February 7, 2019
9:00 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203
**REVISED**

1. Call Meeting to Order

2. Approval of the January 3rd, 2019 Policy Committee Minutes (Pages 2-6)

3. Project Matrix (Page 7)

4. Project Presentations (Staff – Company Q&A)
   a) Community Action Organization of WNY/McGuire Development (Pages 8-43)
   b) Related Affordable, LLC/Marina Vista Apartments (Pages 44-80)

5. Information Item:
   a) Affinity Sutton Place (Pages 81-86)
   b) Clover Communities Fries, LLC (Pages 87-110)

6. Adjournment – Next Meeting March 7, 2019 at 9:00 a.m.
MINUTES OF A MEETING OF THE POLICY COMMITTEE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: January 3, 2019, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York


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

GUESTS: John Thurber, Jeff Lupinacci, John Dandolph, on behalf of Unifrax; Jim Briggs and Valerie Thomas, on behalf of United Steel Workers; Andrew Federick, Erie County Senior Economic Development Specialist; and Hon. Joseph H. Emminger

There being a quorum present at 9:03 a.m., Mr. Lipsitz called the meeting of the Policy Committee to order.

MINUTES

The minutes of the December 6, 2018 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie, and seconded by Mr. Krebs, 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.

UNIFRAX EMPLOYMENT DISCUSSION

At this point in time, Mr. Cappellino introduced Mr. Thurber, Mr. Lupinacci and Mr. Dandolph as representatives of Unifrax to the committee. Mr. Cappellino also introduced Mr. Briggs and Ms. Thomas as representatives of United Steel Workers.
Mr. Cappellino provided an overview of the Unifrax Firetower project and related material terms and conditions required to be met and obtained by Unifrax as a condition of receipt of financial assistance. Mr. Cappellino noted that the Agency approved an approximately $33,000,000 project for a new Unifrax facility located at 360 Firetower Drive in the Town of Tonawanda in 2014. In exchange for sales tax benefits and a real property tax abatement, Unifrax was required to retain 268 employees and create an additional 21 positions by June 2018. Accordingly, Unifrax was required to have 289 employees as of June 30, 2018.

On September 30, 2018, Unifrax provided certification that it was compliant with all job creation requirements and reported 323 employees. However, on October 12, 2018, Unifrax, subsequent to informing the Agency with respect to its September 30, 2018 employment numbers, informed the Agency of a pending permanent layoff of approximately 45 employees. Unifrax is now reporting a total of 257 employees at the Firetower location, which is 32 employees short of its employment requirement of 289 employees. Mr. Cappellino noted that the Agency, in September 2018, approved a two-tiered retention goal of 90% or 95% (depending on the number of employees a company has), however, the policy specifically does not apply to permanently laid off employees.

Mr. Cappellino noted that Unifrax has two other locations in Erie County, at 95 Pirson Parkway and 600 Riverwalk Parkway, both in the Town of Tonawanda. Mr. Cappellino noted the Agency does have a continuing incentive on the Pirson Parkway facility. Mr. Cappellino noted that both facilities have employment which is not part of the numbers for the Firetower complex as just described, and specifically noted as of October 2018, there are 27 FTE employee positions at the Pirson Parkway facility and 117 FTE employees at the 600 Riverwalk Parkway facility. Mr. Cappellino then reviewed the two options for recapture of real property tax abatement benefits as previously discussed with the Policy Committee as follows:

Option 1 would effectively suspend Unifrax’s PILOT benefit until it meets it employment requirements and as such, Unifrax would pay full taxes until it obtained its goal of 289 employees.

Under Option 2, the Agency would increase Unifrax’s PILOT payment amount that it must pay based on the percentage that Unifrax is out of compliance with its employment commitment. Because Unifrax has an 11% shortfall in overall employment requirements, under Option 2, the Agency would require Unifrax to pay an additional 11% above its 2019 PILOT payment amount for county, town and school taxes.

Mr. Cappellino also noted that these two options were discussed at the last meeting of the Policy Committee and the matter was tabled for additional discussion at today’s meeting whereat representatives of Unifrax, who are here today, were requested to be present.

Mr. Lupinacci provided members with an update of Unifrax business operations and noted that global demand for products produced at the Firetower location have changed, affecting the production line at Firetower, but at the same time, noted that other product line demands is growing. Mr. Lupinacci noted that half of what is produced by Unifrax is exported out of New York State and also commented that the company considers all of its New York State
locations to be a single production system, instead of separate projects, and as such, by the end of 2019, Unifrax expects that its total employment will rebound statewide to the original number.

Mr. Briggs then spoke on behalf of United Steel Workers, noting that the union membership numbers have grown at Unifrax facilities and also urged Agency Policy Committee members to consider implementing the lowest possible recapture provisions in the best interests of Unifrax and the community.

Mr. Lipsitz then summarized the employment shortfall and recapture situations, commenting that the company is in breach of its job commitment obligation and confirming that two recapture options have been proposed and presented for discussion today.

Ms. Whyte stated her disapproval of Option 1 because the Agency has a past practice of not terminating 100% of financial assistance at the first instance of a material term violation and stated her preference for Option 2 because it acknowledges the company’s job commitment but also recognizes the Agency’s commitment to the company’s growth as exhibited in the past and as is anticipated in 2019 and going forward.

Ms. Smith reiterated her concerns that she raised at last month’s Policy Committee meeting noting that although these are permanent layoffs, the company did state that in 2019 it anticipated a significant amount of new hiring to allow the company to create new jobs and meet its job commitment. Ms. Smith asked if committee members would consider implementing a watch period to allow for a wait-and-see approach in recognition of the company’s system-wide production activities similar to the FedEx solution implemented in the past. In this manner, we would allow time for the company to come back into compliance.

Ms. McDuffie expressed her support for looking at all of Unifrax’s operations as a single system but noted that the Federal Express project did not involve a permanent layoff. Ms. McDuffie queried if laid off workers would be rehired. Mr. Lupinacci stated that laid off employees have a two year call back preference for re-hiring.

Ms. McDuffie stated she is not in favor of Option 1 and prefers Option 2.

Mr. Blue expressed support for allowing the company some amount of time to create the new jobs and rehire laid off employees.

Mr. State queried the company about how realistic their new hiring outlook and timeframe is. Mr. Dandolph responded that Unifrax has fully committed to making new investments in 2019 thus allowing the new hires to be made.

Mr. Krebs then asked for confirmation as to whether a third option was on the table to allow a watch period or some time to see if Unifrax is able to restore its job numbers.

Mr. Emminger then expressed support for Option 3 and noted that Unifrax has had a very good corporate presence in Erie County for decades but also stated that Unifrax should be
accountable for job commitment requirements and the watch period would allow time for Unifrax to establish new hires and if not met, there should be consequences.

Ms. Whyte asked for clarity on the FedEx resolution and whether all locations of FedEx were considered. Mr. Cappellino noted that FedEx had two facilities and had proposed only adding jobs at one facility, however, due to the physical layout of the facility, it was unable to fit all new hires into the initially proposed facility and as such, the Agency resolved to allow jobs at the second facility to be considered to allow the company to meet its job commitment goals.

Ms. McDuffie then asked if the company would be interested in having Pirson employment numbers applied to potential recapture scenarios. Mr. Cappellino commented that the Pirson project already has recapture material terms in place and commented on the difficulties in including and monitoring employee numbers at multiple locations.

Mr. Dandolph noted that products are first machined at the Pirson Parkway facility, then finished at the Firetower facility such that product lines and facilities are mutually dependent upon each other.

Ms. McDuffie asked for clarity as to whether laid off employees have hiring preferences. Mr. Cappellino noted that the new jobs proposed to be created will be at the Pirson Parkway facility and laid off Firetower employees may not have job preferences at the Pirson Parkway facility. Mr. Briggs confirmed that the Pirson Parkway facility is a non-union facility and stated that displaced Firetower employees should be given preference at the Pirson facility. Mr. Lupinacci concluded by stating displaced Firetower employees only have hiring preferences for new jobs at the Firetower facility.

Mr. Lipsitz stated that the proposed solution does not need to be this complicated and emphasized his support for Option 2 as a mild rebuke for failure by the company to meet its job commitments but also stated his belief that Option 2 was not too disruptive in total dollar amount.

Ms. Smith asked if the Committee would consider implementing Option 2 but with a watch period.

Ms. Whyte stated that if the layoffs were anything other than permanent layoffs, that she would be willing to accept Ms. Smith’s proposal.

Mr. Weathers cautioned that the Policy Committee should consider that a solution proposed for Unifrax today will most likely need to be replicated to avoid being accused of being arbitrary and capricious in the future should a different approach be taken.

Mr. Krebs expressed his support for Option 2.

Ms. McDuffie expressed her preference for Option 2 because the employment shortfall involves the permanent layoff of employees. Ms. McDuffie then moved to support Option 2.
Ms. Whyte seconded the motion to approve of Option 2.

Mr. Murray and Mr. Cappellino then asked for confirmation that Option 2 should be amended to allow staff, on a year-to-year basis, to consider the percentage shortfall of employment numbers at the Unifrax Firetower location only, to avoid having to otherwise, on a year-to-year basis, present this issue to the Policy Committee in the future, until Unifrax comes back into compliance. Mr. Lipsitz confirmed and agreed with Mr. Murray’s and Mr. Cappellino’s statements amending the motion. Mr. Lipsitz then called for the vote, and the following resolution was unanimously approved: to increase Unifrax’s Firetower PILOT payment amount based on the percentage that Unifrax is out of compliance with its job commitments at the Unifrax facility, as determined by staff on a year to year basis, being in the current year an 11% additional payment amount required to be made above its 2019 PILOT amounts for the county, town, and school.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:00 a.m.

Dated: January 3, 2019

Robert G. Murray, Secretary
<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>*Incentive Amount</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Jan-19</td>
<td>$3,425,000</td>
<td>$7,911,250</td>
<td>49</td>
<td>12</td>
<td>14</td>
<td>85%</td>
<td>PILOT</td>
<td>85% - New</td>
<td>7 Years</td>
<td>Amendatory</td>
<td>$298,000</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Roar Logistics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sales Tax</td>
<td>12 jobs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
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<th>Length of Term</th>
<th>Additional Findings</th>
<th>*Incentive Amount</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 2018 Sub Total | #REF! | $0 | 0 | 0 | $0 |

| 2018 Total | 1 | $3,425,000 | 49 | 14 | $298,000 |
Community Action Organization of WNY/Deaconess Head Start/McGuire Development Company, LLC
$9,416,936
INDUCEMENT RESOLUTION

**Eligibility**
- NAICS Section - 531110

**Company Incentives**
- Approximately $376,260 in sales tax savings
- Approximately $525,000 in real property tax savings
- Approximately $61,000 in mortgage tax exemption

**Employment**
- Current - FT: 32  PT: 11
- Projected Jobs - FT: 2 New
- Total Jobs 2 Years After Project Completion: FT-34 PT-11

**Project History**
- 01/28/2019 - Public hearing held. Transcript attached.
- 02/27/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 02/27/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Community Action Organization of WNY/Deaconess Head Start/McGuire Development Company, LLC.</th>
</tr>
</thead>
</table>
| Project Address: | 600 Northampton Street  
Buffalo, New York 14208  
(Buffalo City School District) |

**Agency Request**
A real property tax, sales tax and mortgage recording tax exemption in connection with the construction of a 38,500 sq. ft. facility for lease to CAO.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Building Construction</td>
<td>$8,012,950</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$1,403,986</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$9,416,936</td>
</tr>
<tr>
<td>85%</td>
<td>$8,004,395</td>
</tr>
</tbody>
</table>

**Company Description**
The applicant will be an affiliated entity of McGuire Development Company, LLC, and is a single purpose property holding entity formed for the limited and sole purpose of developing the property. McGuire is a full service real estate and development firm overseeing 4,000,000 sq. ft. of mixed use real estate in its portfolio.

