July 12, 2018
8:30 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the June 7, 2018 Policy Committee Minutes (Pages 2-4)

3. Project Matrix (Pages 5-7)

4. Project Presentations (Staff – Company Q&A)
   a. Black Rock Freight House, LLC (Pages 8-44)
   b. Column Development (Pages 45-78)
   c. Ebenezer Railcar Services, Inc. (Pages 79-109)
   d. 683 Northland Avenue/BUDC (Pages 110-139)

5. Policy Discussion/Action
   a. Sodexo Employment Retention (Pages 140-141)
   b. Job Retention Material Terms Recommendation (Pages 142-144)

6. Updates/Discussion
   a. API Termination Request (Page 145)
   c. Adaptive Reuse Working Groups – (Informational)

7. Adjournment – Next Meeting August 2, 2018 at 8:30 a.m.
MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: June 7, 2018, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Hon. April Baskin, Rev. Mark E. Blue, Mr. Richard Cummings, Colleen DiPirro, Hon. William J. Krebs, Richard Lipsitz, Jr., Laura Smith, and David J. State


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

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist and Robert Rich III and Alan Dewart, on behalf of ROAR Logistics, Inc.

There being a quorum present at 8:35 a.m., Mr. Lipsitz called the meeting of the Policy Committee to order.

Mr. Lipsitz recognized new Policy Committee members, Richard Cummings and April Baskin to the meeting.

MINUTES

The minutes of the May 3, 2018 Policy Committee meeting were presented. Upon motion made by Mr. Blue, and seconded by Ms. Smith, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

ROAR Logistics, Inc., 535 Exchange Street, Buffalo, New York. Mr. Cappellino presented the proposed sales tax and real property tax abatement benefits project involving the company’s construction and equipping of a 12,400 sq. ft. facility for back office operations.

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

### Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
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<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Project Amount = $2,610,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $2,218,500</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year PILOT</td>
<td>Maintain Base = 43</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 55</td>
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<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>At project completion</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>7-year PILOT Term</td>
<td>Recapture of state and local sales taxes and real property taxes.</td>
</tr>
</tbody>
</table>

Mr. Cappellino then introduced Robert Rich III and Alan Dewert, who spoke on behalf of the company and provided additional background with respect to the project.

Ms. DiPirro commented on her role as Chair of the Regional Economic Development Council’s Logistics & Transportation Committee and noted that logistics is a growth industry within Western New York and spoke in favor of the project.

Mr. Blue queried as to the job descriptions and qualifications. Mr. Rich responded that logistics is a customer service business and anyone who is customer service oriented is a good job candidate.

Ms. Smith commented that the company could be located anywhere as its operations involve non-geographic specific back office operations, and expressed support for the project.
Ms. DiPirro moved and Mr. Blue seconded to approve of the project as proposed. Mr. Lipsitz called for the vote and the project was then unanimously approved for recommendation to the members of the Agency.

UPDATES/DISCUSSION

Adaptive Reuse Working Group. Mr. Cappellino provided committee members with an update regarding the Adaptive Reuse Working Group and noted that the working group will be meeting today to review the Buffalo Urban Development Corporation-Buffalo Niagara Partnership housing study that was just recently completed.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:15 a.m.

Dated: June 7, 2018

_________________________________________

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>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
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<td>2</td>
<td>Garden Plants, 370 Assoc</td>
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<td>4</td>
<td>128 Paul (St. Paul's)</td>
<td>Mar-17</td>
<td>$1,840,427</td>
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<td>85% - New</td>
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<td>1</td>
<td>PILOT Sales Tax</td>
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<td>R&amp;M Lea (Pleasure Arrow)</td>
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<td>Period of PILOT 10 Years</td>
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<td>Adair Rule</td>
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<td>$6,252,650</td>
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<td>Pilgrim Village</td>
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<td>1</td>
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<td>Month</td>
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<td>Jobs Retained</td>
<td>Jobs Created</td>
<td>Incentive Amount</td>
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<tr>
<td>1.</td>
<td>Elks of EB Street</td>
<td>May-17</td>
<td>85% - New 3 Jobs</td>
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<td>2.</td>
<td>REVPAC</td>
<td>Jun-17</td>
<td>Sales Mortgage Tax</td>
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<td>3.</td>
<td>WNY ITZ</td>
<td>Aug-17</td>
<td>85% - New 2 Jobs</td>
<td>8</td>
<td>YES</td>
<td>$267,000</td>
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<td>5.</td>
<td>Paulin Group</td>
<td>Aug-17</td>
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<td>5.</td>
<td>366 Chandler</td>
<td>Aug-17</td>
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<tr>
<td>5.</td>
<td>ITT Enkline</td>
<td>Sep-17</td>
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<td>157 Great Arrow</td>
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<td>$615,000</td>
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<td>5.</td>
<td>Emerson Hurst, LLC</td>
<td>Dec-27</td>
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<td>5.</td>
<td>El Paul Group LLC</td>
<td>Dec-27</td>
<td>Sales Mortgage Tax</td>
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</table>

Count | Project Name | Month | Sales/Mortgage Tax | Jobs Retained | Jobs Created | Incentive Amount | Pay Equity |
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<td>14</td>
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## Project Matrix/Material Factors/Clawbacks

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<th>Approval</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
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<th>Jobs Created</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
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<tbody>
<tr>
<td>1</td>
<td>Shell Fab</td>
<td>Jan-18</td>
<td>$3,018,000</td>
<td>85% threshold $2,563,300</td>
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<td>Mandatorily</td>
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<tr>
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<td>Acquest Development</td>
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<td>Group V (Athenos)</td>
<td>Feb-18</td>
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### Adhesive Reuse

**2018 Sub Total**

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<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
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<td>$1,141,693</td>
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Black Rock Freight House, LLC  
$10,245,657  
INDUCEMENT RESOLUTION

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

<table>
<thead>
<tr>
<th>COMPANY INCENTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Approximately $262,500 in sales tax savings</td>
</tr>
<tr>
<td>• Up to 3/4 of 1% of the final mortgage amount estimated at $65,000.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New Jobs Projected = 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT HISTORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 07/02/2018 - Public hearing held. Transcript attached</td>
</tr>
<tr>
<td>• 07/25/2018 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.</td>
</tr>
<tr>
<td>• 07/25/2018 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Black Rock Freight House, LLC</th>
</tr>
</thead>
</table>
| Project Address: | 68 Tonawanda Street  
|                 | Buffalo, New York 14207  
|                 | (Buffalo City School District) |

**Agency Request**

A sales tax and mortgage recording tax in connection with the adaptive reuse of the former New York Central Railroad Freight House

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Acquisition</td>
<td>$750,000</td>
</tr>
<tr>
<td>Renovation</td>
<td>$7,266,157</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$2,226,500</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$10,245,657</td>
</tr>
<tr>
<td>85%</td>
<td>$8,708,808</td>
</tr>
</tbody>
</table>

**Company Description**

Black Rock Freight House, LLC ("Black Rock") is a real estate development partnership with experience in redeveloping and restoring buildings to a productive mix of uses. The LLC is managed by Common Bond Real Estate (Jason Yots), The Frizien Group (Karl Frizlen) and BRD Construction (Mike and Dennis Masters).

**Project Description**

The proposed project consists of the redevelopment of the former New York Central Railroad Freight House as a mixed use project featuring approximately 34 apartments and 3,500 sq. ft. of retail space. All of the apartment units will consist of 1,100 sq. ft. of space and rent for all units is estimated at $1,400.

Prospective tenants for the retail space may include a recording studio, food processing company or other small scale market spaces. The freight house is currently vacant but was underutilized as it was used for storage purposes and light steel fabrication.

The building is located with close proximately to and will provide a connection between the Niagara Street corridor and Black Rock commercial district. It is anticipated that this project at this location will be the catalyst for additional investment in the surrounding area which is highly distressed and consists primarily of vacant brownfield sites.

**New Tax Revenue Estimated**

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 485-a Abatement Period</th>
<th>Additional City Revenue over 485-a Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,700</td>
<td>$3,000,000</td>
<td>$232,000</td>
<td>$162,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

Combined Tax Rate: $33
### Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</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 = $10,245,657</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $8,708,808</td>
</tr>
<tr>
<td>Employment</td>
<td>Same as recapture period</td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 1</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Same as recapture period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Same as recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of Mortgage recording tax, state and local sales taxes</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 equal to or greater than 85% of the amount proposed; ii) confirm company has created 1 new job iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

**PILOT Estimate Table Worksheet-Black Rock Freight House, LLC**

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,266,000</td>
<td>$3,000,000</td>
<td>$6.45</td>
<td>$27.01</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,245,657</td>
<td>N/A</td>
<td>$262,500</td>
<td>$65,000</td>
<td>$4,356,457</td>
</tr>
</tbody>
</table>

Calculate %

\[
\frac{(\text{Est. PILOT} + \text{Est. Sales Tax} + \text{Est. Mortgage Tax} + \text{Other})}{\text{Total Project Costs}} = 46\% 
\]
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</td>
<td>The Black Rock Freight House was constructed in 1906 and was previously used by the New York Central Railroad as a freight house and administrative office space.</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 the elimination of slum and blight.</td>
<td>For many years, the building has been used as a storage facility for a construction company. More recently a portion of the building was used as storage for a steel metalworking fabricator along with a small amount of storage space.</td>
</tr>
<tr>
<td>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)</td>
<td>The facility is currently vacant, not generating income and was previously underutilized.</td>
</tr>
<tr>
<td>Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. Project supports or aligns with Regional or Local Development Plans</td>
<td>The framework states that investment should be targeted to “developed areas” and “regional centers”. This project falls within the developed areas as designated by the Regional Framework.</td>
</tr>
<tr>
<td>Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)</td>
<td>Agency assistance is necessary due to an increase in construction costs and ongoing increases in interest rates. Additionally, the cost of the brownfield remediation and costs of detailed masonry reconstruction caused by prior uses and conditions make this site more difficult to redevelop. Extensive restoration work to both the interior and exterior work is required to re-purpose this building. The developer has submitted an ROI which indicates below average rate of return on the investment.</td>
</tr>
<tr>
<td>Demonstrated support of local government entities</td>
<td>The City of Buffalo Planning Board has approved the project. Mayor Brown is expected to provide a letter of support for the project.</td>
</tr>
<tr>
<td>LEED/Renewable Resources</td>
<td>N/A</td>
</tr>
<tr>
<td>Building or site has historic designation</td>
<td>The company is applying for historic tax credits to assist with the project</td>
</tr>
<tr>
<td>Site or structure has delinquent property or other local taxes</td>
<td>Taxes are current.</td>
</tr>
<tr>
<td>OTHER FACTORS TO CONSIDER:</td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs</td>
<td>The project site contains contamination from petroleum and other contaminants which need to be cleaned up in order for the project, as envisioned, to be suitable for residential use. The cleanup and remediation costs in anticipated to reach $500,000. The project is in the Brownfield Cleanup Program and the developers are working with the NYS Department of Environmental Conservation on finalizing a Remedial Action Work Plan.</td>
</tr>
<tr>
<td>Site or structure is located in a distressed census tract</td>
<td>Property is located in Census Tract 59 which considered highly distressed under the State statute.</td>
</tr>
<tr>
<td>Structure presents significant costs associated w/ building code compliance.</td>
<td>All new HVAC and fire safety systems must be installed to meet current building code requirements for the end use.</td>
</tr>
</tbody>
</table>

Dated: July 25, 2018
Return on Investment – Black Rock Freight House, LLC

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value $262,500
- ECIDA Mortgage Recording Tax Abatement approximate value $65,000

ROI

Black Rock Freight House, LLC has submitted a pro forma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 5.1%

Stated ROI for the project with ECIDA assistance is 6.3%
### Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Black Rock Freight House, 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>$10,245,657</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$7,266,157</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>1</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$31,209</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>53</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$2,792,563</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$2,823,773</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$1,598,881</td>
</tr>
<tr>
<td>Property Tax Revenue</td>
<td>$54,352</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$63,979</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$173,050</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$53,877</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$1,944,138</strong></td>
</tr>
</tbody>
</table>

### Table 3: Estimated Project Incentives *

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Estimated Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$317,894</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$65,000</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$382,894</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>1</td>
</tr>
<tr>
<td>Indirect***</td>
<td>1</td>
</tr>
<tr>
<td>Induced****</td>
<td>1</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>53</td>
</tr>
<tr>
<td>Indirect</td>
<td>19</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>5.1:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>17.6:1</td>
</tr>
</tbody>
</table>

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

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

Public Hearing to be held on July 2, 2018 at 9:30 a.m., at the Erie County Industrial Development Agency’s offices located at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE:

Richard Rogers – Urban Vantage

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:30 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 Buffalo Freight House LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Wednesday, June 20, 2018.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 1.68+/- acre parcel of land located at 68 Tonawanda Street in the City of Buffalo, Erie County, New York (the “Land”) together with the existing 29,640+/- SF former New York Central Railroad freight house building (the “Existing Improvements”), (ii) the construction, equipping, renovation, upgrading, and equipping of the Existing Improvements thereon into a total of approximately 42,115+/- SF of mixed-use space to be comprised of 3,043+/- SF of retail space and 39,072+/- SF of residential space to consist of 34+/- apartments (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment,” and collectively with
the Land, the Existing Improvements and the Improvements, the “Facility”).

