(Buffalo City School District)

Agency Request

A sales tax, mortgage recording tax and real estate tax exemption in connection with the
adaptive reuse of 760 Seneca Street.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$550,000</td>
</tr>
<tr>
<td>Renovation</td>
<td>850,000</td>
</tr>
<tr>
<td>Non-Manufacturing Equipment</td>
<td>150,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$1,700,000</strong></td>
</tr>
</tbody>
</table>

Company Description

SelectOne RE Holdings is a real estate holding company of SelectOne Search, LLC and
SelectOne Tech, LLC and is a temporary and permanent placement staffing agency. The
business was founded in 2005 and is currently located in leased space in the Town of Lan-
caster. The company specializes in financial, accounting, information technology and engi-
neering placements. Major clients include M&T Bank, First Niagara and Citigroup. The
company also services may smaller to mid-sized clients throughout WNY.

Project Description

SelectOne will be purchasing a long-vacant structure located at 760 Seneca Street and con-
duct a complete rehabilitation and renovation of this 120 year old building. The company
currently leases 5,000 sq. ft. in Lancaster and has grown substantially in the past several
years.

SelectOne will occupy the 2nd and 3rd floors of the building and the ground floor will be
made available for lease to a professional services tenant. The renovated building in the
heart of the Larkinville/Hydraulics District will enhance the overall area as the project site
represents one of the last undeveloped properties in this immediate area.

Since the project involves an inter-municipal move, in accordance with the Uniform Tax
Exemption Policy, the ECIDA has forwarded a copy of the application to the Supervisor of
the Town of Lancaster and the Mayor of the City of Buffalo.

<table>
<thead>
<tr>
<th>TENANT/USE</th>
<th>SQ. FT.</th>
<th>COST</th>
<th>% of PROJECTED COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>SelectOne Companies</td>
<td>8,000</td>
<td>$1,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>Vacant - Possible Retail</td>
<td>4,000</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>12,000</td>
<td>$1,700,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
Retail Determination

Based on SelectOne’s application, it is their contention that the services they provide to their customers—financial/accounting/information technology and engineering firms—do not constitute a retail operation per the NYS statute as those end users do not personally visit the site. Should the Board determine that this is a retail operation, the approval will need to be accompanied by a sign-off by the County Executive of a retail project in a highly distressed area. State Law provides the ability for IDA to assist retail projects when any portion of the property is in or adjacent to a distressed census tract. This project is within census tract 164 which is considered highly distressed under the State statute.

PILOT Table

The project will generate approximately $21,000 of revenue to the local taxing jurisdictions over the abatement period representing $3,500 to the County of Erie and $17,500 to the City of Buffalo.

<table>
<thead>
<tr>
<th>Year</th>
<th>% payment under PILOT</th>
<th>Est. County Payment</th>
<th>Est. City Payment</th>
<th>Est. Total PILOT</th>
<th>Full Taxes without PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$233</td>
<td>$1,170</td>
<td>$1,403</td>
<td>$14,034</td>
<td>$12,631</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$233</td>
<td>$1,170</td>
<td>$1,403</td>
<td>$14,034</td>
<td>$12,631</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>$466</td>
<td>$2,340</td>
<td>$2,806</td>
<td>$14,034</td>
<td>$11,228</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$466</td>
<td>$2,340</td>
<td>$2,806</td>
<td>$14,034</td>
<td>$11,228</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
<td>$699</td>
<td>$3,511</td>
<td>$4,210</td>
<td>$14,034</td>
<td>$9,824</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>$699</td>
<td>$3,511</td>
<td>$4,210</td>
<td>$14,034</td>
<td>$9,824</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$699</td>
<td>$3,511</td>
<td>$4,210</td>
<td>$14,034</td>
<td>$9,824</td>
</tr>
<tr>
<td></td>
<td>TOTAL PAYMENTS</td>
<td>$3,495</td>
<td>$17,553</td>
<td>$21,048</td>
<td>$98,238</td>
<td>$77,190</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 = $1,700,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% of total project amount = $1,445,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with PILOT term</td>
<td>Maintain 100% of existing FT (14) and PT (2) jobs and add 85% of projected (5) for a total of 19 FT and 2 PT</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-Year PILOT term</td>
<td>Recapture of state and local sales taxes, mortgage tax and real estate taxes</td>
</tr>
</tbody>
</table>

Recapture applies to:

- State and Local Sales Taxes
- Mortgage Recording Taxes
- Real Property Taxes

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

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

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create an additional 5 jobs (85% of 6) iii) confirm adherence to ECIDA local labor hiring policy.
Application Title

