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

1. Call Meeting to Order

2. Approval of the February 7, 2019 Policy Committee Minutes (Pages 2-5)

3. Project Matrix (Page 6)

4. Project Presentations (Staff – Company Q&A)
   a) CPI Process Systems, Inc. (Pages 7-36)
   b) McKesson Corporation (Pages 37-66)
   c) Steuben Foods, Inc. (Pages 67-95)
   d) Unifrax I, LLC. (Pages 96-126)

5. Adjournment – Next Meeting April 4, 2019 at 9:00 a.m.
MINUTES OF A MEETING OF THE POLICY COMMITTEE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: February 7, 2019, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Hon. Johanna Coleman, Mr. Richard Cummings, Hon. William J. Krebs, Brenda W. McDuffie, Hon. Glenn R. Nellis, Laura Smith, David J. State and Maria Whyte


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

GUESTS: Rebecca Gandour, City of Buffalo Office of Strategic Planning; Andrew Federick, Erie County Senior Economic Development Specialist; Ryan Silva, New York State Economic Development Council; Danielle Shainbrown, on behalf of McGuire Development; Dennis Penman, on behalf of Related Affordable

There being a quorum present at 9:12 a.m., the meeting was called to order by Ms. McDuffie, who presided over the meeting in the absence of the presence of Mr. Lipsitz, Chair of the Policy Committee.

MINUTES

The minutes of the January 3, 2019 Policy Committee meeting were presented. Upon motion made by Ms. Whyte, and seconded by Mr. Cummings, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

Community Action Organization of WNY/McGuire Development, 600 Northampton Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the company’s
construction of a new 38,500 sq. ft. facility on an existing parking lot to house a head start academy for 3-5 year old children together with additional facilities for early head start for children up to 2 years old, as well as a community health clinic to be operated by Community Health Center of Greater Buffalo.

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

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
</table>
| Total Investment| At project completion     | Investment amount equal to or greater than 85% of project amount.  
|                 |                           | Total Project Amount = $9,416,936  
|                 |                           | 85% = $8,004,395                                          |
| Employment      | Coincides with 7-year PILOT | Maintain Base: FTE 37  
|                 |                           | Create 85% of projected  
|                 |                           | Projected = 2 FT  
|                 |                           | 85% = 39 FTE  
|                 |                           | Recapture Employment = 39                                 |
| Local Labor     | Construction Period       | Adherence to policy including quarterly reporting         |
| Pay Equity      | Coincides with 7-year PILOT | Adherence to policy                                      |
| Unpaid Tax      | Coincides with 7-year PILOT | Adherence to policy                                      |
| Recapture Period| Coincides with 7-year PILOT | Recapture of state and local sales tax, mortgage recording tax and real property taxes. |

Mr. Cappellino introduced Policy Committee members to Ms. Shainbrown, who spoke on behalf of the company.

Ms. Whyte queried as to why federal funding does not allow for ownership, thus encouraging the lease relationship. Ms. Shainbrown responded that federal funding requirements discourage use of federal funds to make mortgage payments as opposed to making lease payments.

Ms. McDuffie spoke in favor of the project.

Mr. Cummings spoke in favor of the project and expressed approval of the company’s approach of involving community members in the planning process. Mr. Cummings asked if the company will utilize MWBE vendors. Ms. Shainbrown responded that the company is actively engaged in identifying local MWBE vendors.
Ms. Smith then moved and Mr. Nellis seconded to approve of the project as proposed. Ms. McDuffie called for the vote and the project was then unanimously approved for recommendation to members of the Agency.

Related Affordable, LLC/Marina Vista Apartment, 32 Hertel Avenue (aka 10 and 12 Hertel), Buffalo, New York. Mr. Cappellino presented this proposed sales tax and mortgage recording tax exemption benefits project also involving the Agency's issuance of its multi-family housing tax exempt revenue bonds in an amount not to exceed $13,300,000. The project will involve the comprehensive rehabilitation of and physical upgrades to the facility.