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on July 24, 2018. 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.

Richard Rogers – Urban Vantage, LLC We are here representing Common Bond Real Estate, The Frizlen Group and BRD Construction. The project consists of the redevelopment and re-use of the of the former Black Rock Freight House building located at 68 Tonawanda Street in Buffalo. The project will convert an existing historic & brownfield site that has been underutilized for the past 30 years as a mixed-use redevelopment. It’s in the Tonawanda Street Brownfield opportunity area. It’s a big priority to catalyze investment in that area of the city. It will connect the Amherst Street commercial corridor to the Niagara Street commercial corridor.

The project will include approximately 34 apartments and roughly 3,500 sq. ft. of retail space. The apartments will each be 1,100 sq. ft. and will be 2-bedroom apartments and rents are anticipated just under $1,400 a month which is roughly at 100% of AMI for the Buffalo Niagara area. The project is going to be entering construction and construction should be complete by the end of 2018. We are currently receiving proposals from potential commercial tenants and we are hoping to have some light manufacturing with some retail or commercial component.

6. ADJOURNMENT:

As there were no further comments, the Hearing Officer closed the public hearing at 9:45 a.m.
SIGN IN SHEET  
PUBLIC HEARING

July 2, 2018, at 9:30 a.m.  
at the Erie County Industrial Development Agency’s offices located at  
95 Perry Street, Suite 403, Buffalo, New York 14203  
regarding:

Buffalo Freight House LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 68 Tonawanda Street, Buffalo, New York

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Rogers</td>
<td>Urban Vantage</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>170 Florida Street</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo, New York 14208</td>
<td></td>
</tr>
</tbody>
</table>
**Short Environmental Assessment Form**

**Part 2 - Impact Assessment**

Part 2 is to be completed by the Lead Agency. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept “Have my responses been reasonable considering the scale and context of the proposed action?”

<table>
<thead>
<tr>
<th>Question</th>
<th>No, or small impact may occur</th>
<th>Moderate to large impact may occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?</td>
<td>✅</td>
<td>✗</td>
</tr>
<tr>
<td>2. Will the proposed action result in a change in the use or intensity of use of land?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>3. Will the proposed action impair the character or quality of the existing community?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>7. Will the proposed action impact existing: a. public/private water supplies?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>b. public/private wastewater treatment utilities?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?</td>
<td>✗</td>
<td>✅</td>
</tr>
<tr>
<td>11. Will the proposed action create a hazard to environmental resources or human health?</td>
<td>✗</td>
<td>✅</td>
</tr>
</tbody>
</table>
Short Environmental Assessment Form
Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

☒ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

ERIE COUNTY IDA 7-25-18

KAREN M. FIALA
Print or Type Name of Responsible Officer in Lead Agency

ASST. TREASURER
Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (if different from Responsible Officer)
Black Rock Freight House

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name
Black Rock Freight House
Applicant Name
Buffalo Freight House LLC
Applicant Address
221 Bedford Avenue
Applicant Address 2
N/A
Applicant City
Buffalo
Applicant State
New York
Applicant Zip
14216
Phone
(716) 440-0521
Fax
None
E-mail
yots@commonbondrealestate.com
Website
commonbondrealestate.com
Federal ID#
82-0703217
NAICS Code
53112

Will a Real Estate Holding
Company be utilized to own
the Project property/facility
No

What is the name of the Real
Estate Holding Company
None

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

Individual Completing Application

Name
Richard Rogers
Title
Principal, Urban Vantage LLC
Address
520 Linwood Ave.
Address 2
N/A
City
Buffalo
State
New York
Zip
14209
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phone</strong></td>
<td>(716) 796-1142</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:rich@urbanvantage.com">rich@urbanvantage.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

Name: Jason Yots
Title: Manager, Common Bond Real Estate
Address: 221 Bedford Avenue
Address 2: N/A
City: Buffalo
State: New York
Zip: 14216
Phone: (716) 440-0521
Fax: N/A
E-Mail: Yots@commonbondrealestate.com

Company Counsel

Name of Attorney: Phillip G. Borrelli, Esq.
Firm Name: Borrelli & Yots, PLLC
Address: 14 Franklin Street
Address 2: Suite 813
City: Rochester
State: New York
Zip: 14604
Phone: (585) 454-1905
Fax: (585) 492-6136
E-Mail: pborrelli@borrelliyots.com

Identify the assistance being requested of the Agency

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

Business Organization

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

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


23
Please include name and % of ownership.

Buffalo Freight House LLC is comprised of the following members: Buffalo Freight House Managing Member LLC - 99.9% Jason Yots - 0.1% Buffalo Freight House Managing Member LLC is comprised of: Karl Frizlen - 33.33% Jason Yots - 33.33% Masters Tonawanda LLC - 33.34%
Applicant Business Description

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

The Applicant is a real estate development partnership with substantial experience in redeveloping historic buildings and returning the buildings to a productive mix of uses. The Applicant develops both housing and commercial space and then rents the space to residents and businesses. The Applicant is managed by Common Bond Real Estate (Jason Yots), The Frizlen Group (Karl Frizlen), and BRD Construction (Mike and Dennis Masters).

Estimated % of sales within Erie County 90%
Estimated % of sales outside Erie County but within New York State 5%
Estimated % of sales outside New York State but within the U.S. 5%
Estimated % of sales outside the U.S. 0

(*Percentage to equal 100%)

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

70%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Buffalo

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

Yes

In which Municipality will the proposed project be located

Buffalo

Address

68 Tonawanda Street, Buffalo, NY 14207

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

88.50-2-1.2

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

$3,807

Assessed value of land

$41,100

Assessed value of building(s)

$142,300

Are Real Property Taxes current?

Yes

If no please explain

N/A

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

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

Yes

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

N/A

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

Yes

Describe the present use of the Proposed Project site

The project site is currently vacant. It is being prepared for brownfield remediation and cleanup.

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 will redevelop the former New York Central Railroad freight house as a mixed-use building featuring roughly 35 apartments and roughly 3,000 square feet of retail space. Projected residential rents are below market rate for the area, coming in at affordable for those making slightly more than 80% of Area Median Income (discussed in detail below). Negotiations are ongoing with several prospective commercial tenants including a recording studio, food processing company, and other small scale "maker" spaces, however, leases have not yet been signed. The space is currently vacant and was previously underutilized, being used primarily for storage. The building is located in close proximity to and will provide a connection between the Niagara Street transit corridor and the Black Rock commercial district. The building is also located near Buffalo State college and near the multi-use "Scajaquada trailway." We anticipate this project will spur additional investment in the surrounding area, which is mostly comprised of vacant brownfield sites. Projected residential rents of $1,393 include water, garbage pickup, and internet, but not other utilities. Given the identical layout of each apartment, efforts to set aside units at lower rents have proven infeasible.

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)

The agency’s financial assistance is necessary because a recent increase in construction costs and ongoing increases in interest rates have threatened the financial viability of the project. The recent increase in construction costs makes the sales tax exemption particularly important for the financial feasibility of the project. Additionally, the cost of the brownfield remediation and costs of detailed masonry reconstruction caused by prior uses and conditions make this site more difficult to redevelop than the average redevelopment project.

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 Development Team would like to develop units that will be attainable to those at or below 100% of Area Median Income. Without Financial Assistance the Development Team will be forced to increase rents. It is unclear that the market could support such higher rents, causing the project to be unable to obtain the financing required to implement the project. Currently, for the Buffalo - Niagara Falls - Cheektowaga Metropolitan statistical area, the Novogradac Rent Calculator (found at: https://rc.novoco.com/tenant/rentincome/calculator/) indicates that a two-bedroom apartment is affordable to those making 80% of AMI in this area if it is priced at $1,346 per month. Our rents are projected at $1,393 per month, slightly above this amount, and comfortably affordable for someone making 100% of area median income. Charts and Graphs evidencing this information will be submitted with our application attachments. Another project recently completed by the development team at 170 Florida Street has rents ranging from $850 (1 bdrm) to $1,600 and has been able to attract tenants from a diverse range of income levels and backgrounds. The Applicant team will be impacted in that it will have recently purchased and will be obligated to conduct a brownfield cleanup without any practical and viable use for the space. This will cause the Applicant to lose the majority of the $1.3 Million it will have invested in those processes with no practical hope for recovery. The building will continue to be largely vacant and blighting influence on the surrounding area. Erie County will be adversely impacted as the opportunity for small businesses to develop in a transit oriented area on the City's west side will be further constrained. This will injure the many county residents who would like to start a business but do not have access to a vehicle and cannot practically access the types of acceptable commercial space that their business requires. The City's west side includes higher density development than much of the rest of the region so the business opportunities that this project will make available will have a disproportionately large impact (relative to other development projects) on county residents if financial assistance is not obtained and the project does not move forward.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Describe the present zoning/land use
The Project location is currently zoned as an N-15 "Secondary Employment Center" pursuant to the City's recently adopted Unified Development Ordinance (or 'Green Code'). This zone is a neighborhood zone designed to address "mixed-use industrial clusters... generally defined by mid-rise and large-footprint structures." A wide range of uses are permissible in this zone. Out of the Green Code’s seventy-eight listed uses, fifty-nine uses are allowed by right and four uses are allowed by special-use permit in this Secondary Employment Zone. This zone includes a wide variety of permissible uses and attempts to encourage adaptive re-use. The proposed uses of residential apartments and commercial space are all permissible uses within the Secondary Employment Center. The commercial space would likely fall under the Green Code’s Artisan Industrial, Light Industrial, or one of the many retail use classifications, all of which are allowed in the Secondary Employment Center zone without a use variance.

Describe required zoning/land use, if different
N/A. The anticipated uses will align with the zoning and land use requirements.

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. The anticipated uses will align with the zoning and land use requirements.

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

If yes, please explain
The Project site contains contamination from petroleum and other contaminants. These contaminants need to be cleaned up in order for the Project, as envisioned, to be suitable for residential use. The cleanup and remediation cost is anticipated to approach $500,000. The project is in the Brownfield Cleanup Program and the Development Team is working with the NYS Department of Environmental Conservation on finalizing a Remedial Action Work Plan.

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

If yes, please provide a copy.

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

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?
No

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.

Given the currently anticipated tenancy there is no expectation that there will be research and development activities occurring at the project site. However, this is subject to change.

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  Yes  Services  Yes

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 750,000 42,115 square feet 2 acres

New Building Construction

$ 0 square feet

New Building addition(s)

$ 0 square feet

Infrastructure Work

$ 0

Renovation

$ 7,266,157 42,115 square feet

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 2,229,500

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 10,245,657

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:

Acquisition, environmental investigation and work plan, architectural and legal fees. The total amount of such expenses currently exceeds $160,000.

Sources of Funds for Project Costs:

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

$ 69,691

Bank Financing:

$ 6,000,000

Tax Exempt Bond issuance (if applicable):

$ 0

Taxable Bond Issuance (if applicable):

$ 0

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

$3,485,166

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

Total Sources of Funds for Project Costs:
$9,554,857

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

Mortgage Recording Tax Exemption Benefit:
Estimated Mortgage Amount (Sum total of all financing – construction and bridge).
*Amount of mortgage, if any, that would be subject to mortgage recording tax.
$8,200,000

Lender Name, if Known
Evans Bank, Bank on Buffalo

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$82,000

Construction Cost Breakdown:
Total Cost of Construction
$7,266,157 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$3,000,000

% 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
$3,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$262,500

Real Property Tax Benefit:
Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency’s PILOT benefit:
Real Property Tax Law section 485-a: Residential-commercial Urban Exemption Program

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>3,043 square feet</td>
<td>$228,225 4</td>
</tr>
<tr>
<td>Retail</td>
<td>3,043 square feet</td>
<td>$0 0</td>
</tr>
</tbody>
</table>

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

8/1/2018

End date: Estimated completion date of project

12/20/2018

Project occupancy: estimated starting date of operations

12/1/2018

Have construction contracts been signed?

Yes

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

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

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be
filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

**Salary and Fringe Benefits for Jobs to be Retained and Created:**

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>1</td>
<td>$0</td>
<td>$0</td>
<td>$18,000</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>1</td>
<td>$30,000</td>
<td>$7,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

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

Payroll Information

Annual Payroll at Proposed Project Site
$ 48,000

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

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

Estimated average annual salary of jobs to be created (Full Time)
$ 30,000

Estimated average annual salary of jobs to be created (Part Time)
$ 18,000

Estimated salary range of jobs to be created
From (Full Time)   $ 30,000
To (Full Time)     $ 30,000
From (Part Time)  $ 18,000
To (Part Time)    $ 18,000

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

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

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

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

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

  Empire State Development - Better Buffalo Fund Loan Program. Assistance sought was $1,000,000 loan. Unclear what amount, if any, will be received.