SelectOne RE Holdings

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit
Total Project Cost 1700000
Applicant Name SelectOne RE Holdings
Applicant Address 2813 Wehrle Dr., Suite #3, Williamsville, NY 14221
Phone 716-631-4801
Fax 716-631-4803
E-mail rfaso@s1search.com
Website www.selectonesearch.com
Fed ID# 

Individual Completing Application
Name Ronald Faso
Title Partner
Address 2813 Wehrle Dr., Suite #3, Williamsville, NY 14221
Phone 716-906-5360
Fax 716-631-4803
E-Mail rfaso@s1search.com

Company Contact (If different from individual completing application)
Name 
Title 
Address 
Phone 
Fax 
E-Mail 

Company Counsel
Name of Attorney Blaine Schwartz
Firm Name Lippes, Mathias Wexler, Friedman, LLP
Address 665 Main st., Suite 300, Buffalo, NY 14203
Phone 716-853-5100
Fax (716) 853-5189
E-Mail Schwartz@lippes.com
Identify the assistance being requested of the Agency

Exemption from Sales Tax
Tax Exempt Financing
Exemption from Mortgage Tax
Exemption from Real Property Tax
Assignment/Assumption of existing PILOT benefits

Yes
No
Yes
Yes
No

Business Organization
Type of Business
Year Established
State of Organization

Limited Liability Company
2012
New York

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

Ron Faso, John Baldo, Sam Russo, Paul Cody - All 25% Owners

Business Description
Describe in detail company background, products, customers, goods and services

SelectOne RE Holdings, is a Real Estate Holding company and affiliate company of SelectOne Search, LLC. SelectOne Search was founded in 2005 and is a regional temporary and Permanent Placement staffing agency with offices in Williamsville NY, specializing in Financial, Accounting, Information Technology, and Engineering disciplines, across a number of different industry sectors. The company has headcount of 16 (13 FT/2PT) as of June 2014. Major clients include, M&T Bank, First Niagara Financial Group, and Citigroup. The company also services hundreds of other small to mid-size companies throughout the WNY area and on a national basis.

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

90
10
0
0

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? (You may be asked to provide supporting documentation of the estimated percentage of local purchases)

80 - 90%
**Section II: Project Description & Details**

<table>
<thead>
<tr>
<th>Location of proposed project facility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
</tr>
<tr>
<td><strong>City</strong></td>
</tr>
<tr>
<td><strong>State</strong></td>
</tr>
<tr>
<td><strong>Zip Code</strong></td>
</tr>
</tbody>
</table>

**SBL Number** | |

**Town/City/Village** | Buffalo |

**School District** | Buffalo |

**Present Project Site Owner** | Kevin Judge |

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Please provide a brief narrative of the project:

*Purchase and complete renovation of 1990's era 3 story Brick Building in Larkinville. Building has been abandoned for a number of years and will be the new corporate HQ for the SelectOne Group of companies. Plan is for SelectOne to be housed in the top 2 floors (8,000 sq. ft) and to lease out the first floor to a professional Services tenant.*

**Site Characteristics**

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? (If yes, please provide copy)

**Yes**

If yes, please provide a copy.

---

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

**No**

If yes, please provide copies of the study.

---

Will project include leasing any equipment?

**No**

If yes, please describe equipment and lease terms

---

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

*BLANK*

If yes, please attach additional documentation describing the efficiencies achieved.

---

Does or will company perform substantial 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?

Explain why IDA participation is necessary for this project to proceed. Focus on competitiveness issues, project shortfalls, etc.

Purchase and complete renovation of an abandoned, unused 1890 era building without ECIDA tax incentives would hinder or completely eliminate the financial feasibility of the project. We currently lease approximately 4,000 sq. feet in Williamsville, and our company headcount has grown over 100% in the past 3 years (with an average annual salary of over $75,000 each), necessitating the need for a much larger office space. In order to continue our planned growth and expand our geographic reach beyond WNY, a significant increase in office space is needed. The project comes with a significant price tag of $1.7m, and without ECIDA incentives, ownership and renovation of a historic HQ building would likely not be possible. The incentives available dramatically decrease the cost of the project and bring it more in line with what a simple purchase of an existing functioning building would be. With the Incentives we should be able to complete a historic renovation in Larkinville and bring an old, unused building back to use in an historically accurate way, and back on the tax rolls.
Project Information
Estimated costs in connection with project