**Project Description**
McGuire will develop a 38,500 sq. ft. facility on the site of former Deaconess Hospital parking lot to house a relocated Head Start Academy (3-5 years old) together with additional facilities for Early Head Start (0-2 years old) as well as a community health clinic to be operated by Community Health Center of Greater Buffalo. CAO will be the master tenant under a long term lease with the applicant.

CAO has conducted a study of the East Side and has determined that relocating the Head Start facility to this location would benefit working parents with subsidized child care and early education, as well as access to health care close to their residences. This project will have an impact on the available workforce and unemployed parents in Western New York by easing child care concerns and facilitating a healthy workforce. CAO is not only relocating from its facility on East Ferry due to an expiring lease, it is expanding its offerings and census to increase capacity and age ranges served.

**New Tax Revenue Estimated**

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 7-year abatement period</th>
<th>Additional Local Revenue Over 7-year abatement period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$2,700,000</td>
<td>$28,800</td>
<td>$114,290</td>
<td>$95,400</td>
</tr>
<tr>
<td>Combined Tax Rate:</td>
<td>$35</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/25/2019 9:15 AM
## 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 = $9,416,936</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $8,004,395</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year PILOT</td>
<td>Maintain base: FTE 37</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 2 FT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 39FTE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 39</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 Mortgage recording tax, state and local sales taxes</td>
</tr>
</tbody>
</table>

Recapture applies to:
State and Local Sales Taxes
Real Property Tax
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 created 2 FTE, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>McGuire Development Company, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$9,416,936</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$8,012,950</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>41 (2 created and 39 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$1,279,588</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>59</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$3,079,574</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$4,359,163</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>$140,785</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$475,536</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$1,174,123</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$400,452</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$2,190,896</strong></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$533,228</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$377,165</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$61,000</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$971,394</strong></td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>41 (2 created and 39 retained)</td>
</tr>
<tr>
<td>Indirect***</td>
<td>49</td>
</tr>
<tr>
<td>Induced****</td>
<td>27</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>59</td>
</tr>
<tr>
<td>Indirect</td>
<td>21</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>2.3:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>39.1:1</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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# EVALUATIVE CRITERIA

McGuire for Community Action Organization

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Census Tracts</td>
<td>The property is located in census tract 35 which is considered highly distressed under the State statute. It is also surrounded by several other highly distressed tracts.</td>
</tr>
<tr>
<td>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</td>
<td>N/A Project represents new construction</td>
</tr>
<tr>
<td>Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes elimination of slum and blight</td>
<td>Vacant or Underutilized: N/A. The project represents new construction. Elimination of slum and blight: The project will serve to enhance the area and eliminate the many years of disinvestment which has plagued the neighborhood.</td>
</tr>
<tr>
<td>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.</td>
<td>N/A. Property is vacant land.</td>
</tr>
<tr>
<td>Redevelopment Supports or aligns with Regional or Local Development Plans</td>
<td>The project complies with the investment and growth criteria of the Framework for Regional Growth.</td>
</tr>
<tr>
<td>Environmental or Safety Issues.</td>
<td>N/A</td>
</tr>
<tr>
<td>LEED/Renewable resources</td>
<td>NA</td>
</tr>
<tr>
<td>Building or site has historic designation</td>
<td>N/A</td>
</tr>
<tr>
<td>Site or structure has delinquent or other local taxes</td>
<td>Taxes are current.</td>
</tr>
<tr>
<td>MBE/WBE utilization</td>
<td>See attached letter dated January 28, 2019 from R&amp;P Oak Hill outlining steps taken to ensure M/WBE participation in this project.</td>
</tr>
<tr>
<td>Demonstrated support of local gov’t.</td>
<td>The City of Buffalo Planning Board has reviewed and approved the project.</td>
</tr>
<tr>
<td>Project/developer’s return on investment</td>
<td>N/A</td>
</tr>
<tr>
<td>Impediments to conventionally financing project.</td>
<td>The occupant – CAO – has a fixed source of funding to operate Head Start Academies in WNY. Without assistance from the developer to construct the facility, CAO risks diversion of funding necessary for proper delivery of education and child care services to the City’s eligible children.</td>
</tr>
<tr>
<td>---</td>
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</tr>
</tbody>
</table>
| Transit oriented development | Route 6  
Route 22  
Route 23  
Route 24 |

February 27, 2019
Ms Danielle Shainbrown  
McGuire Development Company  
455 Cayuga Road; Suite 100  
Cheektowaga, NY 14225  

January 28, 2019  

RE: CAO Head Start — M/WBE Firm Solicitation  

Dear Ms Shainbrown;  

The following are the steps that we took in order to encourage Minority and Women Business Enterprises to provide pricing for the CAO Head Start project.  

1. RP Oak Hill Building Co. issued invitations to bid to the local subcontracting community, which includes multiple M/WBE firms. These invitations were primarily emailed to a contact for each company, however some were faxed.  

2. On the invitation to bid which was sent out, there was the following statement “MBE & WBE businesses are encouraged to bid”.  

3. The drawings and specifications were posted on Construction Exchange and Avalon printing so that they were easily obtainable by firms.  

4. CAO contacted the M/WBE firms which they work with on a regular basis and provided RP’s contact information so that the firms could inquire on how to obtain drawings, etc.  
   a. RP also provided CAO with the invitation to bid so that the firms would have all the necessary information.  
   b. RP and CAO discussed at project meetings the process to provide RP pricing so that CAO could communicate this to the firms.  

5. A legal notice was posted in the Buffalo News soliciting the project and the fact that MBE & WBE businesses are encouraged to bid.  

6. Throughout the bid period, the firms which were invited were emailed and called to see if they would be providing a bid, had any questions, etc.  

If you should have any questions, please feel free to contact me.  

Sincerely,  

Mercedes A. Calway  
Project Executive / Chief Estimator  
RP Oak Hill Building Company, Inc.
PUBLIC HEARING SCRIPT

McGuire Development Company, 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 January 28, 2019 at 10:00 a.m.,
at the Erie County Industrial Development Agency’s offices,
95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE:

Brian Askey, McGuire Development
Danielle Shainbrown, McGuire Development
Karen Fiala, ECIDA

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

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

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the McGuire Development
Company, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or
Entity(ies) formed or to be formed on its behalf project. The transcript of
this hearing will be reviewed and considered by the Agency in
determination of this project. Notice of this hearing appeared in The
Buffalo News on Friday, January 18, 2019.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 2.47 +/- acre parcel
of land located at 600 Northampton Street, City of Buffalo, Erie County,
New York (the “Land”), (ii) the construction and equipping of a new
38,500 +/- SF building to be utilized for relocation of the Head Start
Academy (3-5 year olds), together with additional facilities for Early Head
Start (0-2 year olds), and a community health clinic to be operated by
Community Health Center of Greater Buffalo (the “Improvements”), and
(iii) the acquisition and installation by the Company of certain items of
machinery, equipment and other tangible personal property (the

15
“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 February 26, 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.

Danielle Shainbrown – I am the Executive Vice President/Chief Legal Officer of McGuire Development. I am here on behalf of the to be formed entity owned and controlled by McGuire Development. We are seeking inducements from the ECIDA to assist in the development of a new head start facility for the Community Action Organization of WNY on the site of the former Deaconess Hospital. It’s an approximately 38,000 sq. ft. building of which 34,000 sq. ft. will be utilized for an Early Head Start School and 4,000 sq. ft. will we utilized for a medical clinic run by the Community Health Centers of Buffalo for the purpose of meeting a need for health care in that neighborhood.

6. ADJOURNMENT:

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

January 28, 2019, at 10:00 a.m.
at the Erie County Industrial Development Agency,
95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

McGuire Development Company, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 600 Northampton Street, Buffalo, New York 14208

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Askey</td>
<td>McGuire Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>455 Cayuga Road, Suite 100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo, New York 14225</td>
<td></td>
</tr>
<tr>
<td>Diane Shainbrown</td>
<td>McGuire Development</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>455 Cayuga Road, Suite 100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo, New York 14225</td>
<td></td>
</tr>
<tr>
<td>Karen Fiala</td>
<td>ECIDA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>95 Perry Street, Suite 403</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo, New York 14203</td>
<td></td>
</tr>
</tbody>
</table>
Community Action Organization Head Start

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name
Community Action Organization of WNY Deaconess Head Start

Applicant Name
McGuire Development Company, LLC on behalf of a TBF Entity

Applicant Address
455 Cayuga Road

Applicant Address 2
Suite 100

Applicant City
Buffalo

Applicant State
New York

Applicant Zip
14225

Phone
7168291558

Fax

E-mail
dshainbrown@mcguireddevelopment.com

Website
http://www.mcguireddevelopment.com

Federal ID#

NAICS Code
531390

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
McGuire Development Company, LLC on behalf of a TBF NYS Entity

Federal ID#

State and Year of Incorporation/Organization
2018 New York

List of stockholders, members, or partners of Real Estate Holding Company
F. James McGuire Kelly McGuire James F. Dentinger Jacquelyn McGuire Gurney

Individual Completing Application

Name
Danielle Shainbrown

Title
Executive Vice President & Chief Legal Officer

Address
455 Cayuga Road

Address 2
Suite 100

City
Buffalo

State
New York

<table>
<thead>
<tr>
<th><strong>Zip</strong></th>
<th>14225</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phone</strong></td>
<td>716-829-1558</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td></td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:dshainbrown@mcguireddevelopment.com">dshainbrown@mcguireddevelopment.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney: Same
Firm Name
Address
Address 2
City
State
Zip
Phone
Fax
E-Mail

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business: Limited Liability Company
Type of Ownership
Year Established: 2019

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

F. James McGuire 35% Kelly McGuire 27.5% Jacquelyn McGuire Gurney 27.5% James F. Dentinger 10%
**Applicant Business Description**

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

Applicant is a single purpose property holding entity formed for the limited/sole purpose of developing a new facility for Community Action Organization of WNY to occupy as a Head Start/Early Head Start facility under a master long term lease. Applicant will be an affiliated entity of McGuire Development Company, LLC. With more than 50 years of experience, McGuire is a full service real estate and development firm located in Western New York with more than 4,000,000 square feet of mixed use real estate in its portfolio.

**Estimated % of sales within Erie County**

100

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

0

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

0

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

0

(*Percentage to equal 100%)

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

100% - the applicant is sourcing all construction from a local construction firm.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo, New York

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

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

600 Northampton Street

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

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

SBL Number for Property upon which proposed Project will be located

100.59-1.16.1

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

0

Assessed value of land

49,900

Assessed value of building(s)

N/A

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

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

No

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

Community Action Organization of WNY, Inc.

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

Yes

Describe the present use of the Proposed Project site
Currently, the Project Site is an abandoned surface parking lot that was formerly associated with the Deaconess Skilled Nursing Facility before it was demolished.

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)

McGuire Development, through a to-be-formed single purpose LLC, is developing a 38,500 SF facility on the site of the former Deaconess Hospital parking lot to house a relocated Head Start Academy (3-5 year olds), together with additional facilities for Early Head Start (0-2 year olds) as well as a community health clinic to be operated by Community Health Center of Greater Buffalo. CAO will be the master tenant under a long term lease with the Applicant, with CHC as a sub-tenant to CAO.