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

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)
State and Federal Historic Tax Credits, Brownfield Tax Credits, RPTL 485(a).
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
Demand for unique "maker" space featuring production and a retail location is strong in this area and throughout the city. We anticipate demand for 2 bedroom residential space with separate access is also strong as it simulates a "townhouse" rather than apartment building, which is uncommon in this area of the city. As previously noted, proximity to Buffalo State, D'Youville, the Amherst Street commercial corridor and the Niagara Street commercial corridor, along with significant automobile traffic should maintain sufficient market demand.

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

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

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

General Background Information

Address of Premises 68 Tonawanda Street, Buffalo, NY 14207

Name and Address of Owner Buffalo Freight House LLC. 221 Bedford Avenue, Buffalo, NY 14216

of Premises

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
The premises are located in a rail right-of-way and include non-native fill that contains contaminants. At its nearest point, the premises are 368 feet away from the Scajaquada Creek.

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 Black Rock Freight House was built in 1906. A portion of the two story administrative offices on the south portion of the building were destroyed by a fire in 1940. The building is approximately 750 feet long by 48 feet wide. It sits on a 42 inch concrete base and has a pitched corrugated metal roof. Much of the brickwork is badly deteriorated. The project will restore the building exterior and reuse the interior portion for residential and commercial use. Through this process the brickwork will be repaired and original door and window openings will be restored.

Describe all known former uses of the Premises

The property was previously used by the New York Central Railroad as a freight house and administrative office space. It was then used by a construction company known as Nichte Associates, Inc. which eventually relocated to Cheektowaga. It was then used by Atlas Steel for artisan metalworking and steel fabrication.

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

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

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

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

The Part I and Part II environmental reports indicate the presence of petroleum and other contaminants in the soil.

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

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

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

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?
Yes

If yes, provide the Premises' applicable EPA (or State) identification number
C915316

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

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

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

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

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

The environmental consultants did not observe any transformers or PCB containing equipment, however some electrical equipment and small transformers were observed within the building. It is unknown if they contain any small amounts of PCB. Based on the age of the structure, light ballasts may contain PCB contaminated fluids.

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Based on the age of the building it is possible that asbestos and lead paint are associated with the structure. However, the insulation does not contain asbestos.
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 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? <BLANK>

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

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

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

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

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

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)

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 57

Describe the use of the building during the time it has been underutilized:
The building was primarily storage facility for a construction company. More recently part of the building was used as storage for a steel and metalworking fabricator along with a small amount of production space.

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

If yes, please provide dollar amount of income being generated, if any $ 0

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

<table>
<thead>
<tr>
<th></th>
<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>0</td>
<td>$</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>35</td>
<td>1,114</td>
<td>$ 1,393</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

Does the site have historical significance? Yes

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

If yes, provide estimated value of tax credits $ 3,387,669

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance.
Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)
The project has a financial gap as the funding sources will be insufficient to cover construction costs and debt service early in the project due to increasing construction costs and higher interest rates. The masonry in the building has deteriorated significantly, and bids to repair the stonework have come in higher than anticipated. Further, the tax credit equity contribution is lower than initially anticipated due to federal tax reform.

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities
We intend to receive support from the City of Buffalo. The district councilman, Joe Golombek has previously expressed support for the project. We also anticipate receiving a letter of support from Mayor Brown. The City of Buffalo, through its 485-a program will provide property tax relief for the project. We will also be requesting a letter of support from other city and county officials.

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments
The site is challenging to reuse given the materials utilized in its construction and the environmental cleanup costs. While tax

https://www.eoidany.com/app/tax-Incentive-application-2014/print/741
credits are helpful in defraying such costs, cost of construction materials and labor, in addition to interest rates, have been increasing, which has caused significant changes to the initial projections and threatens the financial viability of the project. The building is an historic resource and there are few buildings remaining in Buffalo of this use and architectural style. The building is located in a distressed census tract, in a former industrial and very contaminated area that is well positioned for economic development but struggles with several challenges common in legacy cities like Buffalo. Various planning efforts have focused on the creation of a waterfront park, creek access, and other amenities following environmental cleanup of nearby sites. This project will help to catalyze those efforts.
Section VIII: Senior Citizen Rental Housing Projects

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

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

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

Is the project consistent with the applicable municipal master plan?
<BLANK>

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

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

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

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

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

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

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

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

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

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

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

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

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area?
Column Development
$3,000,000
INDUCEMENT RESOLUTION

Eligibility
- NAICS Section - 531110

Company Incentives
- Approximately $174,000 in real property tax savings... 
- Approximately $131,250 in sales tax savings 
- Up to 3/4 of 1% of final mortgage. Estimated savings are $18,000

Employment
- Current Jobs 30 
- New Jobs Projected 8 
- Total Jobs after project completion 38

Project History
- 07/03/2018 - Public hearing held. Transcript attached. 
- 07/25/2018 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. 
- 07/25/2018 - Lease/Leaseback inducement Resolution presented to the Board of Directors.

Project Address: 380 Dick Road
Cheektowaga, New York 14043
(Cheektowaga Central)

Agency Request
A sales tax, mortgage and real property tax exemption in connection with the construction of a 45,000 sq. ft. facility for lease to L&W Supply.

Land Acquisition $650,000 
New Building Construction $1,935,000 
Infrastructure $350,000 
Soft Costs $65,000

Total Project Cost $3,000,000
85% $2,550,000

Company Description
Column Development is owned by Pano Georgiadis, John Kanustu and Roger Pasquarella. The company was established in 1989.

Project Description
In need of a new location along with additional warehouse space, Column Development will construct a new facility for L&W Supply at the Dick Road location. The proposed project involves the construction of a 45,000 sq. ft. building for lease to L&W Supply Corporation ("L&W"). L&W d/b/a Building Specialities is a building material supplier with almost 100% of its sales directly to contractors and delivered to job sites. A small percentage (less than 5%) of sales are for walk-in sales. L&W currently leases 26,000 sq. ft. at 675 Duke Road in the Town of Cheektowaga which facility was recently sold.

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>$1,000,000</td>
<td>$8,000</td>
<td>$39,000</td>
<td>$31,000</td>
</tr>
</tbody>
</table>

Combined Tax Rate: $32
## 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 = $3,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $2,550,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Construction Phase and PILOT Term or 2 years after project completion</td>
<td>Maintain Base = 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% pf Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 36</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 Term</td>
<td>Recapture of State and Local Sales Taxes, Real Property Tax and Mortgage Tax</td>
</tr>
</tbody>
</table>

Recapture applies to:

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

## Recapture

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

At completion of the project company must certify i) total investment amount equal to or greater than 85% of the amount proposed; ii) confirm company has maintained 30 employees and created an additional 8 jobs iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

### PILOT Estimate Table Worksheet - COLUMN DEVELOPMENT - 2018

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,285,000</td>
<td>$1,000,000</td>
<td>$5.23</td>
<td>$9.36</td>
<td>$16.97</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$523</td>
<td>$936</td>
<td>$1,697</td>
<td>$3,156</td>
<td>$31,560</td>
<td>$28,404</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$523</td>
<td>$936</td>
<td>$1,697</td>
<td>$3,156</td>
<td>$31,560</td>
<td>$28,404</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>$1,046</td>
<td>$1,872</td>
<td>$3,394</td>
<td>$6,312</td>
<td>$31,560</td>
<td>$28,404</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$1,046</td>
<td>$1,872</td>
<td>$3,394</td>
<td>$6,312</td>
<td>$31,560</td>
<td>$28,404</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
<td>$1,569</td>
<td>$2,808</td>
<td>$5,091</td>
<td>$9,468</td>
<td>$31,560</td>
<td>$28,404</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>$1,569</td>
<td>$2,808</td>
<td>$5,091</td>
<td>$9,468</td>
<td>$31,560</td>
<td>$28,404</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$1,569</td>
<td>$2,808</td>
<td>$5,091</td>
<td>$9,468</td>
<td>$31,560</td>
<td>$28,404</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$7,845</td>
<td>$14,040</td>
<td>$25,455</td>
<td>$47,340</td>
<td>$220,920</td>
<td>$173,580</td>
</tr>
</tbody>
</table>

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

**Percentage of Project Costs financed from Public Sector Table Worksheet:**

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000,000</td>
<td>$173,580</td>
<td>$131,250</td>
<td>$18,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 10.1 %
### ADDENDUM TO PROJECT LOG

**COLUMN DEVELOPMENT/L&W SUPPLY**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage Rate (above median wage for area) Wage rates provided are for L&amp;W employees</td>
<td>Erie County per capita income: $29,940 Company estimated average salary of jobs to be retained: $40,000 Company estimated average salary of jobs to be created: $30,000</td>
</tr>
<tr>
<td>Regional Wealth Creation (% sales/customers outside area)</td>
<td>Sales: Erie County: 100%</td>
</tr>
<tr>
<td>In Region Purchases (% of overall purchases)</td>
<td>Vendor services for Column Development are all from Erie County.</td>
</tr>
<tr>
<td>Research &amp; Development Activities</td>
<td>N/A</td>
</tr>
<tr>
<td>Investment in Energy Efficiency</td>
<td>N/A</td>
</tr>
<tr>
<td>Locational Land Use Factors, Brownfields or Locally Designated Development Areas</td>
<td>The land is currently zoned M-1 plus a variance for outside storage.</td>
</tr>
<tr>
<td>LEED/Renewable Resources</td>
<td>NA</td>
</tr>
<tr>
<td>Retention/Flight Risk</td>
<td>L&amp;W has indicated it could consolidate its operations to one of its other locations and expand to serve this market from outside of Erie County.</td>
</tr>
<tr>
<td>MBE/WBE Utilization</td>
<td>N/A</td>
</tr>
<tr>
<td>Workforce Access – Proximity to Public Transportation</td>
<td>Facility is on the following bus routes: 4B, 46A and 68A.</td>
</tr>
</tbody>
</table>

July 25, 2018
Internal Report: Column Development - Column Development

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Column Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Cheektowaga Town</td>
</tr>
<tr>
<td>School District</td>
<td>Cheektowaga</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$1,935,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>38 (8 created and 30 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$1,140,000</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>14</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$743,668</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$1,883,668</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>$45,535</td>
</tr>
<tr>
<td>Property Tax Revenue</td>
<td>$99,116</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$399,058</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax Revenue</td>
<td>$975,162</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$336,049</td>
</tr>
</tbody>
</table>

**TOTAL Estimated Revenue** $1,854,919

Table 3: Estimated Project Incentives

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$172,465</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$120,969</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$18,000</td>
</tr>
</tbody>
</table>

**TOTAL Estimated Incentives** $311,434
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>38 (8 created and 30 retained)</td>
</tr>
<tr>
<td>Indirect***</td>
<td>45</td>
</tr>
<tr>
<td>Induced****</td>
<td>25</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>14</td>
</tr>
<tr>
<td>Indirect</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>6:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>102.3:1</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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PUBLIC HEARING SCRIPT

Column Development, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on July 3, 2018 at 9:00 a.m., at the Town of Cheektowaga Town Hall, 3301 Broadway (Town Council Chamber), Cheektowaga, New York

ATTENDANCE:

Roger Pasquarella – Column Development
Pano Georgiadis – Column Development
Paul Leone – Consultant

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 Column Development, Inc. 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 Thursday, June 21, 2018.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 5.9 +/- acre parcel of vacant land located at 380 Dick Road, Town of Cheektowaga, Erie County, New York (the “Land”); (ii) the installation of certain infrastructure improvements to the Land and the construction and equipping of a 45,000 +/- SF warehouse building (the “Improvements”) to be utilized by L&W Supply Corporation (the “Tenant”); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and,
collectively with the Land and the Improvements, the “Facility”)(the “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 July 24, 2018. 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.

Roger Pasquarella, Column Development - Column Development is owned by Pano Georgiadis, John Kanustu and myself. The company was established in 1989. We will construct a new facility for L&W Supply at the Dick Road location. The proposed project involves the construction of a 45,000 sq. ft. building for lease to L&W Supply Corporation (“L&W”). L&W d/b/a Building Specialties is a building material supplier with almost 100% of its sales directly to contractors and delivered to job sites. A small percentage (less than 5%) of sales are for walk-in sales. L&W currently leases 26,000 sq. ft. at 675 Duke Road in the Town of Cheektowaga which facility was recently sold.