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

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount. Total Project Amount = $23,599,613 85% = $20,059,671</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with Recapture Period</td>
<td>Maintain Base: FT 5 No new jobs projected</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 Recapture Period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with Recapture Period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of state and local sales tax and mortgage recording tax</td>
</tr>
</tbody>
</table>

Mr. Cappellino introduced Mr. Penman who spoke on behalf of the company.

Ms. Whyte expressed support for the project as proposed.

Ms. McDuffie expressed support for the project.

Mr. Krebs moved and Mr. Cummings seconded to approve of the project as proposed. Ms. McDuffie called for the vote and the project was then unanimously approved for recommendation to members of the Agency.
INFORMATION ITEMS

Affinity Sutton Place. Mr. Cappellino, as an information item only, informed Committee members that, in relation to an ECIDA financed 2003 tax-exempt affordable housing project known as the Affinity Sutton Place L.P. Project, the company has asked for the Agency to consent to the sale of the facility and ultimately terminate the existing bond documents as the bonds will ultimately be paid off with sale proceeds. Mr. Cappellino stated that there is no action required to be taken by the Policy Committee.

Clover Communities Fries, LLC. Mr. Cappellino informed Committee members that there is an additional item at this point in time, for information only, involving a requirement that the Agency consent to a sale of equity interest in a project first induced by the Agency in 2009 involving financial assistance and a PILOT Agreement with the Clover Communities Fries, LLC senior housing project located at 300 Fries Road, Tonawanda, New York. Mr. Cappellino stated that due to last week’s storm events, the company and Agency were not able to compile materials for the Policy Committee’s consideration; however, closing time constraints require the Agency to take action by the end of this month. Mr. Cappellino noted that the existing transaction documents require the Agency to consent to a sale in equity interest of more than 50%. The company has indicated to the Agency that a conveyance is contemplated that will involve a change of equity ownership of approximately 80-90%. As a condition of providing its consent, the Agency staff will recommend that, in consideration of providing its consent, the company commit to certain material terms and conditions that were not initially required to be adhered to as such requirements did not exist at the time the company was original approved for financial assistance. Mr. Cappellino anticipates Agency staff will recommend that the company adhere to retaining existing full-time employment at 2 FTE positions, and adhere to the Agency’s pay equity and unpaid tax policies. Mr. Cappellino also noted that there are three years left in the existing PILOT benefit time period.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 10:06 a.m.

Dated: February 7, 2019

Robert G. Murray, Secretary
| Count | Project Name    | Approval | Project Amount  | Investment | Jobs Retained | Job Creation | Factors                  | Clawback | Local Labor | Length of Term | Additional Findings               | *Incentive Amount | Adaptive Reuse | Pay Equity |
|-------|-----------------|----------|----------------|------------|---------------|--------------|----------------|-----------------|----------|-------------|----------------|-----------------------------------|------------------|----------------|------------|
|       |                 |          |                |            |               |              | 85% threshold $ 2,911,250 | 49     | 85% - New 12 jobs | 14    | PILOT Sales Tax                      | YES              | Period of PILOT 7 Years | Annendatory | $296,000 | YES         |
| 1     | Roar Logistics  | Jan-19   | $3,425,000     |            |               |              | 85% threshold $ 20,059,671 | 5      | 0                       |        | Mortgage Sales Tax                  | YES              | 2 Years after Project Completion | Private Activity Bond | $13,300,000 | $480,835    |
| 1     | Related Affordable | Feb-19 | $23,599,613     |            |               |              | 85% threshold $ 8,004,395 | 37     | 85% - New 2 jobs | 2       | PILOT Mortgage Sales Tax             | YES              | Period of PILOT 7 Years | $962,250   | YES       | YES         |
| 1     | McGuire/CAO     | Feb-19   | $9,416,936     |            |               |              | 85% threshold $ 8,004,395 | 37     | 0                       |        | 0                        |                  |                          | $0          |           |             |

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adaptive Reuse 2018 Sub Total #REF!