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:

Because 100% of this facility is being utilized and paid for by its occupants who are non-profit agencies, the intent is to make it as cost-effective as possible so that all available funding can be geared towards care for the children enrolled in Head Start/Early Head Start as well as providing needed medical care for the families served by the Head Start program as well as the surrounding neighborhood, which is Census Tract 33.02 - a Low income Community - and those qualified residents of Buffalo's East Side.

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)

CAO has conducted a study of the East Side and has determined that relocating the Head Start facility to this location would benefit working parents with subsidized child care and early education, as well as access to health care close to their residences. This project will have a dramatic impact on the available workforce and unemployed parents in Western New York by easing child care concerns and facilitating a healthy work force. CAO is not only relocating from its facility on East Ferry due to an expiring lease, it is expanding the offerings and census to increase capacity and age ranges served.

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

Yes

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

The occupant has a fixed source of funding to operate Head Start Academies in Western New York. Without assistance from the ECIDA, CAO risks diversion of funding necessary for the proper delivery of education and child care services to the City's eligible children for costs associated with development of the project. This will result in less available programming to Erie County families and less prepared children for elementary school.

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

This project site is zoned D-R and has already completed all necessary zoning and entitlement approvals with the City of Buffalo.

Describe required zoning/land use, if different

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

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

No

If yes, please explain

We have a 2013 Phase I report indicating that this portion of the site is development-ready.
Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?
Yes

If yes, please provide a copy.

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

If yes, please provide copies of the study.

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

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

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

If yes, please explain.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
$0.00

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

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

Please check any and all end uses as identified below.

Retail Sales No Services Yes

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 0

New Building Construction

$ 8,012,950

38,500 square feet

New Building addition(s)

$ 0

Infrastructure Work

$ 0

Renovation

$ 0

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 1,403,986

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 9,416,936

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:

The Project has incurred design and engineering costs, as well as fees associated with entitlements, preliminary site testing and investigations.

Sources of Funds for Project Costs:

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

$ 1,286,936

Bank Financing:

$ 8,130,000

Tax Exempt Bond Issuance (if applicable):

$ 0

Taxable Bond Issuance (if applicable):

$ 0

Public Sources (Include sum total of all state and federal grants and tax credits):
$ 0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:
$9,416,936

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.

$ 8,130,000

Lender Name, if Known

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

$60,975

Construction Cost Breakdown:

Total Cost of Construction
$ 8,012,950

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

Cost for materials
$ 2,740,992

% sourced in Erie County
80%

% 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

$ 4,300,000

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

$ 376,250

Real Property Tax Benefit:

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

The property is not currently subject to real property taxes because it is owned by a 501(c)(3) organization, CAO of WNY, Inc. The only element that would be subject to Real Property Taxes is the constructed building, which will be owned by the Applicant.

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>$ 0</td>
<td>0</td>
</tr>
</tbody>
</table>
If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

1/10/2019

End date: Estimated completion date of project

8/15/2019

Project occupancy: estimated starting date of operations

8/16/2019

Have construction contracts been signed?

No

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th></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>32</td>
<td>32</td>
<td>2</td>
</tr>
<tr>
<td>Part time</td>
<td>11</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>43</td>
<td>2</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>1</td>
<td>$38,236</td>
<td>$16,155</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>31</td>
<td>$27,100</td>
<td>$11,500</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>11</td>
<td>$23,088</td>
<td>$9,755</td>
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<td>$0</td>
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<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</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>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>King Urban Life Center, 25 Rich Street, Buffalo, NY 14211</td>
<td>32</td>
<td>11</td>
<td>43</td>
</tr>
<tr>
<td>George K. Arthur, 2056 Genesee Street, Buffalo, NY 14211</td>
<td>32</td>
<td>10</td>
<td>42</td>
</tr>
<tr>
<td>909 East Ferry Street, Buffalo, NY 14211</td>
<td>32</td>
<td>9</td>
<td>41</td>
</tr>
</tbody>
</table>

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

Payroll Information

Annual Payroll at Proposed Project Site
$ 1,105,000

Estimated average annual salary of jobs to be retained (Full Time)
$ 29,475

Estimated average annual salary of jobs to be retained (Part Time)
$ 14,740

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

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

Estimated salary range of jobs to be created
From (Full Time) $20,000 To (Full Time) $45,000
From (Part Time) $0 To (Part Time) $0

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

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

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

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

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

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

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

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

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

Multi-Tenant Facility
Please explain what market conditions support the construction of this multi-tenant facility
This project isn't dictated by market conditions. Rather, this is a community facility intended to meet a critical need for health care and child care/education in a Low Income Community census tract within the City of Buffalo's East Side. Though this is a multi-tenant facility, it is a prime lease to Community Action Organization with their decision to sublease a portion of the facility for use by a community health clinic intended to serve CAO's clients as well as the neighborhood.

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

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

| 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
PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name
Community Action Organization of Western New York, Inc.

Property Address:
600 Northampton Street
City/Town/Village
Buffalo, New York

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)
38,500

What percentage of the building does this represent?
100

Are terms of lease:

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

Estimated date of occupancy
9/1/2019

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
Community Action Organization of WNY, Inc.

Local Contact Person:
L. Nathan Hare

Title:
President & CEO

Current Address:
45 Jewett Avenue, Buffalo, New York 14214

Phone:
716-878-0220

Fax:
716-240-9755

E-Mail:
lhare@caowny.org

Website:
http://www.caowny.org

Company President/General Manager:
L. Nathan Hare

Number of employees moving to new project location:

Full-Time:
32

Part-Time:
11

Total:
43

Do you anticipate increasing employment within the next two years?

https://www.ecidan.com/app/tax-incentive-application-2014/print/803
If yes, how many additional employees moving to new project location?

Full-Time:
8

Part-Time:
0

Total:
8
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:

CAO is the designated Head Start service provider in Erie and Niagara Counties by U>5. Health and Human Services (NAICS 624410). 100% of its services rendered at this facility will be provided to residents of Erie County.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

In 1964, President Lyndon B. Johnson and the US Congress enacted into law the Economic Opportunity Act (EOA) and the War on Poverty was declared. The Act established the Office of Economic Opportunity, which was a part of the executive branch of government and reported directly to the President. In the next two years, more than 1600 Community Action agencies were created. Today, only about 900 of those original programs are still in operation, fighting an enemy that has not lost its foothold in our socio-economic landscape. In May of 1965, the Community Action Organization of Erie County (CAO) was incorporated under the laws of the State of New York and designated as the official, anti-poverty agency for the county with a mission that focused on serving the unmet needs of our low-income population. Over the years, the CAO has been recognized by the Community Action movement as one of the nation’s strongest operations. This recognition has been garnered as a result of the guidance and tireless efforts of the agency’s three leaders; the late Ambrose Lane who helped to create the Community Action Organization; Julian B. Dargan who steered the agency from 1970 until 2002; and, L. Nathan Hare, our current President and CEO who is ushering the agency into a new era. In 2017, the agency’s name was officially changed to the Community Action Organization of Western New York, Inc. after its Head Start and Early Head Start programs were expanded to serve children in both Erie and Niagara County.

Please list the square footage which the proposed tenant will lease at the Project location
38,500

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

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

CAO is expanding the offerings from the current 909 East Ferry location to include additional Early Head Start classrooms serving children 0-2 years old.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?
Yes

Where is company relocating from?

Address:
909 East Ferry Street

City/Town/Village:
Buffalo

State:
NY

Zip:
14211

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

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

If leased, when does lease expire?
8/31/2019

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?
<BLANK>
If yes, please provide details as to location, and amount of leased space, how long leased?

Is location necessary to:

Discourage your company from moving out of New York State
No

Maintain your company's competitiveness within the industry:
No

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

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods?
No

Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?
No

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

If no, why not?

Will present location be your company’s headquarters?
No

If No, Where is the location of HQ:

City:
Buffalo

State:
New York

Form Completed By:
Danielle Shainbrown

Relationship to Company:
Consultant
Section V: Environmental Questionnaire

General Background Information

Address of Premises 600 Northampton Street, Buffalo, New York 14208

Name and Address of Owner of Premises Community Action Organization of WNY, Inc.

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

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

Describe all known former uses of the Premises
Parking lot

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?
<BLANK>

If yes, describe and attach any incident reports and the results of any investigations
See attached Phase I Environmental ESA

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

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

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

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

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

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

If yes, please provide copies of the permits.

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

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

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

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

N/A

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

N/A

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

No

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

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

No

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

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

**Storage Tanks**
List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

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

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

**Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos**
Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials
Section VI: Inter-Municipal Move Determination

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

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

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

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

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?
- Within New York State
  - Yes
- Within Erie County
  - Yes

As stated earlier, the project will serve as the new home for CAO’s Head Start facility currently located at 909 East Ferry in Buffalo. The reason for this move is the expiration of the lease at 909 East Ferry to allow for that property’s ownership to pursue alternative plans for the site.

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

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

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

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

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

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?
  - The landlord has plans to redevelop 909 East Ferry Street into another use.

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

Are you applying for tax incentives under the Adaptive Reuse Program?  
No

What is the age of the structure (in years)?  
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?  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?  No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located?  No

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

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

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

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York?  No

If yes, explain

Is the project located in a Highly Distressed Area?  Yes
Related Affordable, LLC/Marina Vista Apartments
$23,599,613
INDUCEMENT RESOLUTION/TAX EXEMPT BOND

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

<table>
<thead>
<tr>
<th>Company Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Approximately $380,835 in sales tax savings</td>
</tr>
<tr>
<td>• Approximately $93,757 in mortgage tax exemption</td>
</tr>
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<table>
<thead>
<tr>
<th>Employment</th>
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</thead>
<tbody>
<tr>
<td>• Current - FT: 5</td>
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<tr>
<td>• Total Jobs 2 Years After Project Completion: FT - 5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project History</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 02/04/2019 - Public hearing held. Transcript attached.</td>
</tr>
<tr>
<td>• 02/27/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.</td>
</tr>
<tr>
<td>• 02/27/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</td>
</tr>
</tbody>
</table>

Project Title: Related Affordable, LLC/Marina Vista Apartments

Project Address:
32 Hertel Avenue (aka 10 and 12 Hertel)  
Buffalo, New York 14207  
(Buffalo City School District)

Agency Request

Issuance of federally tax exempt bond, a sales and mortgage recording tax exemption in connection with the acquisition, renovation and upgrading of the complex.

- Acquisition: $10,000,000
- Renovation: $8,704,800
- Soft Costs: $4,894,813

Total Project Cost: $23,599,613

85%: $20,059,671

Company Description

The applicant will be a single-asset entity formed for the purpose of acquiring, rehabbing, owning, financing, leasing and operating Marina Vista Apartments, a multi-family rental property. The proposed owner will engage a related-to-be-formed entity as developer to carry out the rehabilitation activities and a related company - Related Management Company, LP to manage the property.

Project Description

Marina Vista (formerly known as Watergate II Apartments) is a 195-unit affordable apartment community built in 1973. The proposed project entails the acquisition and renovation of the complex in order to preserve and improve an important affordable housing resource in the City of Buffalo. The property consists of an approximately 4.5-acre lot with two 13-story towers containing 97 one-bedroom units, 97 two-bedroom units and a non-revenue producing employee unit as well as a management office, community room, two laundry rooms, and outdoor barbecue area.

The property is transit-accessible with views of the Niagara River. This property was originally financed with a HUD-insured loan assisted by interest reduction payments in connection with the National Housing Act.