6. ADJOURNMENT:

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

July 3, 2018, at 9:00 a.m.
at the Town of Cheektowaga Town Hall, 3301 Broadway (Town Council Chamber)
Cheektowaga, New York
regarding:

Column Development, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 380 Dick Road, Cheektowaga, 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>Roger Pasquarella</td>
<td>Column Development 1243 Military Road Kenmore, New York 14217</td>
<td>X</td>
</tr>
<tr>
<td>Pano Georgiadis</td>
<td>Column Development 1243 Military Road Kenmore, New York 14217</td>
<td></td>
</tr>
<tr>
<td>Paul Leone</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Column Development

## Section I: Applicant Background Information

### Applicant Information - Company Receiving Benefit

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Column Development</td>
</tr>
<tr>
<td>Applicant Name</td>
<td>Column Development</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>1243 Military Rd</td>
</tr>
<tr>
<td>Applicant Address 2</td>
<td></td>
</tr>
<tr>
<td>Applicant City</td>
<td>Kenmore</td>
</tr>
<tr>
<td>Applicant State</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14217</td>
</tr>
<tr>
<td>Phone</td>
<td>716 481 4420</td>
</tr>
<tr>
<td>Fax</td>
<td>715 876 1879</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:columndevelopment@gmail.com">columndevelopment@gmail.com</a></td>
</tr>
<tr>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>Federal ID#</td>
<td>16-1352886</td>
</tr>
<tr>
<td>NAICS Code</td>
<td></td>
</tr>
<tr>
<td>Will a Real Estate Holding Company be utilized to own the Project property/facility</td>
<td>Yes</td>
</tr>
<tr>
<td>What is the name of the Real Estate Holding Company</td>
<td></td>
</tr>
<tr>
<td>Federal ID#</td>
<td>16-1352886</td>
</tr>
<tr>
<td>State and Year of Incorporation/Organization</td>
<td>1,989</td>
</tr>
<tr>
<td>List of stockholders, members, or partners of Real Estate Holding Company</td>
<td>Pano Gorgiadis</td>
</tr>
</tbody>
</table>

### Individual Completing Application

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Roger Pasquarella</td>
</tr>
<tr>
<td>Title</td>
<td>Vice President</td>
</tr>
<tr>
<td>Address</td>
<td>1243 Military Road</td>
</tr>
<tr>
<td>Address 2</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Kenmore</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14217</td>
</tr>
</tbody>
</table>
Phone: 716 481 4420
Fax: 716 876 1879
E-Mail: rogerpasq@yahoo.com
Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney      Seth Hibbert
Firm Name            Gentman & Biryla
Address              14 Lafayette Square
Address 2
City                 Buffalo
State                New York
Zip                  14203
Phone                716-853-4340
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       Corporation
Type of Ownership
Year Established       1989
State of Organization  New York

List all stockholders, members, or partners with % of ownership greater than 20%
Please include name and % of ownership.
Pano Georgiadis, John Kanustu, Roger Pasquarella. Each owning 33.3%
Applicant Business Description

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

Column Development was established in 1989 and buys, develops, builds and leases buildings to various tenants. Facilities have been designed and developed for companies such as Enterprise Rent a Car, Enterprise Rent a Truck, Sherwin Williams Paint and Decor, Paul Wolf insurance and JBM Mechanical as well as Russell Salvatore. The company is owned equally by Pano Georgiadis, John Kanustu and Roger Pasquarella.

Estimated % of sales within Erie County 100%
Estimated % of sales outside Erie County but within New York State 0
Estimated % of sales outside New York State but within the U.S. 0
Estimated % of sales outside the U.S. 0
(*Percentage to equal 100%)

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

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

Project Location

Municipality or Municipalities of current operations
Cheektowaga

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

In which Municipality will the proposed project be located
Cheektowaga

Address
380 Dick Road, Cheektowaga, NY 14043

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

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?
Yes
(If yes, you will need to complete the Retail Section of this application)

SBL Number for Property upon which proposed Project will be located
103.10-7-2.21

What are the current real estate taxes on the proposed Project Site
$9,500

Assessed value of land
$300,000

Assessed value of building(s)
N/A

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Cheektowaga

School District of Project Site
Cheektowaga

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

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

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

Describe the present use of the Proposed Project site
Vacant land on Dick Road in the Town of Cheektowaga.
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)

Single use tenant - L&W. Build a 45,000 sq.ft warehouse and distribution building on a vacant parcel of land. L&W need to expand due to increase in business in WNY.

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

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

Column Development will be constructing a new 45,000 sq. ft. facility at 380 Dick Road for lease to L&W Supply Corporation. L&W, d/b/a Building Specialties is a building material supplier with almost all of its sales directly to contractors which products are delivered directly to work sites throughout the area. A small percentage of direct sales (less than 5%) are to people to personally visit the site. L&W currently occupies 26,000 sq.ft of space at 675 Duke Road, also in the Town of Cheektowaga which facility will be sold. L&W has indicated it could consolidate its operations to one of its other locations and expand to serve this market from outside of Erie County.

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?

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

M1 Plus variance (Outside Storage)

Describe required zoning/land use, if different

N/A

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

Variance for outside storage

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 650,000

New Building Construction

$ 1,900,000

New Building addition(s)

$ 0

Infrastructure Work

$ 385,000

Renovation

$ 0

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 65,000

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 3,000,000

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

$ 0

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

Yes

If Yes, describe particulars:

preliminary soft costs

Sources of Funds for Project Costs:

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

$ 1,200,000

Bank Financing:

$ 1,800,000

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:**

$3,000,000

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

<BLANK>

**Mortgage Recording Tax Exemption Benefit:**

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

$ 1,800,000

**Lender Name, if Known**

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

$18,000

**Construction Cost Breakdown:**

**Total Cost of Construction**

$ 3,000,000

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

**Cost for materials**

$ 1,500,000

**% sourced in Erie County**

100%

**% sourced in State**

% (including Erie County)

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

$ 1,500,000

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

$ 131,250

**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:

N/A

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

<table>
<thead>
<tr>
<th>Manufacturing/Processing</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Warehouse</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>square feet</td>
<td>$1,710,000</td>
<td>90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Research &amp; Development</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail</th>
<th>Cost</th>
<th>% of Total Cost</th>
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</thead>
<tbody>
<tr>
<td>square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Office</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

$ 190,000

$ 0

0

0

10

0

0

0

0

0

0

0

0

0

0
Specify Other
square feet

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

8/1/2018

End date: Estimated completion date of project

12/30/2018

Project occupancy: estimated starting date of operations

1/30/2019

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?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>30</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>3</td>
<td>$65,000</td>
<td>$15,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>2</td>
<td>$45,000</td>
<td>$10,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>25</td>
<td>$3,045,000</td>
<td>$8,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

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

$ 1,200,000

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)

$ 30,000

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

$ 0

Estimated salary range of jobs to be created

| From (Full Time) | $ 30,000 | To (Full Time) | $ 48,000 |
| 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?

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

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

No

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

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

Single Use Facility

For Single Use Facility

Occupant Name  L&W Supply Corporation
Address  380 Dick Road
Contact Person  Roger Pasquarella
Phone  716-481-4420
Fax
E-Mail
Federal ID #
SIC/NAICS Code

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

<BLANK>

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

| 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
L&W Supply Corporation

Property Address:
675 Duke Road

City/Town/Village
Cheektowaga

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)
45,000

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
Triple Net

Estimated date of occupancy
1/1/2019

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
L&W Supply

Local Contact Person:
Kevin Dunwoody

Title:
General Manager

Current Address:

Phone:
716-681-3285

Fax:

E-Mail:

Website:

Company President/General Manager:
Kevin Dunwoody

Number of employees moving to new project location:

Full-Time:
30

Part-Time:
0

Total:
30

Do you anticipate increasing employment within the next two years?
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:
236220 - Construction product distribution, steel studs, drywall, etc. $30,000,000

Attach additional information as necessary.

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

Please list the square footage which the proposed tenant will lease at the Project location
45,000

Please list the square footage which the proposed tenant leases at its present location(s)
26,000

Describe the economic reason for either the increase or decrease in leased space.
Expanding business & product line

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:
675 Duke Road

City/Town/Village:
Cheektowaga

State:
NY

Zip:
14225

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

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

If leased, when does lease expire?
12/1/2018

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

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

Is location necessary to:

Discourage your company from moving out of New York State
Yes

Maintain your company’s competitiveness within the industry:
Yes

( if yes is checked on one or both please provide specific explanation as an attachment on company letterhead )
Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility
No
If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods
Yes
Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?
Yes
If yes, who was contacted and what was the outcome?
Niagara County
If no, why not?
Will present location be your company's headquarters?
No
If No, Where is the location of HQ:
City:
Chicago
State:
Illinois
Form Completed By:
Relationship to Company:
Section V: Environmental Questionnaire

General Background Information

Address of Premises: 380 Dick Road
Name and Address of Owner of Premises: Column Development - 1243 Military Road, Kenmore, NY 14217

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.):
5.77 Acres used in industrial area

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises:
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?
No

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

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

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

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

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

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

If yes, describe in full detail:

Solid And Hazardous Wastes And Hazardous Substances

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

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

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

If yes, please provide copies of the permits.

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

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

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

**Discharge Into Waterbodies**

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

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

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

No

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

**Air Pollution**

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

**Storage Tanks**

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

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

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

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

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?  
Yes

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

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

- this facility can be moved to Niagara county or consolidated with their Monroe County facility

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.)

- high ceilings 21 ft., loading docks, turn around area

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

<BLANK>

What factors have lead the project occupant to consider remaining or locating in Erie County?
- new, updated facility

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?
- will be sold, buyers waiting

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 $ 0
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>0</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Does the site have historical significance?  <BLANK>
Are you applying for either State/Federal Historical Tax Credit Programs?  No
If yes, provide estimated value of tax credits $ 0

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

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

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

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

<BLANK>

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?  
If the answer to this is less than 33% do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

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

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

If yes, explain:

30 jobs currently

Is the project located in a Highly Distressed Area?  
No
**Ebenezer Railcar Services, Inc.**  
**$6,000,000**  
**INDUENCEMENT RESOLUTION**

<table>
<thead>
<tr>
<th>ELIGIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• NAICS Section - 336510</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY INCENTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Approximately $635,000 in real property tax savings.</td>
</tr>
<tr>
<td>• Approximately $262,500 in sales tax savings.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project will generate approximately $173,000 of revenue to the local taxing jurisdictions over the abatement period representing $29,000 to the County of Erie, $46,000 to the Town of West Seneca and $98,000 to West Seneca Central School District.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Current: 84 (includes Blasdell &amp; West Seneca)</td>
</tr>
<tr>
<td>• New Jobs Projected: 13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT HISTORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 07/03/2018 - Public hearing held. Transcript attached.</td>
</tr>
<tr>
<td>• 07/25/2018 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SFQRA.</td>
</tr>
<tr>
<td>• 07/25/2018 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Title: Euenezer Railcar Services, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Address: 1001 Indian Church Road</td>
</tr>
<tr>
<td>West Seneca, New York 14224</td>
</tr>
<tr>
<td>(West Seneca Central School District)</td>
</tr>
</tbody>
</table>

**Agency Request**

A sales tax and real property tax exemption in connection with the construction of a 94,000 sq. ft. manufacturing facility.

- New Building Construction: $4,500,000
- Manufacturing Equipment: $1,300,000
- Non-Manufacturing Equipment: $100,000
- Soft Costs: $100,000
- Total Project Cost: $6,000,000
- 85%: $5,100,000

**Company Description**

Ebenezer Railcar Services, Inc is owned by ERS Industries, Inc which is 100% owned by ERS Industries, Inc. Employee Stock Ownership Retirement Plan.

Ebenezer manufacturers and repairs freight railcars for various industries. The manufacture of new-build freight railcars comprises the vast majority of current and anticipated future operations. The primary types of railcars manufactured are freight flatcars and boxcars, each of which can be specialized from a base frame. Customers include national and multinational freight-car leasing companies, Class I railroad companies and governmental agencies.

Industry competition is primarily in the United States, however competitors largely utilize manufacturing facilities located in Mexico and Canada. Ebenezer is the only freight railcar manufacturer in the State of New York.

**Project Description**

Ebenezer's currently owns its main facility in the Town of West Seneca, where they have 150,000 sq. ft. of space. In addition, 84,000 sq. ft. is leased in the Village of Blasdell.

With the intention of consolidating operations, they are proposing to construct 94,000 sq. ft. of manufacturing space at the West Seneca location and eventually combine the operations of both West Seneca and Blasdell.

In accordance with our Inter-Municipal Policy, we have notified the Mayor of the Village of Blasdell and Hamburg Supervisor of the company's intention to relocate from leased space within the Village.