Land and/or Building Acquisition $550000
0.43 acres 12000.00 square feet
New Building Construction $0
0.00 square feet
New Building addition(s) $0
0.00 square feet
Renovation $850000
0.00 square feet
Manufacturing Equipment $0
Non-Manufacturing Equipment: $150000
(furniture, fixtures, etc.)
Soft Costs: (professional services, etc.) $150000
Other Cost $0

Explain Other Costs

Total Cost 1700000

Project Refinancing (est. amount) 0

Select Project Type (check all that apply)

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

SIC Code
NAICS Code 58131

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 sq ft</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>0 sq ft</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>0 sq ft</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>4000 sq ft</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>0 sq ft</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>8000 sq ft</td>
<td>1700000</td>
</tr>
<tr>
<td>Specify Other</td>
<td>0 sq ft</td>
<td>0</td>
</tr>
</tbody>
</table>

Utilities and services presently serving site. Provide name of utility provider

Gas
Electric Size
Water Size
Sewer Size

Other (Specify)
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>
What is your project timetable (Provide dates)
Start date: acquisition of equipment
2015-01-01
End date: Estimated completion of project
2015-07-01
Project occupancy: estimated starting date of operations
2015-09-01

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

Have any expenditures already been made by the company?
Yes
If yes, indicate particulars (ECIDA benefits do not apply to expenses incurred prior to Board approval)
Property down payment of $10,000, and minor legal and architect fees.

Is project necessary to expand project employment?
Yes

Is project necessary to retain existing employment?
Yes

Employment Plan (Specific to location):

<table>
<thead>
<tr>
<th></th>
<th>Current # of jobs at project location or to be relocated at project location</th>
<th>If project is to retain jobs, number of jobs to be retained</th>
<th>Total # of jobs 2 years after project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>14</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>Part time</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>16</td>
<td>22</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>Full time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Payroll Information

Annual payroll
1400000

Estimated average annual salary of jobs to be retained
75000

Average estimated annual salary of jobs to be created
75000

Estimated salary range of jobs to be created
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

Were you offered financial assistance to locate outside of New York State?

No

If yes, from whom and what type of assistance was offered

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

Have you contacted or been contacted by other economic or governmental agencies regarding this project?

No

If yes, please indicate the Agency and nature of inquiry below
Section III: Adaptive Reuse Projects

Are you applying for a tax incentive under the Adaptive Reuse Program?

Yes

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

120.00

If yes, number of years vacant?

10

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

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

Does the site have historical significance?

Yes

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 (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rates compared to regional industrial averages)

Project is a complete restoration with a 10 yr. projected negative cash flow of approximately $70,000. ECIDA incentives will create a 10yr. positive cash flow on the project of approximately $260,000. Lack of ECIDA subsidies and tax incentives would completely eliminate the financial viability of the project.

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

ECIDA incentives are the only governmental support we are seeking at this time. If other programs that are available come to our attention during the project and we qualify for eligibility, we would pursue those programs as the project unfolds.

Please indicate other factors that you would like the 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 or structure is presently delinquent in property tax payments

Our proposed building site is one of the last undeveloped properties in the core of the Larkinville / Hydraulica section of the City of Buffalo. Restoration of this building will help complete the restoration of one of Buffalo’s most historically significant areas. Our intention is to restore the property as historically accurate as possible, enhancing the value of the neighborhood, the surrounding buildings and businesses as well as to help continue the resurgence of the City of Buffalo. In addition the current property owner is habitually delinquent in paying yearly property taxes, a problem that will not continue under our ownership. We are committed to the long term development of Larkinville and more importantly the City of Buffalo.
Section IV: Retail Determination

Will project involve the sales of goods or services to customers who personally visit the facility?

No
If yes, complete the Retail Questionnaire Supplement below.

Will any portion of the project consist of facilities or property that is primarily used in making sales of goods or services to customers who personally visit the project site?

No
If the answer is yes, please continue.

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

0.00 %
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).

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

<BLANK>

Is the project likely to attract a significant number of visitors from outside the economic development region in which the project will be located?

<BLANK>
If yes, please provide a market analysis or other documentation supporting your response.

Would the project occupant, but for the contemplated financial assistance from the industrial development agency, locate the related jobs outside the State of New York?

<BLANK>
If yes, please provide documentation regarding investigation of sites outside New York State.

Is the predominant purpose of the project to make available goods or services which would not otherwise be reasonably accessible to the residents of the project municipality?

<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>

Is the project located in a Neighborhood Redevelopment Area?

<BLANK>