<table>
<thead>
<tr>
<th></th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Total</td>
<td>$36,441,549</td>
<td>-91</td>
<td>16</td>
<td></td>
<td>$1,741,085</td>
</tr>
</tbody>
</table>


CPI Process Systems
$3,100,000
INDUCEMENT RESOLUTION

Eligibility

- NAICS Section - 423830

Company Incentives

- Approximately $165,000 in real property tax savings.
- Approximately $141,750 in sales tax savings
- Approximately 16,500 in mortgage recording tax

Employment

- Current: 12 FT
  2 PT
- Projected New Jobs: 2 FT
- Annual payroll: $1,285,000
- Estimated salary of jobs to be created: $60,000
- Estimated salary of jobs to be retained: $75,000

Project History

- 02/25/2019 - Public hearing held. Transcript attached.
- 03/27/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 3/27/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the construction of an 11,600 sq. ft. warehouse/distribution facility.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$120,000</td>
</tr>
<tr>
<td>New Building Construction</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$100,000</td>
</tr>
<tr>
<td>Manufacturing Equipment</td>
<td>$250,000</td>
</tr>
<tr>
<td>Non-Manufacturing Equipment</td>
<td>$5,000</td>
</tr>
<tr>
<td>Soft Costs/Other</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

Total Project Costs
85% $3,100,000
85% $2,635,000

Company Description

CPI Process Systems is a distributor of industrial valves, manual valves, pneumatic and electric control valves, safety relief valves as well as lined piping systems. Major industries served include air separation, chemical, pharmaceutical, oil and gas and beverage.

National and international customers account for 45% of the company's sales.

Project Description

CPI currently leases 5,000 sq. ft. within North America Industrial Park in West Seneca and an additional 3,000 sq. ft. on Ransier Drive. The construction of a new 11,600 sq. ft. facility will allow the company to combine all inventory under one roof and will provide more room to stage project orders in order to be more responsive to its customers. The company will also be purchasing machinery and equipment.

New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue Over 10-Year Abatement Period</th>
<th>Additional Local Revenue over 10-Year Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$270,000</td>
<td>$7,360</td>
<td>$36,656</td>
<td>$20,960</td>
</tr>
<tr>
<td>Combined Tax Rate:</td>
<td>$77.63</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2/25/2019 2:11 PM
## Draft Recapture Material Terms

<table>
<thead>
<tr>
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<tr>
<td>Total Investment</td>
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<td>Investment amount equal to or greater than 85% of project amount. Total Project Amount: $3,100,000 85%: $2,635,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 10-Year PILOT</td>
<td>Maintain Base: 13 FTE Create 85% pf Projected Projected: 2 85%: 2 Recapture Employment: 15 FTE</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 10-Year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>10-Year PILOT Term</td>
<td>Recapture of State and Local Sales Taxes, Real Property Taxes and mortgage recording tax</td>
</tr>
</tbody>
</table>

Recapture applies to:

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

### Recapture

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

At completion of the project company must certify i) total investment amount equal to or greater than 85% of the amount proposed; ii) confirm company has maintained 13 FTE employees and created an additional 2 FT 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

CPI Process Systems – 2019

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Wage Rate (above median wage for area)                   | Erie County per capita income: $31,083  
Company estimated average salary of jobs to be retained: $75,000  
Company estimated average salary of jobs to be created: $60,000 |
| Regional Wealth Creation (% sales/customers outside area)| Sales:  
Outside NYS and within U.S.: 20%  
Outside U.S.: 25%                                                                 |
| In Region Purchases (% of overall purchases)              | Approximately 1-2% of total annual supplies, raw materials and vendor services are purchased from firms located within Erie County. |
| Research & Development Activities                         | Not applicable.                                                                                                                       |
| Investment in Energy Efficiency                           | Not applicable.                                                                                                                       |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The land is currently zoned for industrial use.                                                                                     |
| LEED/Renewable Resources                                 | Not applicable to this project                                                                                                         |
| Retention/Flight Risk                                    | Company not a flight risk.                                                                                                             |
| MBE/WBE Utilization                                      | As a small company, CPI’s employees are generally hired based on referrals from existing staff                                         |
| Workforce Access – Proximity to Public Transportation     | Facility is accessible by Bus routes 16, 2 and 70.                                                                                     |