In 2004, the property was refinanced with NYS Housing Finance Agency bonds and underwent a low income housing tax credit rehabilitation. In connection with the Low-Income Housing Tax Credit ("LIHTC") rehab, the project received a 15-Term PILOT agreement with the City of Buffalo and County of Erie that is expected to expire on July, 2019.

The applicant proposes to invest approximately $36,000 per unit in direct hard costs (approximately $45,000 in total construction costs) to complete a comprehensive rehab that will improve the property functionality and aesthetically.

In addition to physical upgrades, the proposed owner is expected to enter into regulatory agreements in connection with the LIHTC’s and tax exempt bonds to ensure that 100% of the units remain affordable for residents with income at or below 60% AMI for at least another 30 years.

The developer plans to work with the County of Erie and the City of Buffalo to obtain a new 15-year affordable housing PILOT agreement.

2/1/2019 8:33 AM
## Draft Recapture Material Terms

<table>
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<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
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<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount. Total project Amount = $23,599,613 85% = $20,059,671</td>
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<tr>
<td>Employment</td>
<td>Coincides with Recapture Period</td>
<td>Maintain base: FT 5 No new jobs projected</td>
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<tr>
<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 Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>State and Local Sales Taxes, Mortgage Tax</td>
</tr>
</tbody>
</table>

Recapture applies to:
- State and Local Sales Taxes
- Mortgage 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 5 FT, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
Property Description
Marina Vista (also known as Watergate II) is a 195-unit affordable apartment community located at 32 Hertel Avenue (also identified as 10 and 12 Hertel Avenue) in Buffalo, New York. The property sits on a 5.4-acre lot and consists of two 13-story towers, containing 97 one-bedroom units, 97 two-bedroom units, and a non-revenue employee unit, as well as a management office, community room, two laundry rooms, and outdoor barbecue area. The property offers an appealing transit-accessible waterfront location with green space and views of the Niagara River, in an area of Buffalo experiencing an increase in development activity. The property is home to many long-term residents, with a majority of households having lived at the property for 10 years or more.

History and Affordability
Built in 1973, the property was originally financed with a HUD-insured loan assisted by interest reduction payments under Section 236 of the National Housing Act. The property was governed by a Section 236 Use Agreement requiring that 100% of units be occupied by residents earning no more than 80% area median income (AMI) and restricting rents based on Section 236 basic and market rent levels. This Section 236 Use Agreement expired on January 1, 2019.

In 2004, the property was refinanced with New York State Housing Finance Agency (HFA) bonds and underwent a low income housing tax credit (LIHTC) rehabilitation. As a result, the property is also governed by a Regulatory Agreement that specifies that 131 units must be set aside for residents with incomes at or below 60% AMI (77 one-bedroom units and 54 two-bedroom units). The Regulatory Agreement is expected to be effective through 2044, or 40 years from the mortgage loan closing.

In connection with the LIHTC rehabilitation, the project received a 15-year PILOT agreement with the City of Buffalo and County of Erie that is expected to expire on July 1, 2019.

Rehabilitation and Preservation Plan
In the 15 years since its renovation, Marina Vista has been well-maintained but now has physical needs that require significant capital investment. Related Affordable proposes to work with HFA to obtain an allocation of 4% LIHTCs and work with the Erie County Industrial Development Agency (ECIDA) to obtain an allocation of tax-exempt bonds to finance an acquisition and rehabilitation of the property. The acquisition closing and start of renovation is expected to occur in early 2019 with the renovation expected to be complete by early 2020.

Related Affordable proposes to invest approximately $36,000 per unit in direct hard costs to complete a comprehensive rehabilitation that will improve the property functionally and aesthetically. The proposed renovation will include building envelope and site work (roof repair, window replacement, balcony and façade repair, lighting, repaving, and concrete work), building system and common area improvements (elevator modernization, accessibility modifications, and community space upgrades), and updates to 100% of units (counters, cabinets, appliances, sinks and faucets, toilets, lighting, outlets, smoke detectors, fan coils, and window treatments). A preliminary scope of work and source and use is attached. Related Affordable will prioritize resident comfort and minimize disruption by conducting the renovation with residents in place. The property will remain livable throughout construction.

In addition to physical upgrades, Related Affordable plans that the new owner will enter into use and regulatory agreements in connection with the LIHTCs and tax-exempt bonds to ensure that 100% of units remain affordable for at least another 30
years. To ensure that preserving the affordability is viable, Related Affordable plans to work with the City of Buffalo and Erie County to obtain a new 15-year affordable housing PILOT agreement.

The new ownership entity is likely to be a limited partnership with an affiliate of Related Affordable as general partner and a LIHTC equity investor limited partner. Related Management would continue to manage the property.

**Low Income Housing Tax Credit Program**

The low income housing tax credit (LIHTC) program is a federal program created by the Tax Reform Act of 1986 to encourage private investment in the development and preservation of affordable housing. A developer applies to a state housing credit agency for an allocation of federal income tax credits that they can then sell to an investor limited partner in exchange for equity to fund the project. The investor limited partner claims the tax credits annually over 10 years. The annual credit amount is calculated such that the present value of credits over 10 years equals a percentage of the total project costs (30 percent of costs for non-competitive 4% credits or 70 percent of costs for competitive 9% credits), pro-rated for the share of affordable units. To be eligible for non-competitive 4% credits, the project must also have tax-exempt bond financing that funds at least 50% of costs. A project financed with LIHTCs must comply with program requirements for a 15-year compliance period, followed by an extended use period of 15 years or more.
Internal Report: Related Affordable, LLC - / Marina Vista Apartments

Table 1: Basic information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>/ Marina Vista Apartments</th>
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<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
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<tr>
<td>Municipality</td>
<td>Buffalo City</td>
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<tr>
<td>School District</td>
<td>Buffalo</td>
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<tr>
<td>Project Cost</td>
<td>$23,053,613</td>
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<tr>
<td>Construction Budget</td>
<td>$8,704,800</td>
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<tr>
<td>Direct Employment Expected</td>
<td>5</td>
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<tr>
<td>Direct Labor Income</td>
<td>$156,047</td>
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<tr>
<td>Direct Construction Jobs</td>
<td>64</td>
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<tr>
<td>Direct Construction Labor Income</td>
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<tr>
<td>Total Labor Income</td>
<td>$3,501,517</td>
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Table 2: Estimated State & Regional Benefits*

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<th>Region</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
</tr>
<tr>
<td></td>
<td>Sales Tax Revenue</td>
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<tr>
<td>State</td>
<td>Income Tax Revenue</td>
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<tr>
<td></td>
<td>Sales Tax Revenue</td>
</tr>
<tr>
<td></td>
<td>TOTAL Estimated Revenue</td>
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</table>

Table 3: Estimated Project Incentives*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
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<td>Sales Tax Savings</td>
<td>$380,835</td>
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<td>Mortgage Tax Savings</td>
<td>$93,757</td>
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<td>TOTAL Estimated Incentives</td>
<td>$474,592</td>
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Table 4: Employment Breakdown

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<tr>
<td>Direct**</td>
<td>5</td>
</tr>
<tr>
<td>Indirect***</td>
<td>6</td>
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<tr>
<td>Induced****</td>
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<tr>
<td>Construction</td>
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</tr>
<tr>
<td>Direct</td>
<td>64</td>
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<tr>
<td>Indirect</td>
<td>23</td>
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</table>

Table 5: Ratios

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>3.9:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>24.4:1</td>
</tr>
</tbody>
</table>

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

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EVALUATIVE CRITERIA
Marina Vista Apartments

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Census Tracts</td>
<td>The property is located in census tract 59 which is considered highly distressed under the State statute. It is also surrounded by several other highly distressed tracts.</td>
</tr>
<tr>
<td>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</td>
<td>N/A Project represents renovation of an existing facility.</td>
</tr>
<tr>
<td>Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes elimination of slum and blight</td>
<td>Elimination of slum and blight: The project sits within census tract 59 and is surrounded by will serve to enhance the area and eliminate the many years of disinvestment which has plagued the neighborhood.</td>
</tr>
<tr>
<td>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.)</td>
<td>N/A.</td>
</tr>
<tr>
<td>Redevelopment Supports or aligns with Regional or Local Development Plans</td>
<td>The project complies with the investment and growth criteria of the Framework for Regional Growth.</td>
</tr>
<tr>
<td>Environmental or Safety Issues.</td>
<td>The developer plans elevator modernization along with updates to smoke detectors</td>
</tr>
<tr>
<td>LEED/Renewable resources</td>
<td>NA</td>
</tr>
<tr>
<td>Building or site has historic designation</td>
<td>N/A</td>
</tr>
<tr>
<td>Site or structure has delinquent or other local taxes</td>
<td>Taxes are current.</td>
</tr>
<tr>
<td>MBE/WBE utilization</td>
<td>The company has yet to select a general contractor for the project</td>
</tr>
<tr>
<td>Demonstrated support of local gov’t.</td>
<td></td>
</tr>
<tr>
<td>Project/developer’s return on investment</td>
<td>N/A</td>
</tr>
<tr>
<td>Impediments to conventionally financing project.</td>
<td>According to the developer, the project could not be undertaken without financial assistance from the Agency. The project requires tax exempt bond financing to be eligible for 4% LIHTC’s and they are not currently aware of any other source from which the project would be able to obtain tax exempt bond financing.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| Transit oriented development | Route 5  
Route 40  
Metro Rail |

February 27, 2019
PUBLIC HEARING SCRIPT

**Related Affordable, LLC and Marina Vista Apartments, L.P., on behalf of themselves and/or an entity or entities formed or to be formed on behalf of the foregoing Project**

Public Hearing to be held **February 4, 2019** at **9:00 a.m.** in the offices of the Erie County Industrial Development Agency (the “ECIDA” or the “Issuer”) at 95 Perry Street, Suite 403, Buffalo, New York 14203

**ATTENDANCE**

Dennis Penman, Penman Development Partners  
Deep Katdare, Related Companies  
Alison Carey, Related Companies  
Karen Fiala, ECIDA  
John Cappellino, ECIDA  
Kirk Laubenstein, CEJ Buffalo  
Jerome Shadwick, Buffalo Laborers’ 2010  
Evelyn Vossler, COB Council North District  
Jonathan Fuzak, NYSLOF

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

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

**2. PURPOSE: Purpose of the Hearing.**

**Hearing Officer:** Pursuant to and in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Issuer is conducting this public hearing in connection with a certain proposed project, as more fully described below (the “Project”), to be undertaken by the Issuer for the benefit of Related Affordable, LLC and Marina Vista Apartments, L.P., on behalf of themselves and/or an entity or entities formed or to be formed on behalf of the foregoing (the “Company”).

The Issuer published a Notice of Public Hearing with respect to the Project in The Buffalo News on January 21, 2019.
3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: The proposed Project shall consist of the issuance by the Issuer of its Multifamily Housing Revenue Bonds under Section 145 of the Code (the "Bonds") to be utilized for: (i) the acquisition by the Issuer of title to or a leasehold interest in approximately 5.4 acres of land with an address of 32 Hertel Avenue, City of Buffalo, Erie County, New York, such land being more particularly described as tax map 88.24-4-1 (the "Land"), and the existing improvements located thereon, consisting principally of two (2) 13-story towers containing approximately 188,000 +/- square feet in the aggregate (the "Existing Improvements"), (ii) the renovation, reconstruction and refurbishment of the Existing Improvements called "Marina Vista Apartments" and containing 97 one-bedroom units, 97 two-bedroom units, and a non-revenue employee unit, management office, community room, two laundry rooms and outdoor barbeque area (collectively, the "Improvements"); (iii) the acquisition in and around the Improvements and of certain items of equipment and other tangible personal property and equipment (the "Equipment"; and, collectively with the Land and the Improvements, the "Facility"); (iv) the issuance by the Issuer of its Multifamily Housing Revenue Bonds in a principal amount not to exceed $13,300,000 (the "Bonds") for the purpose of financing all or a portion of the costs of the Project; (v) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds (the costs associated with items (i) through (v) above being hereinafter collectively referred to as the "Project Costs"); and (vi) the lease (with the obligation to purchase) or sale of the Issuer's interest in the Facility to the Company.