The anticipated project completion date of the West Seneca facility should coincide with the lease termination at the Blasdell facility.
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>$1,500,000</td>
<td>$29,000</td>
<td>$144,000</td>
<td>$115,000</td>
</tr>
<tr>
<td>Combined Tax Rate: $77</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount. Total Project Amount: $6,000,000 85%: $5,100,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-Year PILOT</td>
<td>Maintain Base: 84 Create 85% of Projected Projected: 13 85%: 11 Recapture Employment: 95</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity/Unpaid Tax</td>
<td>Coincides with 7-Year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>7-Year PILOT Term</td>
<td>Recapture of State and Local Sales Taxes and Real Property Taxes</td>
</tr>
</tbody>
</table>

Recapture applies to:

State and Local Sales Taxes  
Real Property 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 equal to or greater than 85% of the amount proposed; ii) confirm company has maintained 84 employees and created an additional 13 jobs iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
## ADDENDUM TO PROJECT LOG

### EBENEZER RAILCAR SERVICES, INC.

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage Rate (above median wage for area)</td>
<td>Erie County per capita income: $29,940 Company estimated average salary of jobs to be retained: $52,000 Company estimated average salary of jobs to be created: $55,000</td>
</tr>
<tr>
<td>Regional Wealth Creation (% sales/customers outside area)</td>
<td>Sales: Outside Erie County and within NYS: 5% Outside NYS and within U.S.: 94%</td>
</tr>
<tr>
<td>In Region Purchases (% of overall purchases)</td>
<td>Approximately 41%</td>
</tr>
<tr>
<td>Research &amp; Development Activities</td>
<td>N/A</td>
</tr>
<tr>
<td>Investment in Energy Efficiency</td>
<td>Company is working with NYSEG and has submitted an initial application for its Capital Improvement Program which deals with electric related infrastructure improvements.</td>
</tr>
<tr>
<td>Locational Land Use Factors, Brownfields or Locally Designated Development Areas</td>
<td>Site is zoned industrial.</td>
</tr>
<tr>
<td>LEED/Renewable Resources</td>
<td>N/A</td>
</tr>
<tr>
<td>Retention/Flight Risk</td>
<td>Although Ebenezer would not be moving out of state, a commonly owned related company in Colorado, Liberty Railway Services, could receive this investment resulting in an expansion in Colorado. At this time, the company chooses to expand and improve its NYS operations, however this could change if circumstances in NYS dictate.</td>
</tr>
<tr>
<td>MBE/WBE Utilization</td>
<td>N/A</td>
</tr>
<tr>
<td>Workforce Access – Proximity to Public Transportation</td>
<td>Facility is accessible by bus routes 2 and 75.</td>
</tr>
</tbody>
</table>

July 25, 2018
PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits and Percentage of Project Costs financed from Public Sector sources

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

**PILOT Estimate Table Worksheet-EBENEZER RAILCAR SERVICES, INC.**

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,500,000</td>
<td>$1,500,000</td>
<td>$12.98</td>
<td>$20.47</td>
<td>$43.56</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$1,947</td>
<td>$3,071</td>
<td>$6,534</td>
<td>$11,552</td>
<td>$115,515</td>
<td>$103,964</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$1,947</td>
<td>$3,071</td>
<td>$6,534</td>
<td>$11,552</td>
<td>$115,515</td>
<td>$103,964</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>$3,894</td>
<td>$6,141</td>
<td>$13,068</td>
<td>$23,103</td>
<td>$115,515</td>
<td>$92,412</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$3,894</td>
<td>$6,141</td>
<td>$13,068</td>
<td>$23,103</td>
<td>$115,515</td>
<td>$92,412</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
<td>$5,841</td>
<td>$9,212</td>
<td>$19,602</td>
<td>$34,655</td>
<td>$115,515</td>
<td>$80,861</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>$5,841</td>
<td>$9,212</td>
<td>$19,602</td>
<td>$34,655</td>
<td>$115,515</td>
<td>$80,861</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$5,841</td>
<td>$9,212</td>
<td>$19,602</td>
<td>$34,655</td>
<td>$115,515</td>
<td>$80,861</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$29,205</td>
<td>$46,058</td>
<td>$98,010</td>
<td>$173,273</td>
<td>$808,605</td>
<td>$635,333</td>
</tr>
</tbody>
</table>

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,000,000</td>
<td>$635,000</td>
<td>$262,500</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 15 %
Internal Report: Ebenezer Railcar Services, Inc. - Ebenezer Railcar Services, Inc.

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Ebenezer Railcar Services, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(336) Transportation Equipment Manufacturing</td>
</tr>
<tr>
<td>Municipality</td>
<td>West Seneca Town</td>
</tr>
<tr>
<td>School District</td>
<td>West Seneca</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>97 (13 created and 84 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$5,335,000</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>33</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$1,729,461</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$7,064,461</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$167,613</td>
</tr>
<tr>
<td>Property Tax Revenue</td>
<td>$108,144</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$1,166,315</td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$3,043,897</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$982,160</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$5,468,128</strong></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Estimated Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$634,840</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$240,625</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$875,465</strong></td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>97 (13 created and 84 retained)</td>
<td></td>
</tr>
<tr>
<td>Indirect***</td>
<td></td>
<td>62</td>
</tr>
<tr>
<td>Induced****</td>
<td></td>
<td>108</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Indirect</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>6.2:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>106.4:1</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.
*** Indirect - The recipient of IDA assistance purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

Ebenezer Railcar Services, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on July 3, 2018 at 10:30 a.m.,
at the Town of West Seneca Town Hall, 1250 Union Road (Courtroom 100)
West Seneca, New York 14224

ATTENDANCE:
Joel Marsh - Ebenezer Railcar Services, Inc.
Jeff Schmartz - Ebenezer Railcar Service, Inc.
Hon. Shelia Meegan – Supervisor, Town of West Seneca

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

Hearing Officer: This public hearing is now open; it is 10:30 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 Ebenezer Railcar Services, Inc. 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 Thursday, June 21, 2018.

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

Hearing Officer: The proposed project (the “Project”) consists of: (i) a leasehold interest in a portion of a 48.26 +/- acre parcel of land located at 1005 Indian Church Road, Town of West Seneca, Erie County, New York (the “Land”) currently improved thereon with an existing 67,462 +/- SF manufacturing building (the “Existing Improvements”), which will be improved with a 94,000 +/- SF addition (the “Improvements”) to be utilized for manufacturing/processing, warehouse and office space, and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and together with the Improvements, the “Facility”).

85
The proposed financial assistance contemplated by the Agency includes New York State and local sales and use 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 July 24, 2018. 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.

Jeff Schmartz - President, Ebenezer Railcar Services, Inc. Ebenezer Railcar is owned by ERS Industries, Inc which is 100% owned by ERS Industries, Inc. Employee Stock Ownership Retirement Plan.

Ebenezer manufacturers and repairs freight railcars for various industries. The manufacture of new-build freight railcars comprises the vast majority of current and anticipated future operations. The primary types of railcars manufactured are freight flatcars and boxcars, each of which can be specialized from a base frame. Customers include national and multinational freight-car leasing companies, Class I railroad companies and governmental agencies.

Industry competition is primarily in the United States; however, competitors largely utilize manufacturing facilities located in Mexico and Canada. Ebenezer is the only freight railcar manufacturer in the State of New York.

Ebenezer currently owns its main facility in the Town of West Seneca, where they have 150,000 sq. ft. of space. In addition, 84,000 sq. ft. is leased in the Village of Blasdell. With the intention of consolidating operations, they are proposing to construct 94,000 sq. ft. of manufacturing space at the West Seneca location and eventually combine the operations of both West Seneca and Blasdell.

The anticipated project completion date of the West Seneca facility should coincide with the lease termination at the Blasdell facility.
Hon Shelia Meegan – Supervisor, Town of West Seneca. I am here today with Ebenezer Railcar and as part of the Town of West Seneca and the encouraging news we received for the expansion and your willingness to stay in the Town of West Seneca. You have opportunities throughout the County and you choose to continue to stay here and make this your home base. We are really excited about the additional job opportunities and the growth of your company, along with the prosperity that you bring to the Town of West Seneca. For that we are grateful and blessed to have you in our Town. Happy anniversary, I understand it’s a huge one coming up and we are going to do a proclamation and make a big deal about it. So, thank you again.

6. ADJOURNMENT:

As there were no further comments, the Hearing Officer closed the public hearing at 10:45 a.m.
SIGN IN SHEET - PUBLIC HEARING
July 3, 2018, at 10:30 a.m.
at the Town of West Seneca Town Hall, 1250 Union Road (Courtroom 100)
West Seneca, New York 14224
regarding:

Ebenezer Railcar Services, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed
or to be formed on its behalf

Project Location: 1005 Indian Church Road, Town of West Seneca, 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>Joel Marsh</td>
<td>Ebenezer Railcar Services, Inc. 1005 Indian Church Road West Seneca, New York 14224</td>
<td></td>
</tr>
<tr>
<td>Jeff Schmartz</td>
<td>Ebenezer Railcar Services, Inc. 1005 Indian Church Road West Seneca, New York 14224</td>
<td>X</td>
</tr>
<tr>
<td>Hon. Shelia Meegan</td>
<td>Town of West Seneca 1250 Union Road West Seneca, New York 14224</td>
<td>X</td>
</tr>
</tbody>
</table>
ERS Ebenezer

**Section I: Applicant Background Information**

*Applicant Information - Company Receiving Benefit*

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Ebenezer Railcar Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Name</td>
<td>Ebenezer Railcar Services, Inc.</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>1005 Indian Church Road</td>
</tr>
<tr>
<td>Applicant City</td>
<td>West Seneca</td>
</tr>
<tr>
<td>Applicant State</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14224</td>
</tr>
<tr>
<td>Phone</td>
<td>716-675-2040 ext. 320</td>
</tr>
<tr>
<td>Fax</td>
<td>716-674-8703</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:jmarsh@ersindustries.com">jmarsh@ersindustries.com</a></td>
</tr>
<tr>
<td>Website</td>
<td>N/A - Under Construction</td>
</tr>
<tr>
<td>Federal ID#</td>
<td>16-1168286</td>
</tr>
<tr>
<td>NAICS Code</td>
<td>336510</td>
</tr>
<tr>
<td>Will a Real Estate Holding Company be utilized to own the Project property/facility</td>
<td>No</td>
</tr>
<tr>
<td>What is the name of the Real Estate Holding Company</td>
<td></td>
</tr>
</tbody>
</table>

*Federal ID#*  

New York/1981

*State and Year of Incorporation/Organization*

*List of stockholders, members, or partners of Real Estate Holding Company*  

*Individual Completing Application*

<table>
<thead>
<tr>
<th>Name</th>
<th>Joel Marsh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>CFO</td>
</tr>
<tr>
<td>Address</td>
<td>1005 Indian Church Road</td>
</tr>
<tr>
<td>Address 2</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>West Seneca</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14224</td>
</tr>
</tbody>
</table>
The Erie County Industrial Development Agency (ECIDA)

Phone
716-675-2040 ext 320

Fax
716-674-8703

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

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

Company Counsel

Name of Attorney      David Bradley
Firm Name            Hodgson Russ, LLP
Address              140 Pearl St.
Address 2            Suite 100
City                 Buffalo
State                New York
Zip                  14202
Phone                716-848-1699
Fax                  
E-Mail               dbradley@hodgsonruss.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business          Corporation
Type of Ownership         
Year Established          1981
State of Organization     New York

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

https://www.eciday.com/app/tax-incentive-application-2014/print/775

91
Please include name and % of ownership.

ERS Industries, Inc. - 100% Parent Corporation; ERS Industries, Inc. - 100% owned by ERS Industries, Inc. Employee Stock Ownership Retirement Plan (ESOP)
Applicant Business Description

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

Founded in 1981, Ebenezer Railcar manufactures and repairs freight railcars for various industries. The manufacture of new-build freight railcars comprises the vast majority of Ebenezer’s current and anticipated future operations. The manufacturing process consists of design/engineering, welding, metal fabrication, sandblasting, painting, stenciling, and testing. The primary types of railcars manufactured are freight flatcars and boxcars, each of which can be specialized from a base frame. Ebenezer operates in a niche segment of the railcar market, focusing on small volume orders (generally less than 100 cars per order), and specially designed railcars. Ebenezer’s customers include national and multinational freight-car leasing companies, Class I railroad companies, governmental agencies, and others. Competition in the industry is primarily headquartered in the United States, however competitors largely utilizes manufacturing facilities in Mexico and Canada. Ebenezer is the only freight railcar manufacturer in New York State.

**Estimated % of sales within Erie County** 0

**Estimated % of sales outside Erie County but within New York State** 5

**Estimated % of sales outside New York State but within the U.S.** 94

**Estimated % of sales outside the U.S.** 1

(*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

~41%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
West Seneca, NY; Blasdell, NY

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

In which Municipality will the proposed project be located
West Seneca, NY

Address
1005 Indian Church Rd.

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

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

SBL Number for Property upon which proposed Project will be located
134.07-3-18.211

What are the current real estate taxes on the proposed Project Site
16,944

Assessed value of land
Included in Building Assessed Value

Assessed value of building(s)
253,800

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
West Seneca

School District of Project Site
West Seneca

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
The Proposed Project site is currently used for the main operations of Ebenezer Railcar. These operations are detailed elsewhere
in this application. The proposed building would be located on an unused potion of currently owned property.

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)

Ebenezer is considering an expansion at its current facility in West Seneca, NY. Currently, Ebenezer operates two manufacturing facilities in Western New York (West Seneca and a leased facility in Blasdell). The proposed expansion would be new build construction at the current West Seneca site to accomplish the following: 1. Increase production capacity at the current West Seneca location. 2. Consolidate all operations in Western New York to the same location in West Seneca. in order to improve efficiency. 3. In addition to the retention of employees currently at the West Seneca and Blasdell locations, additional capacity will allow for increased employment, as indicated by this application. 4. Allow for more advanced and technical manufacturing processes to be implemented, through facility and equipment upgrades. Liberty Railway Services (an affiliated company in Colorado) currently absorbs required production in excess of available capacity at the two WNY locations. This work currently sent to the Colorado location would likely be retained by the proposed, newly expanded WNY location. The sole tenants of the new building would be Ebenezer Railcar and its parent company ERS Industries. As Ebenezer’s new main manufacturing facility, a significant amount of equipment would be purchased, including welding equipment, metal fabrication equipment, cranes/jacks, advanced manufacturing equipment, and other equipment as needed.