March 27, 2019
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

### PILOT Estimate Table Worksheet-CPI Process Systems- 2019

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,700,000</td>
<td>$270,000</td>
<td>$12.98</td>
<td>$20.47</td>
<td>$44.18</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>$350</td>
<td>$553</td>
<td>$1,193</td>
<td>$2,096</td>
<td>$20,960</td>
<td>$18,864</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$350</td>
<td>$553</td>
<td>$1,193</td>
<td>$2,096</td>
<td>$20,960</td>
<td>$18,864</td>
</tr>
<tr>
<td>3</td>
<td>10%</td>
<td>$350</td>
<td>$553</td>
<td>$1,193</td>
<td>$2,096</td>
<td>$20,960</td>
<td>$18,864</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$701</td>
<td>$1,105</td>
<td>$2,386</td>
<td>$4,192</td>
<td>$20,960</td>
<td>$16,768</td>
</tr>
<tr>
<td>5</td>
<td>20%</td>
<td>$701</td>
<td>$1,105</td>
<td>$2,386</td>
<td>$4,192</td>
<td>$20,960</td>
<td>$16,768</td>
</tr>
<tr>
<td>6</td>
<td>20%</td>
<td>$701</td>
<td>$1,105</td>
<td>$2,386</td>
<td>$4,192</td>
<td>$20,960</td>
<td>$16,768</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$1,051</td>
<td>$1,658</td>
<td>$3,579</td>
<td>$6,288</td>
<td>$20,960</td>
<td>$14,672</td>
</tr>
<tr>
<td>8</td>
<td>30%</td>
<td>$1,051</td>
<td>$1,658</td>
<td>$3,579</td>
<td>$6,288</td>
<td>$20,960</td>
<td>$14,672</td>
</tr>
<tr>
<td>9</td>
<td>30%</td>
<td>$1,051</td>
<td>$1,658</td>
<td>$3,579</td>
<td>$6,288</td>
<td>$20,960</td>
<td>$14,672</td>
</tr>
<tr>
<td>10</td>
<td>30%</td>
<td>$1,051</td>
<td>$1,658</td>
<td>$3,579</td>
<td>$6,288</td>
<td>$20,960</td>
<td>$14,672</td>
</tr>
</tbody>
</table>

| N/A        |           | $7,360              | $11,606            | $25,050            | $44,016     | $209,601                  | $165,585      |

*** 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>$3,100,000</td>
<td>$165,585</td>
<td>$141,750</td>
<td>$16,500</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

\[(\text{Est. PILOT} + \text{Est. Sales Tax} + \text{Est. Mortgage Tax} + \text{Other})/\text{Total Project Costs}: \quad 10.4 \%\]
Internal Report: CPI Process Systems - CPI Process Systems

Table 1: Basic Information

<table>
<thead>
<tr>
<th></th>
<th>CPI Process Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td></td>
</tr>
<tr>
<td>Project Industry</td>
<td>(42) Wholesale Trade</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>$3,100,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>14 (2 created and 12 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$840,000</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>19</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$999,244</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$1,839,244</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>$42,522</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$187,495</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$515,255</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$157,891</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$903,163</strong></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

| Project Tax Savings                        | $167,709             |
| Sales Tax Savings                          | $144,375             |
| Mortgage Tax Savings                       | $16,500              |
| **TOTAL Estimated Incentives**             | **$328,584**         |
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>14 (2 created and 12 retained)</td>
</tr>
<tr>
<td>Indirect***</td>
<td>6</td>
</tr>
<tr>
<td>Induced****</td>
<td>8</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>19</td>
</tr>
<tr>
<td>Indirect</td>
<td>7</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>2.7:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>45.7:1</td>
</tr>
</tbody>
</table>