In addition to the Bonds, the financial assistance requested to be provided by the Issuer consists generally of an exemption from all New York State and local sales and use taxes with respect to the qualifying personal property included within the Facility or used in the acquisition, construction and equipping of the Facility and mortgage recording tax exemptions in connection with any financing or subsequent refinancing of the Project, if required.
Pursuant to the Code, interest on the Bonds will not be excluded from gross income for Federal income tax purposes unless the issuance of the Bonds is approved by the Erie County Industrial Development Agency Board of Directors. It is anticipated that the Erie County Industrial Development Agency Board of Directors will approve of the issuance of the Bonds at its meeting on February 27, 2019.

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 Issuer at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on February 26, 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.

Alison Carey, Associate with Related Affordable. On the project that we have to review today is an acquisition and renovation of Marina Vista Apartments, a 195 unit apartment property of which 194 of the units are rental units, 1 supers unit. The property has historically been governed by the section 236 program and underwent a low income tax credit renovation in the early 2000’s. As of the beginning of 2019 the section 236 restrictions have expired and so our proposal is to acquire and renovate the property using low income tax credits and tax exempt bond financing. The proposal is to have 100% of the rental units be tax credit units so that would result in an affordability regulatory agreement protecting 100% of the units as affordable for the next 30 plus years. So the renovation is approximately $36,000 per unit in direct hard costs as we’ve currently contemplated the scope and that’s looking to do renovations in 100% of the units looking at kitchens and baths, updating fixtures, appliances, lighting, etc., and also doing upgrades to common areas including the laundry facilities, the office, the common room, the community room, and then also doing significant work to the facades, roofs, updating and replacing windows and doing some site work as well.

My name is Rev. Kirk Laubenstein, I am the Director of the Coalition for Economic Justice. We are here for two reasons. One just to make sure that affordable means affordable. I think the devil is always in the details in regards to that. I mean, with these 63 units going off line last month as affordable units its really concerning that an out of town entity is coming in with you know millions and millions and millions of dollars scooping up this property which is right on our waterfront and has been affordable since the 70’s. And so, I mean that’s the main concern, what does affordability mean? I think
is a crucial component. Is it the same? Will the same people be in that property? Are they leaving and then having to you know, having to leave and then come back, because we know that often times what happens is when they leave they don’t come back and then when that happens the folks that have bought it say “well you know, there is not a demand so we can get out of this contract”. And so the real truth that I see is that we work day in and day out with poor people and the main concern is what does affordability look like? What’s the time frame in which people who have moved out of their apartments if they’re going to be moved out? You know, how does that all look. And the second is making sure that Related actually pays the construction workers that work on the project a living wage, good union wages. We’re a union town. I mean, I don’t know if you all know that, but we are, and we don’t need the ECIDA to be you know, giving out tax breaks to organizations that come into our town and say “well we’re going to pay subpar wages with no benefits, all those things. And so we really are interested in those two aspects. And what does affordability actually mean? What is the time frame if people are going to be moving out of their apartments, moved out of their apartments? When will they be back? How long? Where are they going to be? I mean, I think the devil definitely is in the details around all of that. And also, the other thing I was thinking about is it’s a big parcel of property which does not, the current development doesn’t take up all that land. So the other question is are there any plans for future development on that property? And if so, what does that look like? Will they be affordable? I mean, all of the things that I’ve asked, will they have a PLA? Again, we want to make sure that this development is done right and is done with poor folks in mind, especially folks that have lived there now for going on forty years. And also, making sure that the people that work at the place aren’t made poor by you coming in and getting $12 Million dollars of our money. Thanks so much.

My name is Jerome Shadwick, I’m a Business Agent for Laborers’ Local 210. I’ve lived in that area basically all my life from the West Side to Riverside. That’s my area, I live there now. I’m just basically looking that the job goes where construction workers in our area are working and you know, just make sure they get a living wage, that we are into an agreement where these guys are getting paid what they should get paid and not just take the money and leave. Most of the contractors have done that. We just want to make sure that you know, we’re taken care of. Thank you.

Deep Katsikare, Vice President Related Affordable. Just wanted to make a couple of observations and comments regarding the proposed project, just given some of the comments that have been made thus far. The property, as Alison my colleague mentioned earlier, was financed originally with a 236 mortgage. It was decoupled when we did a rehabilitation about 15 years ago. And the property currently is about 67% affordable under the tax credit program and 33% market rate. It’s been operating under a 236 program so everybody living there has been paying 236 rents, which are very affordable rents. However, it’s at risk of turning market rate for 33%, that component. So, our proposed rehabilitation currently through the tax credit program would actually convert the entire property to 100% affordable restricted at the 60% AMI level. So we’re actually preserving affordability more than the affordability that currently exists at the project. That’s one observation I would like to make. Secondly, the rehabilitation that we’re proposing is in-place rehab. So, the tenants that are currently living there would not be displaced. Our objective, and we do understand that a lot of the tenants that live there today have been living there for a very long time. Our objective is to keep as many of them in place as possible. So, not only are we extending the affordability of the property, but we’re also making every effort we can to make sure that this does not impact the day to day lives of the residents in a negative way. Furthermore, as a result of this tax credit rehabilitation, we would be under a regulatory agreement that would preserve the affordability of the property. There’s a 15 year tax credit compliance period, and after that, there’s a 15 year extended use period so it would guarantee affordability at this property for a 30 year period for 100% of the units, and that’s really our objective here. Related Affordable currently owns about 44,000 units of affordable housing around the country. We have a lot of properties here in Buffalo as well that are 100% affordable. And we really have a commitment to, and have historically had a commitment to affordability. So that is our real objective here in seeking this bond cap allocation.
Rev. Kirk Laubenstein, Coalition for Economic Justice. What’s 60% of AMI right now?
Alison Carey - I don’t know that off the top of my head right now.
Deep Katdare – Off the top of my head I don’t know what the AMI is.
John Cappellino – I think it’s, I have the figures, I can get for you, if you want to wait a
minute…

Jonathan Fuzak. NYSLOF. So I had a question about the Related response to the
questions about affordability but did not respond to the questions about the contractors or the construction
of the project, or the workers.

Hi, this is Deep Katdare from Related Affordable. Our objective obviously is to pay the
contractors a fair wage. We are not currently in the position to speak to exactly what the plan is, but we
will be able to get back to you with some proposal to show you exactly what the plan is. We’re just not
equipped, the two of us, to speak to that plan. Thank you.

John Cappellino, ECIDA. The NYS Affordable Housing Corporation puts out the actual
calculations. This was, I believe they’ve updated it for 18; I grabbed the 17 one, but it’s pretty close, so
for 60% AMI, one person option income family $28,680, and then two person would be $32,760.

Rev. Kirk Laubenstein, Coalition for Economic Justice. One or two bedroom?

Representative from Related Affordable. One bedroom 50%, two bedroom 50%.

6. ADJOURNMENT.

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

February 4, 2019 at 9:00 a.m. at
95 Perry Street, Suite 403, Buffalo, NY 14203 regarding:

Related Affordable, LLC and Marina Vista Apartments, L.P., on behalf of themselves and/or an entity or entities formed or to be formed on behalf of the foregoing

Project Location: 32 Hertel Avenue, City of Buffalo, Erie County, New York

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dennis Penman</td>
<td>Penman Development Partners</td>
<td></td>
</tr>
<tr>
<td></td>
<td>172 Allen</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo, NY</td>
<td></td>
</tr>
<tr>
<td>Deep Katdare</td>
<td>Related Companies</td>
<td>X</td>
</tr>
<tr>
<td>Alison Carey</td>
<td>Related Companies</td>
<td>X</td>
</tr>
<tr>
<td>Karen Fiala</td>
<td>ECIDA</td>
<td></td>
</tr>
<tr>
<td>Kirk Laubenstein</td>
<td>CEJ Buffalo</td>
<td>X</td>
</tr>
<tr>
<td>Jerome Shadwick</td>
<td>Buffalo Laborers’ 210</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>25 Tyrol Drive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cheektowaga, NY 14227</td>
<td></td>
</tr>
<tr>
<td>Evelyn Vossler</td>
<td>COB Council North District</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1502 City Hall</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo, NY 14202</td>
<td></td>
</tr>
<tr>
<td>Jonathan Fuzak</td>
<td>NYSLOF</td>
<td>X</td>
</tr>
</tbody>
</table>
Marina Vista Apartments

Section I: Applicant Background Information

**Applicant Information - Company Receiving Benefit**

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name</strong></td>
<td>Marina Vista Apartments</td>
</tr>
<tr>
<td><strong>Applicant Name</strong></td>
<td>Related Affordable, LLC or related entity (Proposed owner is a to-be-formed entity of which the general partner will be owned by Related Affordable, LLC)</td>
</tr>
<tr>
<td><strong>Applicant Address</strong></td>
<td>60 Columbus Circle</td>
</tr>
<tr>
<td><strong>Applicant Address 2</strong></td>
<td>18th Floor</td>
</tr>
<tr>
<td><strong>Applicant City</strong></td>
<td>New York</td>
</tr>
<tr>
<td><strong>Applicant State</strong></td>
<td>New York</td>
</tr>
<tr>
<td><strong>Applicant Zip</strong></td>
<td>10023</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>212-801-3738</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td>212-801-3731</td>
</tr>
<tr>
<td><strong>E-mail</strong></td>
<td><a href="mailto:dpearson@related.com">dpearson@related.com</a></td>
</tr>
<tr>
<td><strong>Website</strong></td>
<td>related.com</td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
<td>TBD (Proposed owner to be formed)</td>
</tr>
<tr>
<td><strong>NAICS Code</strong></td>
<td>TBD (Proposed owner to be formed)</td>
</tr>
<tr>
<td><strong>Will a Real Estate Holding Company be utilized to own the Project property/facility</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>What is the name of the Real Estate Holding Company</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
<td></td>
</tr>
<tr>
<td><strong>State and Year of Incorporation/Organization</strong></td>
<td></td>
</tr>
<tr>
<td><strong>List of stockholders, members, or partners of Real Estate Holding Company</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Individual Completing Application**

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td>Alison Carey</td>
</tr>
<tr>
<td><strong>Title</strong></td>
<td>Associate</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>60 Columbus Circle</td>
</tr>
<tr>
<td><strong>Address 2</strong></td>
<td>18th Floor</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td>New York</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>New York</td>
</tr>
<tr>
<td><strong>Zip</strong></td>
<td>10023</td>
</tr>
</tbody>
</table>

https://www.ecidany.com/app/tax-incentive-application-2014/print/797
Phone 212-419-8508
Fax 212-301-3731
E-Mail acarey@related.com
Company Contact (if different from individual completing application)

Name: David Pearson
Title: Senior Vice President
Address: 60 Columbus Circle
Address 2: 18th Floor
City: New York
State: New York
Zip: 10023
Phone: 212-301-3738
Fax: 212-301-3731
E-Mail: dpearson@related.com

Company Counsel

Name of Attorney: David Boccio
Firm Name: Levitt & Boccio, LLP
Address: 423 West 55th Street
Address 2: 8th Floor
City: New York
State: New York
Zip: 10019
Phone: 212-801-3769
Fax: 212-801-3762
E-Mail: dboccio@levittboccio.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business: Expected to be a Limited Partnership
Type of Ownership:
Year Established: 2019

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

The proposed owner will be a single-asset entity to be formed in 2019. The entity is expected to be a limited partnership, with a general partner owned 100% by Related Affordable, LLC and a Class B limited partner comprised of certain Related employees. Upon closing on the proposed acquisition, a to-be-determined low-income housing tax credit investor will enter the partnership as the investor limited partner and is expected to have 99.99% ownership. The Applicant will provide an example organizational chart for a low-income housing tax credit partnership and provide updated ownership information when the investor limited partner is determined.
Applicant Business Description

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

The proposed owner will be a single-asset entity formed for the purposes of acquiring, rehabilitating, owning, financing, leasing, and operating Marina Vista Apartments, a multi-family rental property located at 32 Hertel Avenue, Buffalo, Erie County, New York. The proposed owner will engage a related to-be-formed entity as developer to carry out the rehabilitation activities and a related management company, Related Management Company, L.P., to manage the property.