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:

Ebenezer plans on continuing growth over the next 5-10 years and hopefully beyond. Any financial assistance would help those expansion efforts, as funds can be reinvested into the company through future manufacturing upgrades and additional hiring as production increases.

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)

Any financial assistance would help enable Ebenezer to reduce the financial impact of this significant investment. Ebenezer is focused on reinvesting back into the company, in order to provide a stable competitive and financial future of the company. Any reduction in future property taxes/sales tax would help Ebenezer continue to reinvest in the company and remain competitive. The railcar manufacturing industry is highly competitive, and large national manufactures dominate the large order segment.

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 investment could potentially be redirected to an affiliated company located in Colorado (Liberty Railway). Liberty operates similar operations and currently absorbs some of the work that Ebenezer cannot complete due to production capacity limits.

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

Manufacturing

Describe required zoning/land use, if different

N/A current zoning is appropriate

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

N/A

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

If yes, please explain

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

   If yes, please provide a copy.

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

   If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?
   Yes, lighting, utility, manufacturing equipment will be energy efficient.

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

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

   If yes, please explain.

   Engineering activities are considered R&D.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
   1%

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

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

Please check any and all end uses as identified below.

Retail Sales   No   Services   No

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

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

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

**Estimated costs in connection with project**

**Land and/or Building Acquisition**

$0  

**New Building Construction**

$4,500,000  

94,000 square feet

**New Building addition(s)**

$0  

**Infrastructure Work**

$0  

**Renovation**

$0  

**Manufacturing Equipment**

$1,300,000  

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

$100,000

**Soft Costs: (professional services, etc.)**

$100,000

**Other Cost**

$0

**Explain Other Costs**

**Total Cost**

$6,000,000

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

$0

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

Yes

If Yes, describe particulars:

Initial planning soft costs only.

**Sources of Funds for Project Costs:**

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

$3,500,000

**Bank Financing:**

$2,500,000

**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):**


Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

$6,000,000

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

No

Mortgage Recording Tax Exemption Benefit:

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

$0

Lender Name, if Known

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

$0

Construction Cost Breakdown:

Total Cost of Construction

$4,500,000

Cost for materials

$3,000,000

% sourced in Erie County

90%

% sourced in State

90% (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

$3,000,000

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

$262,500

Real Property Tax Benefit:

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

No, only ECIDA Pilot.

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

<table>
<thead>
<tr>
<th>Use</th>
<th>Square Feet</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>84,000</td>
<td>$4,380,000</td>
<td>97</td>
</tr>
<tr>
<td>Warehouse</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>5,000</td>
<td>$600,000</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>5,000</td>
<td>$60,000</td>
<td>1</td>
</tr>
</tbody>
</table>

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

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

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

Will project result in significant utility infrastructure cost or uses
Yes

What is your project timetable (Provide dates)
Start date: acquisition of equipment or construction of facilities
7/1/2018

End date: Estimated completion date of project
3/1/2019

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

Have construction contracts been signed?
No

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

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

Is project necessary to expand project employment?
Yes

Is project necessary to retain existing employment?
Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Part time</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>88</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>7</td>
<td>$90,000</td>
<td>$13,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>2</td>
<td>$90,000</td>
<td>$13,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>5</td>
<td>$45,000</td>
<td>$12,000</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>87</td>
<td>$42,000</td>
<td>$11,000</td>
<td>$20,000</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:**

<table>
<thead>
<tr>
<th>Address</th>
<th>250 Lake Ave, Blasdell NY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>34</td>
</tr>
<tr>
<td>Part time</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>35</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
$ 2,600,000

Estimated average annual salary of jobs to be retained (Full Time)
$ 52,000

Estimated average annual salary of jobs to be retained (Part Time)
$ 15,000

Estimated average annual salary of jobs to be created (Full Time)
$ 55,000

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

Estimated salary range of jobs to be created

<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>$ 0</th>
<th>To (Full Time)</th>
<th>$ 90,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>From (Part Time)</td>
<td>$ 0</td>
<td>To (Part Time)</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

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

If yes, please explain and identify out-of-state locations investigated
Although Ebenezer would not be moving out of state, a commonly owned related company in Colorado, Liberty Railway Services, could receive this investment resulting in expansion there. At this time, the focus is to expand and improve NYS operations, however, this could change if circumstances in NYS dictate.

What competitive factors led you to inquire about sites outside of New York State?
ERS Industries owns a separate subsidiary in Colorado which also needs and investment and expansion.

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

If yes, please indicate the Agency and nature of inquiry below
Empire State Development - Currently accepted into Excelsior Jobs Program

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)
NYSEG Capital Improvement Program - initial application submitted.
Section III: Facility Type - Single or Multi Tenant

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

For Single Use Facility

Occupant Name       Ebenezer Railcar Services, Inc.
Address              1005 Indian Church Road
Contact Person       Joel Marsh
Phone                716-675-2040 ext. 320
Fax                  716-674-8703
E-Mail               jmarsh@ersindustries.com
Federal ID #         16-1168286
SIC/NAICS Code       336510

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?
<BLANK>

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

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

General Background Information

Address of Premises 1005 Indian Church Road, West Seneca, NY 14224
Name and Address of Owner of Premises Ebenezer Railcar Services, Inc. 1005 Indian Church Road, West Seneca, NY 14224

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

The entire premises consists of various existing structures. The portion of property for the proposed facility is a partially wooded area, vacant of any existing structures. Wetlands are adjacent to the property, but we do not believe infringe on the property. We are awaiting on final wetlands approval from the DEC.

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

Entire premises has building with ages of 2 years to 100 years old. The specific project location is vacant. The only process carried out or intended to be carried out on the property is railcar manufacturing

Describe all known former uses of the Premises

Railcar repair and manufacturing.

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

No

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

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

Yes

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

On the specific project location - no known spills etc. There have been documented spills near the location many years ago. Details can be researched at ECIDA request.

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

No

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

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

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

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

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

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

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

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

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

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

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?  
Yes

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

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

The proposed new building would likely result in Ebenezer consolidating all operations at the West Seneca location. The Blasdell location is a leased facility where preliminary manufacturing work is performed currently. Moving all operations to West Seneca would result in more efficient operations and reduced inter-facility transportation costs. These efficiencies will help Ebenezer remain competitive in the railcar manufacturing industry. Note that business conditions and demand could result in the Blasdell facility to remain open in addition to the West Seneca expansion, although that scenario is unlikely.

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

Within New York State  
Yes

Within Erie County  
Yes

If Yes to either question, please, explain

The proposed new building would likely result in Ebenezer consolidating all operations at the West Seneca location. The Blasdell location is a leased facility where preliminary manufacturing work is performed currently.

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.)

84,000 sq. ft with rail access in proximity to currently owned and operated facilities.

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?

Consolidation of all operations to improve efficiency, and other factors discussed in this application.

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

The secondary facility in Blasdell is currently leased. That lease would likely not be renewed pursuant to the terms of the lease. Although we do not know what would happen to the facility, we believe it's location and layout would be appealing to potential replacement tenants.

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>0</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Does the site have historical significance?  
Yes  

Are you applying for either State/Federal Historical Tax Credit Programs?  
No  

If yes, provide estimated value of tax credits  
$  

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

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

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

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

if yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area?  
<BLANK>
### Eligibility
- NAICS Section - 531110

### Company Incentives

**PHASE I**
- Approximately $2,316,356 in sales tax savings
- Up to $250,000 in mortgage recording tax savings
- $2,482,000 in real property tax savings

**PHASE II**
- Approximately $1,936,686 in sales tax savings

### Employment
- New Jobs Projected Phase I - 8
- New Jobs Projected Phase II - 10

### Project Benefits
- The project will generate approximately $677,000 of revenue to the local taxing jurisdictions over the abatement period representing $130,000 to the County of Erie and $546,000 to the City of Buffalo.

### Project History
- 4/27/2017 - Public hearing held. Transcript attached
- 5/24/2017 - ECIDA ratifies and confirms City of Buffalo Negative Declaration.
- 5/24/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 7/2/2018 - Public hearing held. Transcript attached
- 7/25/2018 - Amendatory Inducement Resolution presented to the Board of Directors

### Project Title: 683 Northland Avenue / Buffalo Urban Development Corporation 683 Northland & WNY Workforce Training Center

### Project Address: 683 Northland Avenue
Buffalo, New York 14215
(Buffalo City School District)

### Agency Request
A sales tax exemption in connection with the renovation of a vacant 239,000 sq. ft. manufacturing facility for use as the WNY Workforce Training Center for Advanced Manufacturing and Electrical Utilities.

<table>
<thead>
<tr>
<th></th>
<th>Phase I</th>
<th>Phase II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$3,226,520</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$2,333,684</td>
<td></td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>$50,611,594</td>
<td>$32,267,094</td>
</tr>
<tr>
<td>Renovation</td>
<td>$1,896,119</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td>$58,067,917</td>
<td>$40,967,094</td>
</tr>
<tr>
<td><strong>85%</strong></td>
<td>$49,357,729</td>
<td>$34,822,030</td>
</tr>
</tbody>
</table>

### Company Description
683 Northland, LLC was formed as a for-profit entity by Buffalo Urban Development Corporation ("BUDC") to undertake the project. BUDC is the City of Buffalo’s not-for-profit development agency, reclaiming distressed land and buildings for future development. BUDC seeks to create an environment conducive to private investment, provide oversight and visioning for projects of regional significance, serve as a liaison among various public and private stakeholders, serve as a conduit for public funding of significant projects and serve as a real estate holding company for certain public-sector projects.

### Project Description
683 Northland is the former headquarters and primary manufacturing facility for the Niagara Machine & Tool Company and is listed on the National Register for Historic Places.

The project for which the amendment is being sought includes the continued renovation of this vacant 239,000 sq. ft. manufacturing facility at 683 Northland to house the WNY Workforce Training Center ("WTC") for Advanced Manufacturing and Electrical Utilities, as well as the creation of a small business center.

Phase I of the project which the Board approved in May, 2017 renovated 118,000 sq. ft. of the building to house the WNY Workforce Training Center ("WTC") for Advanced Manufacturing and Electrical Utilities, as well as create leasehold spaces for small light industrial companies and other businesses.

**Phase II** of the project will renovate and equip the remaining 121,000 sq. ft. of the complex. Buffalo Manufacturing Works ("BMW") will be the anchor tenant and will occupy approximately 51,000 sq. ft. BMW helps innovation driven organizations excel by partnering with their internal manufacturing, engineering, and R&D teams to deliver better products, grow and compete. BMW, operated by EWI, engages with manufactures across North America to help them achieve their goals. They assist manufacturing concerns gain a sustainable, competitive advantage by developing and implementing cutting edge manufacturing technologies, enhancing productivity, and finding other ways for their companies to grow.
The balance of the space will be renovated for lease by light industrial tenants as well as for common tenant facilities such as loading docks and mechanical rooms.

The project is an historic preservation project and is eligible for Historic Preservation Tax Credits. The property is also a brownfield site and has been accepted into the NYS Brownfield Cleanup Program.

This project represents a major initiative under the Buffalo Billion Program and New York State is providing substantial funding through the Regional Economic Development Corporation for the undertaking of the project.

### Retail Determination

<table>
<thead>
<tr>
<th>Use</th>
<th>Sq. Ft.</th>
<th>Cost</th>
<th>% of Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial/Workforce Training Center</td>
<td>93,000</td>
<td>$40,647,541</td>
<td>70%</td>
</tr>
<tr>
<td>Vacant/Targeted to Manufacturing Firms</td>
<td>142,000</td>
<td>$17,420,375</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>235,000</td>
<td>$58,067,916</td>
<td>100%</td>
</tr>
</tbody>
</table>

The facility totals 235,000 sq. ft. and is located in a highly distressed census tract. According to State law, if more than 1/3 of the cost of the total project is devoted to retail the IDA must make a retail finding on the project. This requires a sign off from the County Executive.

On May 24, 2017 the Board determined that the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of NY General Municipal Law, the chief executive officer of Erie County provided written confirmation confirming financial assistance.