Estimated % of sales within Erie County

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

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

Estimated % of sales outside the U.S.

(*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

For the proposed rehabilitation, it is expected that approximately 5 percent of materials will be sourced from firms in Erie County and approximately 50 percent of the cost for goods and services will be subject to State and local sales and use tax. The vendors and suppliers are to be determined. For the management of the property, it is expected that approximately 45 percent of supplies and vendor services will be purchased from firms in Erie County.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
City of Buffalo

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

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

Address
32 Hertel Avenue, Buffalo, NY 14207 (also referenced as 10 and 12 Hertel Avenue)

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
88.24-4-1

What are the current real estate taxes on the proposed Project Site
$102,225 in 2018 per schedule of annual PILOT payments in existing PILOT agreement

Assessed value of land
435,600

Assessed value of building(s)
5,264,400

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
City of Buffalo

School District of Project Site
Buffalo School District

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

If No, indicate name of present owner of the Project Site
Watergate II Properties Housing Development Fund Company, Inc.

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

Describe the present use of the Proposed Project site
The Proposed Project Site is currently used as low-income affordable multi-family rental housing.

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

The Proposed Project is the acquisition and renovation of Marina Vista Apartments (formerly known as Watergate II Apartments), a 195-unit affordable apartment community built in 1973, in order to preserve and improve an important affordable housing resource in the City of Buffalo. The property consists of an approximately 5.4-acre lot with two 13-story towers, containing 97 one-bedroom units, 97 two-bedroom units, and a non-revenue employee unit, as well as a management office, community room, two laundry rooms, and outdoor barbecue area. The property offers an appealing transit-accessible waterfront location with green space and views of the Niagara River, in an area of Buffalo experiencing an increase in development activity. The property is home to many long-term residents, with a majority of households having lived at the property for 10 years or more. The property was originally financed with a HUD-insured loan assisted by interest reduction payments under Section 236 of the National Housing Act. The property was previously governed by a Section 236 Use Agreement requiring that 100% of units be occupied by residents earning no more than 80% area median income (AMI) and restricting rents based on Section 236 basic and market rent levels. This Section 236 Use Agreement expired on January 1, 2019. In 2004, the property was refinanced with New York State Housing Finance Agency (HFA) bonds and underwent a low income housing tax credit (LIHTC) rehabilitation. As a result, the property is also governed by a Regulatory Agreement that specifies that 131 units must be set aside for residents with incomes at or below 60% AMI (77 one-bedroom units and 54 two-bedroom units). The Regulatory Agreement is expected to be effective through 2044, or 40 years from the mortgage loan closing. In connection with the LIHTC rehabilitation, the project received a 15-year PILOT agreement with the City of Buffalo and County of Erie that is expected to expire on July 1, 2019. In the approximately 15 years since its renovation, Marina Vista has been well-maintained but now has physical needs that require significant capital investment. The Applicant proposes to work with HFA to obtain an allocation of 4% LIHTCs and work with the Erie County Industrial Development Agency (ECIDA) to obtain an allocation of tax-exempt bonds to finance an acquisition and rehabilitation of the property. The acquisition closing and start of renovation is expected to occur in early 2019 with the renovation expected to be complete by early 2020. The Applicant proposes to invest approximately $36,000 per unit in direct hard costs (approximately $45,000 in total construction costs) to complete a comprehensive rehabilitation that will improve the property functionally and aesthetically. The proposed renovation is contemplated to include building envelope and site work (roof repair, window replacement, balcony and façade repair, lighting, repaving, and concrete work), building system and common area improvements (elevator modernization, accessibility modifications, and community space upgrades), and updates to 100% of units (counters, cabinets, appliances, sinks and faucets, toilets, lighting, outlets, smoke detectors, fan coils, and window treatments). The property will remain livable throughout construction. In addition to physical upgrades, the proposed owner is expected to enter into regulatory agreements in connection with the LIHTCs and tax-exempt bonds to ensure that 100% of units remain affordable for residents with incomes at or below 60% AMI for at least another 30 years. These commitments will protect 63 affordable housing units otherwise at risk of losing their affordability upon expiration of the Section 236 Use Agreement in 2019. To ensure that preserving the affordability is viable, the Applicant plans to work with the City of Buffalo and Erie County to obtain a new 15-year affordable housing PILOT agreement. The proposed project will preserve and improve affordable housing in the City of Buffalo for current and future residents.

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 Project could not currently be undertaken without Financial Assistance from the Agency. The Project requires tax-exempt bond financing to be eligible for 4% LIHTCs and we are not currently aware of any other source from which the Project would be able to obtain tax-exempt bond financing. The bond financing and LIHTC equity are critical for the Applicant to undertake the Project.

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

The tax-exempt bond financing and LIHTC equity are critical for the Applicant to undertake the proposed acquisition and rehabilitation of the property. The Project will enable an investment of approximately $7 million in direct hard costs (an average of $36,000 per unit), and nearly $9 million in total construction costs, to address physical needs at the property. Built 45 years ago and last renovated 15 years ago, the property has been maintained but now has significant capital needs. The proposed preliminary renovation includes roof repair, window replacement, balcony and façade repair, lighting, repaving, concrete work, elevator modernization, accessibility modifications, community space upgrades, and updates to 100% of units to address worn appliances, fixtures, finishes, and electrical and HVAC equipment. The Project will allow the Applicant to preserve and improve an important affordable housing resource in Buffalo in an area of the city that is currently experiencing notable redevelopment activity and growing pressure on housing affordability. With respect to affordability protections, 63 currently affordable units will become unrestricted as of January 2019 when the Section 236 restrictions expire. Through this Project, the Applicant will protect
the affordability at these 63 units with new regulatory agreements, as well as maintain the affordability protections at the 131 other rental units. The project is also expected to generate approximately 18 new construction jobs through the rehabilitation, with an expected average salary of $50,000/year for full-time roles and $20/hour for part-time roles, in addition to enabling the retention of five positions on the property management team.

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

Yes

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

If the Applicant is unable to obtain Financial Assistance for the Project, the Applicant will need to seek other resources to enable the acquisition and rehabilitation and it is unclear that other resources will be available for the project. If other resources are not available, the Applicant will not be able to acquire and rehabilitate the property. The owner will continue to work to maintain the property given available resources, but the property will likely experience increasing physical needs and declining condition. In addition, 63 units have become unrestricted when the Section 236 affordability restrictions expired in January 2019 and may not benefit from any new affordability protections.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

It is expected that the project will lease some equipment, such as laundry machines, postage machine, printer/copiers, and dumpsters.

Site Characteristics

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

Yes

Describe the present zoning/land use

Per the City of Buffalo parcel tax report and zoning map available online, the property is currently zoned D-R with a 411-Apartment use. The D-R zone is intended for residential campuses, including apartment buildings in a park or otherwise organized development. The property currently comprises two apartment buildings with a surface parking lot surrounded by green space.

Describe required zoning/land use, if different

The proposed project does not involve a change to the required zoning or land use.

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

N/A

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

No

If yes, please explain

The preparer is not aware of any known or potential presence of contaminants that would complicate the development/use of the property.

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes, new equipment purchased as part of the Project will provide energy efficiency benefits. The renovation will include the replacement of equipment in residential units, including energy-efficient lighting, windows, and appliances. The unit work will also
include upgrades to HVAC equipment that will improve energy efficiency. The renovation is also planned to include roof insulation to reduce energy consumption.

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

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

No

If yes, please explain.

The company does not plan to perform research and development activities at the project location.

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

N/A

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

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

Please check any and all end uses as identified below.

<table>
<thead>
<tr>
<th>Retail Sales</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>No Manufacturing</th>
<th>Yes Multi-Tenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Acquisition of Existing Facility</td>
<td>No Commercial</td>
</tr>
<tr>
<td>Yes Housing</td>
<td>No Back Office</td>
</tr>
<tr>
<td>Yes Equipment Purchase</td>
<td>No Retail</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No Mixed Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Facility for the Aging</td>
</tr>
<tr>
<td>No Civic Facility (not for profit)</td>
</tr>
<tr>
<td>Yes Other</td>
</tr>
</tbody>
</table>

Leasing office, resident amenities (e.g., laundry, community room)
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$ 10,000,000 188,080 square feet 5 acres

New Building Construction

$ 0 square feet

New Building addition(s)

$ 0 square feet

Infrastructure Work

$ 0

Renovation

$ 8,704,800 188,080 square feet

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 3,828,781

Other Cost

$ 1,066,032

Explain Other Costs

The other costs include approximately $557,172 in financing and legal costs, such as attorney fees, issuer fees, lender fees, and tax credit equity related fees, and approximately $508,860 in lender and investor reserves and escrows.

Total Cost

$ 23,599,613

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:

The Applicant has ordered third-party reports required for the tax-exempt bond financing and low income housing tax credit applications (e.g., market study, environmental report).

Sources of Funds for Project Costs:

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

$ 575,400

Bank Financing:

$ 2,140,213

Tax Exempt Bond Issuance (if applicable):

$ 12,501,000

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

$ 8,383,000

Identify each state and federal grant/credit:
The project is expected to generate approximately $8,393,000 in equity from the sale of 4% low income housing tax credits, shown in the Public Sources field above. In addition, the equity amount listed above includes an expected $575,400 in income from operations used as a development source. The value in the bank financing field above includes approximately $500,000 from a seller note and $1,640,213 in deferred development fees. The applicant expects to work with a lender to execute a private placement of the tax-exempt bonds or another similar structure approved by ECIDA to provide the debt for the Project.

Total Sources of Funds for Project Costs:

$23,599,613

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.

$ 12,501,000

Lender Name, if Known

TBD

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

$93,757

Construction Cost Breakdown:

Total Cost of Construction

$ 8,704,800  (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

$ 4,352,400

% sourced in Erie County

5%

% sourced in State

5% (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

$ 4,352,400

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

$ 380,835

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency’s PILOT benefit:
The current PILOT at the property expires in 2019 and the Applicant intends to apply to the City of Buffalo for a new PILOT through the City’s PILOT program for qualified housing developments.

For proposed facility, please include # of sq ft for each of the uses outlined below
The Erie County Industrial Development Agency (ECIDA)

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<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>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>188,080 square feet</td>
<td>$23,599,613</td>
</tr>
</tbody>
</table>

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

No

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

<BLANK>

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

N/A

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities
3/1/2019

End date: Estimated completion date of project
1/1/2020

Project occupancy: estimated starting date of operations
3/1/2019

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?

No

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

Current # of jobs at proposed project location or to be relocated at project location

IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED

IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED

Estimate number of residents of the Labor Market Area in which the Project is located that will...
** 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>$40,000</td>
<td>$7,700</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$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>N/A</th>
<th>N/A</th>
<th>N/A</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>
Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

$ 280,000

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

$ 40,000

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

$ 0

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

$ 0

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

$ 0

Estimated salary range of jobs to be created

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

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

No

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

N/A - Marina Vista Apartments is located in Buffalo, New York. The Applicant seeks to acquire, rehabilitate, and preserve affordability at the property. If the project does not occur, the property will likely remain as multifamily housing but will likely experience increasing physical needs. In addition, 63 units will become unrestricted when the Section 236 affordability restrictions expire in January 2019 and may not benefit from any new affordability protections.

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

N/A

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

No

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

N/A

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

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

4% Low-Income Housing Tax Credits, PILOT
Section III: Facility Type - Single or Multi Tenant

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

For Single Use Facility

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

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility
Erie County and the City of Buffalo have need for affordable housing. According to the U.S. Census Bureau (2013-2017 American Community Survey 5-Year Estimates), the percentage of households living in rental units and paying 30% or more of their household income in gross rent has been nearly 50% in Erie County and over 50% in the City of Buffalo. As the region continues to experience redevelopment activity, the need for preserving existing affordable housing will continue to grow. Marina Vista provides much-needed affordable rental units in a transit-accessible location with proximity to downtown and key community amenities. The property had an average of 98% occupancy in 2018, indicating the value of this affordable housing resource for the community. The proposed rehabilitation will be a tenant-in-place renovation and the property will remain liveable throughout construction, maintaining the availability of these units for current and future residents.

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

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

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

General Background Information

Address of Premises 32 Hertel Avenue (also referenced as 10 and 12 Hertel Avenue) Buffalo, New York 14207

Name and Address of Owner of Premises (Proposed owner is a to-be-formed entity) Related Affordable, LLC 60 Columbus Circle New York, New York 10023

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

As described in the Phase I report prepared by ATC in January 2019, the site contains a single 5.36-acre parcel with two buildings surrounded by maintained turf to the south and west and paved parking to the north and east in an area characterized by residential and commercial uses. There is no surface water or wetlands on the property. The property abuts the Niagara River. The property is relatively level with a gentle slope toward the Niagara River to the west.

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

The Premises consist of two 13-story brick apartment buildings built in 1973 and renovated in 2004, along with a surface parking lot and entrance drive. The property will be operated as residential apartments.

Describe all known former uses of the Premises

According to the Phase I report prepared by ATC in January 2019, the historical uses of the property included a lumber yard and residential apartments.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

Yes

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

The property consists of residential apartments leased by residents other than the proposed owner. In addition, the property currently has 5 rooftop leases with wireless carriers. The carriers have placed antennas and other related equipment in dedicated areas of the rooftop.

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

According to the Phase I report prepared by ATC in January 2019, there were no known spills, releases, or unpermitted discharges at the property. Nearby sites were identified in environmental databases as having a record of spills or releases, but the report determined that the facilities are not considered to pose a threat to the property.

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

Yes

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

The property has a small number of local code violations resulting from physical needs that are in the process of being addressed. The proposed renovation will address physical needs at the property.

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

The preparer is not aware of any notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises.

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?

https://www.ecidany.com/app/tax-incentive-application-2014/print/797

74
If yes, provide the Premises' applicable EPA (or State) identification number
The current and proposed use of the Premises as residential apartments does not involve activities associated with petroleum products or hazardous substances, with the exception of "small quantities (less than five gallons) of commercial cleaning and maintenance products that were properly stored in original containers," as documented by ATC in the 2019 Phase I report.

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
The rubber removal company is Allied Waste.

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years
The solid waste disposal facility is not known.

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.
The current and contemplated use of the property as residential apartments does not involve industrial process 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.
The preparer is not aware of any discharges of waste water, process water, or contact or noncontact cooling water at the property nor any septic tanks on site. Based on the Phase I report, stormwater either infiltrates the soil or discharges to catch basins located in the paved parking area of the property.

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.
The preparer is not aware of any waste discharge into surface or groundwater.

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.
The preparer is not aware of any air emission sources that emit contaminants from the Premises.

Are any of the air emission sources permitted?
No

If yes, attach a copy of each permit.

Storage Tanks
List and describe all above and underground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks.
The preparer is not aware of any underground storage tanks at the Premises. From the Phase I report, "ATC observed a 60-gallon
day tank associated with an emergency power generator in the mechanical room of Building 12. No signs of release or staining on the concrete surface beneath the day tank was observed. Based on observed conditions at the time of the property reconnaissance the diesel day tank is not considered to represent an environmental concern to the property.

**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**

The preparer is not aware of any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks.

**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**

From the Phase I report, "ATC observed one (1) pad-mounted transformer on the north side of Building 12. No label indicating PCB-content was observed; however, no staining or sign of release was observed on the concrete pad beneath the transformer. Based on observed conditions, the transformer is not expected to represent an environmental concern." The preparer is not aware of any PCB spills, discharges or other accidents at the Premises.

**Do the Premises have any asbestos containing materials?**

Yes

**If yes, please identify the materials**

A prior asbestos-containing material (ACM) survey in 2001 identified the presence of ACM in floor tiles and ceiling texture and panels. The 2019 Phase I report noted that "all potential ACM building materials were observed in good condition at the time of the site visit." The proposed rehabilitation will use best practices for managing ACM during the proposed renovation and the site will have an ACM Operations and Maintenance for ongoing operations.
Section VI: Inter-Municipal Move Determination

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

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

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

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

N/A

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain N/A

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

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

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

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

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

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

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

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

Yes 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. 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>
TO: ECIDA Board of Directors

FROM: Bob Murray

DATE: January 29, 2019

RE: Termination of the Bond Documents for Multifamily Housing Revenue Bonds, Series 2003 (Affinity Sutton Place L.P. Project) and Consent for Assignment and Assumption of Regulatory Agreement

BACKGROUND:

In 2003, the Erie County Industrial Development Agency ("ECIDA") issued its Multifamily Housing Revenue Bonds, Series 2003 (Affinity Sutton Place L.P. Project) (the "Bonds") in the amount of $9,995,000 for a project which consisted of the reconstruction and rehabilitation of 246 affordable housing rental units (the "Project Facility") located at 113 Travers Boulevard in the Town of Amherst.

Affinity Sutton Place L.P. (the "Company") desires to sell the Project Facility, which would allow the Company to prepay and redeem the Bonds. The sale of the Project Facility, and subsequent redemption of the Bonds, requires the ECIDA to terminate the documents executed in connection with the issuance of the Bonds and those documents providing financial assistance for the Project by the ECIDA. Upon selling the Project Facility and redeeming the Bonds, neither the Company nor the ECIDA will have a property interest in the Project Facility.

Sutton Place of Amherst LLC (the "Purchaser") desires to maintain the Project Facility as an affordable housing complex. The Declaration of Negative Covenants (the "Regulatory Agreement") is the controlling document for the low-income affordability of the Project Facility, which will be assigned to the Purchaser from the Company via the Assumption and Assignment of Regulatory Document (the "Assignment"). Pursuant to Section 8 of the Regulatory Agreement, the ECIDA must provide its consent for the Assignment.

ACTION REQUESTED:

The Company is seeking the termination of the issuance documents and documents contemplating financial assistance for the Project Facility. In order to facilitate the sale of the Project Facility, the ECIDA Board must authorize the termination of these documents. In addition, the ECIDA Board must give its consent for the Purchaser to assume and be assigned the Declaration of Negative Covenants from the Company.
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION

AFFINITY SUTTON PLACE PROJECT – MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2003

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, February 27, 2019 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING, WITH REGARD TO THE 2003 AFFINITY SUTTON PLACE L.P. MULTIFAMILY HOUSING PROJECT, THE NEGOTIATION, EXECUTION AND DELIVERY OF (A) THE TERMINATION OF THE ISSUER DOCUMENTS (AS DEFINED BELOW), AND (B) CONSENT TO AN ASSIGNMENT AND ASSUMPTION OF THE DECLARATION OF RESTRICTIVE COVENANTS, TOGETHER WITH RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Issuer" or the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, AFFINITY SUTTON PLACE L.P., for itself or on behalf of an entity formed or to be formed (the "Company") previously submitted an application to the Issuer, and the Issuer approved, via resolution on November 13, 2002 (the "Original Inducement") the undertaking of a project (the "Project") consisting of: (i) the acquisition of a leasehold interest in approximately twenty-one (21) acres of improved real property (the "Land") located at 113 Travers Boulevard in the Town of Amherst, Erie County; (ii) the reconstruction and rehabilitation of 246 affordable housing rental units (the "Facility") located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (the "Equipment") (the Land, Facility and Equipment are hereinafter collectively referred to as the "Project Facility"); (iv) the financing of all or a portion of the costs of the foregoing by the issuance of the Issuer's tax-exempt (or incidental taxable) revenue bonds in an estimated aggregate amount up to $12,860,000; (v) the funding of a debt service reserve fund, if applicable; (vi) the granting of certain other financial assistance in the form of exemptions from real property tax, mortgage recording tax, and sales and use taxation (collectively, the "Financial Assistance"); and (vii) the lease with an obligation to purchase or sale of the Project Facility to the Company pursuant to an agreement; and

WHEREAS, the Issuer previously issued its Multifamily Housing Revenue Bonds, Series 2003 (Affinity Sutton Place L.P. Project) in the original aggregate principal amount of
$9,995,000 (the "Bonds"), pursuant to a certain Trust Indenture, dated as of May 1, 2003 (the "Indenture"), by and between the Issuer and U.S. BANK NATIONAL ASSOCIATION (as successor in interest to Wachovia Bank, National Association), as trustee (the "Trustee"), the proceeds of which were advanced to the Company and used to finance a portion of the Costs (as defined in the Indenture) of the Project; and

WHEREAS, in connection with the Issuer’s issuance of the Bonds and granting of Financial Assistance to the Company, the Issuer executed certain documents including, but not limited to, a certain Agency Lease Agreement, dated as of May 1, 2003 (the "Agency Lease Agreement"), and a memorandum thereof which was recorded in the Office of the Erie County Clerk (the "Clerk") on May 1, 2003, in Liber 11038 at Page 3373 (the "Memorandum of Agency Lease"), between the Agency and the Company; a certain Company Lease Agreement, dated as of May 1, 2003 (the "Company Lease Agreement"), and a memorandum thereof which was recorded in the Office of the Clerk on May 1, 2003, in Liber 11038 at Page 3366 (the "Memorandum of Company Lease"), between the Company and Agency; a certain Multifamily Mortgage, Assignment of Rents and Security Agreement, dated as of May 1, 2003 (the "Mortgage"), from the Agency and Company to the Trustee and FANNIE MAE, which was recorded in the Office of the Clerk on May 1, 2003, in Liber 13069 at Page 856; and a certain Assignment and Intercreditor Agreement, dated as of May 1, 2003 (the "Intercreditor Agreement"), by and among the Agency, the Trustee and Fannie Mae and consented to by the Company, which was recorded in the Office of the Clerk on May 1, 2003, in Liber 11038 at Page 3373 (collectively, the "Issuer Documents"); and

WHEREAS, as a condition of the disbursement of the proceeds of the Bonds for the Project Facility under the Indenture, the Company was required to execute and deliver a certain Declaration of Restrictive Covenants, dated as of May 1, 2003 (the "Regulatory Agreement"); and

WHEREAS, the Company has informed the Agency that the Company desires to sell its fee interest in the Project Facility (the "Sale"), including, but not limited to, the Land and Improvements, to Sutton Place of Amherst LLC (the "Purchaser"); and

WHEREAS, the monies paid from the Purchaser to the Company for the Sale will be applied towards the prepayment and redemption of the Bonds, pursuant to terms of the Indenture; and

WHEREAS, upon execution of the Sale and redemption of the Bonds, the Company has requested the Issuer Documents be terminated by the Agency, together with any and all documents necessary and related thereto (the "Termination Documents"); and

WHEREAS, the Company has requested, and the Issuer seeks to provide, consent to a certain Assignment and Assumption of Regulatory Agreement, dated as of the date of the Sale, by and between the Company and Purchaser (the "Assignment"), pursuant to Section 8 of the Regulatory Agreement.
NOW, THEREFORE, THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. Subject to the terms of this resolution, including but not limited to any necessary notice having been provided, or proof of waiver thereof, and other requirements in accordance with the Bonds, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Issuer, to negotiate, execute and deliver (A) the Termination Documents and (B) consent for the Assignment, together with related documents thereto.