### New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 7-Year abatement Period</th>
<th>Additional City 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></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined Tax Rate: $33</td>
<td>$13,500,000</td>
<td>$130,000</td>
<td>$546,000</td>
<td>$451,000</td>
</tr>
</tbody>
</table>

### Draft Recapture Material Terms - Phase I & Phase II

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount. Total project amount = $99,035,011 85% = $84,179,759</td>
</tr>
<tr>
<td>Employment</td>
<td>See Recapture Period</td>
<td>Create 85% of Projected Projected = 18 85% = 15 Recapture Employment = 15</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>See Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>See Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-Year PIL.O T term</td>
<td>Recapture of State and Local Sales Taxes Mortgage Recording Tax</td>
</tr>
</tbody>
</table>
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 equal to or greater than 85% of the amount proposed; ii) confirm company has 15 employees at the facility; iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

There will be minority and women workforce participation of 25% and 5% respectively as well as a minority business enterprise utilization of 25% and women business enterprise utilization of 5%.
Internal Report: 683 Northland Avenue - 683 Northland Avenue

**Table 1: Basic Information**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>683 Northland Avenue</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>$99,035,011</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$82,878,688</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>18</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$900,000</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>606</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$31,852,324</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$32,752,324</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$634,733</td>
</tr>
<tr>
<td>Property Tax Revenue</td>
<td>$166,009</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$783,697</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$2,150,445</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$659,955</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$4,394,838</strong></td>
</tr>
</tbody>
</table>

**Table 3: Estimated Project Incentives**

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$2,404,074</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$4,355,140</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$7,009,214</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>18</td>
</tr>
<tr>
<td>Indirect***</td>
<td>21</td>
</tr>
<tr>
<td>Induced***</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>606</td>
</tr>
<tr>
<td>Indirect</td>
<td>219</td>
</tr>
</tbody>
</table>

### Table 5: Ratios

<table>
<thead>
<tr>
<th>Category</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>0.6:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>9:1</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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PUBLIC HEARING SCRIPT

683 Northland, LLC, NorDel II LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on July 2, 2018 at 9:00 a.m.,
at the Erie County Industrial Development Agency’s offices located at
95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE:

David Stebbins – Buffalo Urban Development Corporation

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

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

☐ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 683 Northland, LLC, NorDel II LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Wednesday, June 20, 2018.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 10.19 +/- acre parcel of land located at 644, 664, 683, 688 and 690 Northland Avenue in the City of Buffalo, Erie County, New York (the “Land”) together with an existing 235,000 +/- SF building (the “Existing Improvements”), (ii) the renovation, upgrading and equipping of a portion of the Existing Improvements thereon (121,346 +/- SF) representing Phase II of the original project to consist of a 51,000 +/- SF state-of-the-art center providing applied research and development services to companies to test and develop new technologies and improve existing products and processes and 70,346 +/- SF for leasing by light industrial tenants (56,061 +/- SF) and for common tenant facilities such as loading docks, mechanical rooms, etc. (14,285 +/- SF) (the “Improvements”), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible
personal property (the “Equipment”, and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits (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 July 24, 2018. 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.

David Stebbins – BUDC, Vice President - The second phase of the Northland Project includes the renovation of the remaining 121,346 square feet of the former industrial complex at 683 Northland Avenue. Phase I (117,968 sf) is nearing completion and will be anchored by the Northland Workforce Training Center. Phase II will be anchored by the new home of Buffalo Manufacturing Works (BMW), which will be relocating from its current location on Main Street in the Medical Campus in order to meet growing needs for its services from local manufacturing companies. These two anchors will help establish the Northland Beltline Corridor as a Center of Excellence for Advanced Manufacturing. The total cost of Phase II is estimated at $32 million and will include: asbestos and hazardous material removal and remediation; all new mechanical systems, such as electrical service and distribution, plumbing, heating, ventilating and air conditioning; new office finishes for a portion of BMW’s space; and site and landscaping improvements. The project will also include replacement of all existing windows, skylights, rooftop monitors and clerestories to meet current energy codes and the Department of the Interior’s Standards for Historic Rehabilitation. This building is listed on the National Register of Historic Places and the project has been approved for Federal and State Historic Preservation Tax Credits. The project is also being financed with federal New Markets Tax Credits and New York State Brownfield Cleanup Program Tax Credits. This project is being built with union labor under a Project Labor Agreement with the WNY Building Trades Council and the affiliated trade locals. Governor Cuomo and Mayor Brown have identified the Northland Corridor as a linchpin site for the redevelopment of the Eastside of Buffalo, which can be transformational for employment opportunities in a previously under-served community.

6. ADJOURNMENT:

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

July 2, 2018, at 9:00 a.m.
at the Erie County Industrial Development Agency’s offices located at
95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

683 Northland, LLC, NorDel II LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies)
formed or to be formed on its behalf

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak / comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Stebbins</td>
<td>BUDC</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>95 Perry Street, Suite 404</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo, New York 14203</td>
<td></td>
</tr>
</tbody>
</table>

Project Location: 644, 664, 683, 688 and 690 Northland Avenue, Buffalo, New York
683 Northland Phase II

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name 683 Northland Phase II
Applicant Name Buffalo Urban Development Corporation
Applicant Address 95 Perry Street
Applicant Address 2 Suite 404
Applicant City Buffalo
Applicant State New York
Applicant Zip 14203
Phone (716) 362-8378
Fax (716) 819-3664
E-mail dstebbins@buffalourbandevelopment.com
Website www.buffalourbandevelopment.com
Federal ID# 22-2324226
NAICS Code 531110
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 683 Northland LLC
Federal ID# 35-2580394
State and Year of Incorporation/Organization NY 2017
List of stockholders, members, or partners of Real Estate Holding Company
683 WTC, LLC (95%) (100% Owned by BUDC) BBRC Land Company I, LLC (5%) (100% Owned by Buffalo Brownfield Restoration Corporation, a related company to BUDC

Individual Completing Application

Name David A. Stebbins
Title Executive Vice President
Address 95 Perry Street
Address 2 Suite 404
City Buffalo
State New York
Zip 14203
Phone: 7163628378
Fax: (716) 819-3664
E-Mail: dstebbins@buffalourbandevelopment.com
Company Contact (if different from individual completing application)

Name: Peter M. Cammarata
Title: President
Address: 95 Perry Street
Address 2: Suite 404
City: Buffalo
State: New York
Zip: 14203
Phone: (716) 362-8361
Fax: (716) 819-3661
E-Mail: pcmmarata@buffalourbandevelopment.com

Company Counsel

Name of Attorney: Kevin J. Zanner
Firm Name: Hurwitz & Fine
Address: 1300 Liberty Building
Address 2:
City: Buffalo
State: New York
Zip: 14202
Phone: (716) 849-8900
Fax: (716) 855-0874
E-Mail: kjz@hurwitzfine.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business: Corporation
Type of Ownership:
Year Established: 1978

List all stockholders, members, or partners with % of ownership greater than 20%
Please include name and % of ownership.
N/A
Applicant Business Description

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

The Buffalo Urban Development Corporation (BUDC) is a not-for-profit development corporation specializing in brownfield development and re-positioning of challenged real estate assets in the City of Buffalo. BUDC's mission is to prepare challenged real estate to attract new private investment and employment opportunities to the City of Buffalo. BUDC has previously redeveloped the former Hanna Furnace Pig Iron factory in South Buffalo into the Buffalo Lakeside Commerce Park, an 235 acre urban business park with operating businesses currently located within it - Sonwil Distribution, Cobey, Inc. and CertainTeed. BUDC also re-positioned the former Republic Steel and Donner-Hanna Coke facility along the Buffalo River and successfully attracted the Buffalo High-Tech Manufacturing Innovation Hub (Solar City). The 1.5 million sf, $1.5 billion facility will be the largest solar panel manufacturing hub in the Western Hemisphere. With the support of the State of New York and the City of Buffalo, BUDC is currently undertaking the redevelopment of five (5) vacant Industrial facilities, totaling over 750,000 sf of built space on 35 acres along the Northland Corridor.

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.

60%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Buffalo, NY

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

Yes

In which Municipality will the proposed project be located

Buffalo, NY

Address

683, 665, 644, 664, 688 & 690 Northland Avenue, Buffalo, NY

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

101.21-5-1.1; 101.21-5-1.22; 101.21-1-1.1; 101.21-1-13.11; 101.21-2-12.11; 101.21-2-16

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

$0

Assessed value of land

173,000

Assessed value of building(s)

589,000

Are Real Property Taxes current?

Yes

If no please explain

Currently Tax Exempt

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

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

Yes

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

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

No

Describe the present use of the Proposed Project site

https://www.ecidany.com/app/tax-incentive-application-2014/print/875
Vacant manufacturing facility and accessory properties (parking lots)

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

The project includes the renovation and equipping of the remaining balance of a vacant, 239,314 square foot manufacturing facility at 683 Northland. The first phase of the project renovated 117,968 square feet of the building to house the Northland Workforce Training Center (WTC) for Advancing Manufacturing and Electrical Utilities, as well as to create leasehold spaces for small light industrial companies and other businesses. Phase II of the Project will renovate the remaining 121,346 square feet of the complex. Buffalo Manufacturing Works (BMW) will be the anchor tenant for Phase II of the project. They will occupy approximately 51,000 square feet. Buffalo Manufacturing Works helps innovation-driven organizations excel by partnering with their internal manufacturing, engineering, and R&D teams to deliver better products, grow and compete. Buffalo Manufacturing Works, operated by EWI, engages with manufacturers across North America to help them achieve their goals. They help manufacturing concerns gain a sustainable, competitive advantage by developing and implementing cutting-edge manufacturing technologies, enhancing productivity, and finding other ways for their companies to grow. Buffalo Manufacturing Works is a groundbreaking collaboration between leading industry, research, and academic partners. They provide unparalleled access to a wide range of resources related to advanced manufacturing from engineering services and equipment to business consulting and workforce development. The balance of the space in Phase II (70,346 sf) will be renovated for leasing by light industrial tenants (56,061 sf), as well as for common tenant facilities (14,285 sf), such as loading docks and mechanical rooms, etc. 683 Northland is the former headquarters and primary manufacturing facility for the Niagara Machine & Tool Company and is listed on the National Register of Historic Places. The project is an historic preservation project and is eligible for Historic Preservation Tax Credits. The property is also a brownfield site and has been accepted into the NYS Brownfield Cleanup Program.

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

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

Although the project is being funded with State financial assistance, and eligible for both Historic Preservation and Brownfield Cleanup Program Tax Credits, the extraordinary costs associated with renovation of a 100+ year old office and manufacturing facility, historic preservation requirements and brownfield remediation costs exceed the available resources for the project. Phase I of the project, through the Northland Workforce Training Center, is expected to serve approximately 300-350 low-income and disadvantaged residents of Erie County per year, and provide training necessary to help these individuals find jobs in the advanced manufacturing and energy sectors. Phase I of the Project is intended to help fill the expected demand of over 20,000 jobs by the Year 2020 in these employment sectors. Phase II of the project, anchored by BMW, is expected to provide assistance to up to 100 local manufacturing companies per year, complementing the Northland campus' mission to serve as a state-of-the-art center for advanced manufacturing innovation and workforce training. This project is also located in a highly distressed census tract, with 39% poverty and 29% unemployment. Therefore, the project is expected to serve as a catalyst for neighborhood revitalization. The remaining space in the building, will be rented to private-sector manufacturing companies, with the potential to provide employment opportunities for up to 284 individuals.

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 scope of the project may need to be reduced.

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

https://www.ecideny.com/app/tax-incentive-application-2014/print/675
D-IIL (Light Industrial)

Describe required zoning/land use, if different
The proposed use is consistent with the Zoning.

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements
A change in zoning is not required.

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

If yes, please explain
Yes, the site is a former industrial site with PCB, Volatile Organic Compounds (VOC’s) and other contaminants. The site has been accepted in the New York State Brownfield Cleanup Program and will be remediated as part of the redevelopment project.

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

If yes, please provide a copy.

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

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?
The project will meet current New York State Energy Codes and will strive to achieve LEED Silver status.

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

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

If yes, please explain.

The primary tenant for Phase II, Buffalo Manufacturing Works, does perform research and development activities for new products and services for manufacturing clients.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
Unknown at this time.

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

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

Please check any and all end uses as identified below.

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

Yes Manufacturing No Mixed Use
No Acquisition of Existing Facility No Facility for the Aging
No Housing No Civic Facility (not for profit)
No Equipment Purchase Yes Other

Workforce Training
Project Information
Estimated costs in connection with project
Land and/or Building Acquisition
   $ 0
   239,314 square feet
   10 acres
New Building Construction
   $ 0
   square feet
New Building addition(s)
   $ 0
   square feet
Infrastructure Work
   $ 0
Renovation
   $ 32,267,094
   121,346 square feet
Manufacturing Equipment
   $ 0
Non-Manufacturing Equipment: (furniture, fixtures, etc.)
   $ 6,000,000
Soft Costs: (professional services, etc.)
   $ 2,100,000
Other Cost
   $ 600,000
Explain Other Costs
   Construction Loan interest
Total Cost
   $ 40,967,094
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:
   Preliminary design costs

Sources of Funds for Project Costs:
Equity (excluding equity that is attributed to grants/tax credits):
   $ 0
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):

$34,967,094

_identify each state and federal grant/credit:
Federal and State Historic Tax Credits and State Brownfield Tax Credits ($9,967,094) and an ESD Buffalo Billion 2 Grant of $25,000,000

_Total Sources of Funds for Project Costs:_
$34,967,094

_Has a financing preapproval letter or loan commitment letter been obtained?_
Yes

_Mortgage Recording Tax Exemption Benefit:
Estimated Mortgage Amount (Sum total of all financing – construction and bridge).
*Amount of mortgage, if any, that would be subject to mortgage recording tax.
$0

_Lender Name, if Known
Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$0

_Construction Cost Breakdown:
Total Cost of Construction
$32,267,094 (sum of 2,3,4,5, and/or 7 in Question K, above)

_Cost for materials
$16,133,547

_% sourced in Erie County
40%

_% sourced in State
90% (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
$22,133,547

_Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$1,936,686

_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:
A PILOT was issued for Phase I of the project.