Section 2. Subject to the terms of this resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Issuer, to negotiate, execute and deliver any and all documents reasonably contemplated by this Resolution or required by the Bonds or the documents necessary to effectuate the prepayment and redemption of the Bonds (collectively, the "Redemption Documents") and, where appropriate, the Secretary or the Assistant Secretary of the Issuer is hereby authorized to affix the seal of the Issuer to the Redemption Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, upon advice of counsel, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Issuer to constitute conclusive evidence of such approval; provided in all events recourse against the Issuer is limited to the Issuer’s interest in the Project Facility.

Section 3. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Issuer with all of the terms, covenants and provisions of the documents executed for and on behalf of the Issuer.

Section 4. No covenant, stipulation, obligation or agreement contained in this Resolution, the Termination Documents, the Redemption Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Issuer in his or her individual capacity.

Section 5. Any obligations of the Issuer under the Redemption Documents or the Bonds, or any related document for the payment of money shall not create a debt of the State or Erie County (the "County") and neither the State nor the County shall be liable on any obligation so incurred, but any such obligation shall be a special obligation of the Issuer.

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Section 6. This resolution shall take effect immediately.

Dated: February 27, 2019

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STATE OF NEW YORK       
COUNTY OF ERIE          

I, the undersigned Secretary of the Erie County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Erie County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on February 27, 2019, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of the Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ___ day of February, 2019.

Robert G. Murray
Secretary

[SEAL]
February 1, 2019

John Cappellino,
Executive Vice President
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, New York 14202

Re: PILOT Agreement dated September 1, 2009, as subsequently amended ("PILOT")
between Clover Communities Fries, LLC ("Clover") and Erie County Industrial
Development Agency ("IDA") regarding property located at 300 Fries Road,
Tonawanda, New York ("Facility") known as "Brighton Square"

Dear John:

We are requesting IDA consent to a partial transfer and restructuring of the equity interests
of Clover whereby the equity interests currently owned indirectly by various limited partners will
now be owned by Welltower Inc. as shown in the enclosed organizational charts. The net result
is that there will be a change of equity ownership of approximately 80% to 90%. Michael L.
Joseph and two key executives will not be transferring their equity interests; however, the manner
in which they hold those interests will be restructured as shown on the enclosure. This partial
transfer and restructuring ultimately replaces Mr. Joseph's private equity investors with a single
institutional publically traded investor that will partner with Clover for future endeavors.
Notwithstanding the aforementioned changes, Clover Management, Inc. will remain property
manager of the Facility and Mr. Joseph will continue to participate in certain major decisions of
Clover.

Similarly, we do not anticipate that the aforementioned transaction will necessitate
modification of any of the agreements entered into between Clover and the IDA. The "Company"
as defined in the PILOT and other related documents, shall remain Clover Communities Fries,
LLC. All mortgages that currently encumber the Facility will be satisfied and discharged of
record in connection with the subject transaction. Employment at the Facility will not be reduced.
The new equity partner, Welltower Inc. (NYSE: WELL, www.welltower.com), is an S&P 500 company headquartered in Toledo, Ohio, that invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower, a real estate investment trust ("REIT"), owns interests in properties concentrated in major, high-growth markets in the United States, Canada and the United Kingdom, consisting of seniors housing, post-acute communities and outpatient medical properties.

We would appreciate being placed on the agenda, if possible, for the February meeting. Should you have any questions or if you require any additional information, please contact Teia Marie Bui, Esq. at Clover Management, Inc. or the undersigned.

Sincerely,

[Signature]

Blaine S. Schwartz

Cc: Robert Murray, Esq.
    Teia Bui, Esq.
EXISTING EQUITY OWNERSHIP

Michael L. Joseph  
25%

Various limited partners each owning a 25% or less interest

Clover Communities Fries, LLC  
Clover Facility

POST TRANSFER AND REORGANIZATION EQUITY OWNERSHIP

Michael L. Joseph - 94%  
Clover Management Executives - 6%

Welttower, Inc.  
100% Member

MGR 19, LLC  
Clover Member  
10% - 20% (TBD)

Well Ibis Portfolio Member LLC  
Welltower Member  
80% - 90% (TBD)

WellClever Venture LLC  
Joint Venture

Clover Communities Fries, LLC  
Clover Facility
Clover Communities Fries LLC

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name: Clover Communities Fries LLC
Applicant Name: Clover Communities Fries LLC
Applicant Address: 348 Harris Hill Road
Applicant Address 2:
Applicant City: Williamsville
Applicant State: New York
Applicant Zip: 14221
Phone: 7166884503
Fax: 7166367504
E-mail: tbui@clovergroupinc.com
Website: clovergroupinc.com
Federal ID#: 27-0338938
NAICS Code:
Will a Real Estate Holding Company be utilized to own the Project property/facility: Yes
What is the name of the Real Estate Holding Company: Clover Communities Fries LLC
Federal ID#: 27-0338938
State and Year of Incorporation/Organization: New York 2009
List of stockholders, members, or partners of Real Estate Holding Company:
Michael L. Joseph, and various limited members having interest of 25% of less.

Individual Completing Application

Name: Teia Marie Bui, Esq.
Title: General Counsel to Clover Management, Inc.
Address: 348 Harris Hill Road
Address 2:
City: Williamsville
State: New York
Zip: 14221

https://www.ecidany.com/app/tax-incentive-application-2014/print/817
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 Teia Marie Bui, Esq.
Firm Name General Counsel to Clover Management, Inc.
Address 348 Harris Hill Road
Address 2
City Williamsville
State New York
Zip 14221
Phone 7166884503 ext 303
Fax 7166367504
E-Mail tbui@clovergroupinc.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business Limited Liability Company
Type of Ownership
Year Established 2009
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/817
Please include name and % of ownership.

Michael L. Joseph 24.9%; One Liberty Partners, L.P. 25%; Clover Communities Fund I, L.P. 50%. Application filing is for consent to a partial transfer and reorganization of equity ownership whereby the equity interests currently owned indirectly by various limited partners will now be owned by Welltower Inc. The net result is that there will be a change of equity ownership of approximately 80% to 90%. Michael L. Joseph and two key executives will not be transferring their equity interests; however, the manner in which they hold those interests will be restructured. This partial transfer and restructuring ultimately replaces Mr. Joseph's private equity investors with a single institutional publicly traded investor that will partner with Michael Joseph for future endeavors. Notwithstanding the aforementioned changes, Clover Management, Inc. (owned and controlled by Michael Joseph) will remain Property Manager of the Facility and Mr. Joseph will continue to participate in certain major decisions of Clover Communities Fries LLC.
Applicant Business Description

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

Existing market rate senior apartments.

Estimated % of sales within Erie County 100% of rent revenue
Estimated % of sales outside Erie County but within New York State n/a
Estimated % of sales outside New York State but within the U.S. n/a
Estimated % of sales outside the U.S. n/a

(*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.

n/a
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
Tonawanda, New York

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

In which Municipality will the proposed project be located
Tonawanda, New York

Address
300 Fries Road, Tonawanda, New York

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

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

SBL Number for Property upon which proposed Project will be located
54.77-5-1

What are the current real estate taxes on the proposed Project Site
$252,000

Assessed value of land
$320,000

Assessed value of building(s)
$3,398,000

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Town of Tonawanda

School District of Project Site
Kenmore-Town of Tonawanda

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
There is an acquisition agreement for the partial equity interest transfer and reorganization, which is the subject matters of this

https://www.ecidany.com/app/tax-incentive-application-2014/print/817
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)

Project will remain unchanged.

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:

n/a

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)

n/a

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

<BLANK>

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

n/a

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

n/a

Site Characteristics

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

Yes

Describe the present zoning/land use

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

<BLANK>

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

n/a

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

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

  If yes, please explain.

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

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 Facility for the Aging
No Housing         No Back Office            No Civic Facility (not for profit)
No Equipment Purchase  No Retail                No Other
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$0

New Building Construction

$0

New Building addition(s)

$0

Infrastructure Work

$0

Renovation

$0

Manufacturing Equipment

$0

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

$0

Soft Costs: (professional services, etc.)

$0

Other Cost

$0

Explain Other Costs

Project has already been constructed. No changes to the project are anticipated.

Total Cost

$0

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):

$

Bank Financing:

$0

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):

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Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:
$0

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

Mortgage Recording Tax Exemption Benefit:

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

$ 

Lender Name, if Known 

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

$0

Construction Cost Breakdown:

Total Cost of Construction

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

Cost for materials

$ 

% sourced in Erie County

% 

% sourced in State

% (including Erie County)

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

$ 

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

$ 

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></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>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>

https://www.ecidany.com/app/tax-incentive-application-2014/print/817
If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

<BLANK>

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

1/1/2019

End date: Estimated completion date of project

1/1/2019

Project occupancy: estimated starting date of operations

1/1/2019

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?

No

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Part time</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>3</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.

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1/1/2019
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>1</td>
<td>$44,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>$35,360</td>
<td>$0</td>
<td>$15,808</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>will remain the same</th>
<th>will remain the same</th>
<th>will remain the same</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>
Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

$95,168

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

$79,360

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

$15,808

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

$0

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

$0

Estimated salary range of jobs to be created

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

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

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

No

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

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

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

No

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

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

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?
Multi-Tenant Facility

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

Multi-Tenant Facility
Please explain what market conditions support the construction of this multi-tenant facility
n/a

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

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

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

<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>

https://www.ecidany.com/app/tax-incentive-application-2014/print/817
Section IV: Tenant Information
Section V: Environmental Questionnaire

General Background Information

Address of Premises 300 Fries Road, Tonawanda, New York

Name and Address of Owner of Premises Clover Communities Fries, LLC, 300 Fries Road, Tonawanda, New York

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

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  
n/a

Describe all known former uses of the Premises  
n/a

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?  
Yes

If yes, please identify them and describe their use of the property  
Tenants under residential leases

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

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

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

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

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

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

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

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

If yes, please provide copies of the permits.

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

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

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

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

Discharge into Waterbodies

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

Air Pollution

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

Are any of the air emission sources permitted?
No
If yes, attach a copy of each permit.

Storage Tanks

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

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

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

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

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

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

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

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?
Within New York State No
Within Erie County No

If Yes to either question, please, explain

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

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

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

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

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

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

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

Are you applying for tax incentives under the Adaptive Reuse Program? 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? <BLANK>
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) n/a
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 n/a
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 n/a
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 33.333%, 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?