_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>121,346</td>
<td>$32,267,094</td>
</tr>
<tr>
<td>Warehouse</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

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

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

Provide estimate of additional construction cost as a result of LEED certification you are seeking
2,000,000

Will project result in significant utility infrastructure cost or uses
Yes

What is your project timetable (Provide dates)
Start date: acquisition of equipment or construction of facilities
8/1/2018

End date: Estimated completion date of project
8/31/2019

Project occupancy: estimated starting date of operations
8/1/2019

Have construction contracts been signed?
No

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

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

Is project necessary to expand project employment?
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>0</td>
<td>0</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

*By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

**Salary and Fringe Benefits for Jobs to be Retained and Created:**

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>2</td>
<td>$85,000</td>
<td>$12,750</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>28</td>
<td>$50,000</td>
<td>$7,500</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>5</td>
<td>$30,000</td>
<td>$4,500</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>2</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

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

https://www.ecidary.com/app/tax-incentive-application-2014/print/675
Will any of the facilities described above be closed or subject to reduced activity?
No

**Payroll Information**

**Annual Payroll at Proposed Project Site**

$ 1,720,000

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

$ 46,000

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

$ 0

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

$ 50,000

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

$ 0

**Estimated salary range of jobs to be created**

<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>To (Full Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0</td>
<td>$ 50,000</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
N/A

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

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

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

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

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

Historic Tax Credits, Brownfield Tax Credits, Grants
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
Based on the most current industrial Market report prepared by CBRE- Buffalo (4th Quarter, 2016) Availability or vacancy rate in the Buffalo market remained well below national averages at 4.6%, with absorption at 1.4 million square feet. Conversions of almost 1 million square feet of industrial inventory to other uses in the City of Buffalo has further reduced in the industrial inventory in the City of Buffalo.

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
Section V: Environmental Questionnaire

General Background Information

Address of Premises 683 Northland, Buffalo, NY 14211
Name and Address of Owner of Premises 683 Northland LLC, c/o Buffalo Urban Development Corporation, 95 Perry Street, Buffalo, NY 14203

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

The premise is an abandoned industrial complex in an urban setting.

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 original portion of the premise was constructed in 1911, with multiple additions added through 1981.

Describe all known former uses of the Premises

The premise was always used for manufacturing, first by Niagara Machine & Tool and then by the successor company, Clearing Niagara.

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

No

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

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

Yes

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

There is PCB contaminated flooring in the building and soils outside the building, as well as petroleum contamination inside and outside the building. The site has been entered into the New York State Brownfield Cleanup Program and a Remedial Investigation Work Plan is being implemented at this time.

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.

None.

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.

None.

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

No.

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

Air Pollution

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

No.

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

Are any of the air emission sources permitted?

No.

If yes, attach a copy of each permit.

Storage Tanks

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

Existing storage tanks will be removed as part of the Brownfield Cleanup Program.

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

Yes.

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

Contaminated soil surrounding the underground storage tank was discovered during environmental site investigations as part of the appropriate due diligence during redevelopment planning for this site. The date and exact circumstances of this leak(s) is unknown. Analytical results are pending. The UST and associated soil contamination will be remediated as part of the redevelopment effort under the New York State Brownfield Cleanup Program.

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

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

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

Yes.

If yes, relate all the circumstances.
The circumstances are unknown. PCB contamination was discovered during site investigations in the floor of the building and on site.

Do the Premises have any asbestos containing materials?
Yes

If yes, please identify the materials
ACM are found throughout the building, particularly in floor tiles, window caulking and window glazing.
Section VI: Inter-Municipal Move Determination

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

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

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

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

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

If Yes to either question, please, explain

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

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

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

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

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

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

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

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

If vacant, number of years vacant.

If underutilized, number of years underutilized.

Describe the use of the building during the time it has been underutilized:
The building was used for miscellaneous storage for industrial equipment.

Is the structure currently generating Insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) No

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

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

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

Does the site have historical significance? Yes

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

If yes, provide estimated value of tax credits $9,500,00 (for Phase II only)

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

The cost of the renovation is extraordinary due to the age of the building, deterioration of all major building systems, environmental contamination throughout the complex, and the need to renovate the building according to U.S. Dept. of Interior Standards due to the historic nature of the complex. In addition, the costs of constructing vocational training labs within an existing industrial complex also provide an additional financial obstacle to implementing this project.

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

We have the full support of the City of Buffalo. A letter of support is pending.

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

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

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

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

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and 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?
Yes

If yes, explain
The project is intended to fill an employment gap of 20,000 jobs in advanced manufacturing and electrical utilities by the year 2020.

Is the project located in a Highly Distressed Area?
Yes
June 22, 2018

John Cappellino
Executive Vice President
Erie County Industrial Development Agency (ECIDA)

RE: Letter of explanation

Dear John,

Per our discussions and based on the current overall business environment for Sodexo North America, we believe there are initiatives that would contribute to an increase in headcount to offset the decrease we are experiencing in the Sodexo Buffalo Service Center (BSC) located at 400 Airborne Parkway, Cheektowaga, NY 14225:

- BSC is experiencing higher than normal turnover which is directly attributable to the decrease.
- The IT department employee numbers are down due to reorganization of the department which affects the total count in employees.
- BSC currently has 24 active postings.
- Human Resources Expansion: There have been 4 to 5 positions recently added to the BSC. The HR teams are currently in a secured suite for HIPPA reasons and have no space for expansion. To support continued HR growth in Buffalo, we are swapping two major work teams on the first floor to allow HR additional space for team growth.
- Sodexo Acquisitions: Sodexo’s executive leadership would like to integrate the back-office operations of several subsidiaries currently based in different states into the ERP system to improve process efficiency. This a multiple-year strategy due to the complexity of the systems and the desire to be socially responsible towards current employees who may be impacted by the integration. There is alignment with leadership that the BSC is the first choice for accounting-related integration whenever possible. For example, Centerplate was recently acquired by Sodexo and the integration project has just commenced. It will be a multi-year effort given the size of Centerplate (approximately $800 million in US revenue).
- BSC Headcount as of 5/31/18 = 498 FTE (up 2.5 FTE from 495.5 from the 3/31 submission).
- Active Postings as of 6/3/18 = 24 (up 3 from 21 in April)
  ✓ Note positive movement with both an increase in FTE and active postings.
- New Hires / Rehires = Up 20% year over year for the first 5 months of the calendar year.
- Internal Promotions / Lateral Development Moves = 28 year to date.
- Temporaries & Contractors working on site = 33 FTE with a seat in the BSC and not included in our FTE reporting.
While natural turnover with an operation of the size of BSC is normal, most can be attributed to retirements, career moves, etc.

Thank you. We believe this does not require an intricate explanation as we work to get back to the baseline number of 511 employees in Buffalo Service Center location.

Please call me if you have any questions – I am happy to discuss it with you and do whatever I can to help.

Best regards,

Scott Brooks, VP Finance, Accounting Services
Buffalo Service Center

cc: Misti Meggs, Managing Director Site Selection & Economic Incentives Practice
Mohr Partners, Inc., Marc Blass, Sodexo North America Finance VP & Treasurer
Recapture Policy
Material Terms Job Retention Recommendation
July 12, 2018

Purpose:

The purpose of this memo is to outline a policy proposal to establish a percentage threshold for job retention below the current 100% requirement as a Material Factor. Like job creation, which requires companies meet 85% of their job creation goal, job retention goals likewise need a goal less than the current 100% compliance requirement because of the typical workforce turnover companies experience year to year.

Since the Material Factor was set for job retention in 2013, ECIDA staff has begun to experience instances where companies have had compliance issues with the 100% retention requirement as a result of typical workforce turnover, including employees leaving unexpectedly, end of the year retirements, deaths, etc. With the current requirement at 100%, the unexpected or unplanned loss of just one employee can result in a technical default of a company’s agreement with the IDA triggering recapture proceedings. Additionally, some companies are experiencing difficulties filling open positions for extended periods leading them to run afoul of their IDA job retention requirement, which the current policy does not account for.

Material Factors/Background:

For each project seeking financial assistance the IDA Board establishes Material Factor(s) which are to be defined and stated in the approving board resolution and project agreements. Material Factors are explicit and measurable and include items such as investment, job creation, retention, or other factors as determined by the board.

Presently the ECIDA sets material factors for job creation and/or job retention for a project. Job creation projects may also have a job retention component, while some projects have a job retention component only. Each is presently handled differently in terms of employment compliance.

Job Creation Projects:

- Job creation projects are required to meet 85% of their job creation goal within two years of project completion, and 100% of their retained jobs goal at project approval for the life of the incentive recapture period.

Job Retention Only Projects:

- Job retention only projects are required to retain 100% of their retained jobs goal at project approval for the life of the incentive recapture period.

Recommendation:

Over the last several years as the Agency has implemented the material factor requirements for employment compliance and monitoring we have found that the 100% threshold job retention
requirement can cause IDA recipients to become non-compliant. This is often due to typical workforce turnover events as outlined above rather than company failure to uphold the agreement. Non-compliance due to natural workforce turnover can lead to companies forfeiting incentives before they are received or losing already received incentives through the recapture process.

The Agency recommends that the 100% employment retention requirement be modified to allow for typical workforce turnover by creating a compliance level at less than 100% of the retained jobs. This new retention goal would be applicable to job creation projects with a retention component as well as job retention only projects for the designated recapture term.

To account for typical workforce turnover and employee movement we propose a two-tiered system to account for the overall size of the workforce and impact of the proposed retention goals. A straight percentage goal for companies of all sizes may cause companies with small workforces to run afoul of a high retention percentage goal, while a low percentage goal could cause companies with large workforces to remain compliant even while having a large number of layoffs. A two-tiered system addresses this concern while still maintaining the overall intent of the retention goal and material factor process.

**Proposed Two-Tiered Retention Goal:**

1. Companies with employment at application of 150 employees or less would be required to maintain 90% of their retained employment level for the recapture period as set at project approval.

2. Companies with more than 150 employees would be required to maintain 95% of their retained employment level for the recapture period as set at project approval.

**Examples of Job Retention Only Projects:**

<table>
<thead>
<tr>
<th>Project</th>
<th>Initial Retention Employment</th>
<th>Retention Goal (%)</th>
<th>Required Retention Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerson Huron</td>
<td>60</td>
<td>90%</td>
<td>54</td>
</tr>
<tr>
<td>(Adaptive Reuse)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upstate Niagara</td>
<td>175</td>
<td>95%</td>
<td>166</td>
</tr>
<tr>
<td>Sumitomo</td>
<td>1241</td>
<td>95%</td>
<td>1179</td>
</tr>
</tbody>
</table>

**Examples of Job Creation Projects:**

<table>
<thead>
<tr>
<th>Project</th>
<th>Initial Retention Employment</th>
<th>Retention Goal (%)</th>
<th>Required Retention Employment</th>
<th>Creation Goal (2-Year)</th>
<th>Required Creation Employment (85%)</th>
<th>After Year 2 Creation Retention Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pine Pharmaceuticals</td>
<td>15</td>
<td>90%</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>Moog</td>
<td>288</td>
<td>95%</td>
<td>274</td>
<td>42</td>
<td>36</td>
<td>310</td>
</tr>
<tr>
<td>Athenex</td>
<td>55</td>
<td>90%</td>
<td>50</td>
<td>25</td>
<td>21</td>
<td>71</td>
</tr>
<tr>
<td>First Source</td>
<td>217</td>
<td>90%</td>
<td>206</td>
<td>34</td>
<td>29</td>
<td>235</td>
</tr>
</tbody>
</table>
**Board Action:**

It is recommended that projects be presented to the Board with job retention goals for Material Factors as follows:

- Companies with employment at application of 150 employees or less would be required to maintain 90% of their retained employment level for the recapture period as set forth at project approval.

- Companies with more than 150 employees would be required to maintain 95% of their retained employment level for the recapture period as set forth at project approval.
June 19, 2018

John Cappellino  
Executive Vice President  
Erie County Industrial Development Agency  
95 Perry Street  
Buffalo, NY 14203

Dear John,

Thanks for walking me through API's options for the 2015 PILOT.

I reviewed the options with Tom Strauss, API's CFO. Tom and I agreed it is unlikely Buffalo will recover the jobs and headcount to bring us into compliance with the PILOT.

We agreed API's best option at this point is to terminate the 2015 PILOT.

Please advise the next steps in the termination process.

Sincerely,

Ed Smouse  
Operations Manager, Buffalo

CC: Tom Strauss, API Heat Transfer  
Karen Fiela, Erie County Industrial Development Agency