* Figures over 10 years and discounted by 3.49%

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

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

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

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PUBLIC HEARING SCRIPT

CPI Process Systems 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 February 25, 2019 at 9:00 a.m., at the Town of West Seneca Community Center & Library, 1300 Union Road (Community Room), West Seneca, NY 14224

ATTENDANCE:

Andrew Christie - CPI
Lian Bunny – The West Seneca Sun
Todd Chalmers – CPI
Gregory Sehr - CPI

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:10 a.m. My name is John Cappellino. I am the Executive Vice President 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 CPI Process Systems 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, February 14, 2019.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 3+/- acre parcel of vacant land located at 2800 North America Drive, Town of West Seneca, Erie County, New York (the "Land"); (ii) the installation of certain infrastructure improvements to the Land and the construction and equipping of an 11,560+/- SF distribution/warehouse building to be utilized for the distribution of industrial valves (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 and the Improvements, the “Facility).

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

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

*Hearing Officer:* All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on March 26, 2019. There are no limitations on written comments.

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

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

The Hearing Officer calls on those who raise their hand.

Andrew Christie, President of CPI Process System. CPI Process Systems is a distributor of industrial valves. We are more that just warehouse & valves; our real work is in value added. We take a value, actuator and different components and marry them together. We also do something called oxygen cleaning for our largest customer Praxair. We disassemble a valve and clean it to a very high degree to make sure it is absolutely oil free and then we will reassemble it and test it before we ship it out.

Currently we are in a 5,000 sq. ft. building and this is a big move for us to more than double in size. Our hope is not only to employ a few more people, but to increase our level of inventory and do everything we can to keep a good thing going.

**6. ADJOURNMENT:**

As there were no further comments, the Hearing Officer closed the public hearing at 9:25 a.m.
SIGN IN SHEET
PUBLIC HEARING

February 25, 2019, at 9:00 a.m.
at the Town of West Seneca Community Center & Library,
1300 Union Road (Community Room), West Seneca, NY 14224
regarding:

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

Project Location: 2800 North America Drive, West Seneca, 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>Andrew Christie</td>
<td>CPI</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>105 Hillview Terrace</td>
<td></td>
</tr>
<tr>
<td></td>
<td>West Seneca, New York 14224</td>
<td></td>
</tr>
<tr>
<td>Lian Bunny</td>
<td>The West Seneca Sun</td>
<td></td>
</tr>
<tr>
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<td>CPI</td>
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<td></td>
<td>West Seneca, New York 14224</td>
<td></td>
</tr>
</tbody>
</table>
2800 North America Drive

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name
0 CPI Process Systems
Applicant Name
0 Andrew Christie
Applicant Address
0 2440 North America Drive
Applicant Address 2
Applicant City
0 West Seneca
Applicant State
0 New York
Applicant Zip
0 14224
Phone
0 7166750134
Fax
0 7166758198
E-mail
0 andyc@ciprocess.com
Website
0 www.ciprocess.com
Federal ID#
0 204877322
NAICS Code
0 423830
Will a Real Estate Holding Company be utilized to own the Project property/facility
0 No
What is the name of the Real Estate Holding Company

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

Individual Completing Application

Name
0 Andrew Christie
Title
0 President
Address
0 105 Hillview Terrace
Address 2
City
0 West Seneca
State
0 New York
Zip
0 14224

<p>| | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Phone</td>
<td>7164810604</td>
</tr>
<tr>
<td>Fax</td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:andyc@cpiprocess.com">andyc@cpiprocess.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney          Gerald Greenan
Firm Name                Greenan Law Firm
Address                  3755 Seneca Street
Address 2
City                    West Seneca
State                   New York
Zip                     14224
Phone                   7166756111
Fax                     gig@greenan-law.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          Sole Proprietorship
Type of Ownership
Year Established          2006
State of Organization     New York

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

Please include name and % of ownership.

Andrew Christie 100%
**Applicant Business Description**

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

CPI Controls, with home office in Rhode Island, gave me the opportunity to open a branch for them in Western New York in 1990. CPI had branches in Maine, Rhode Island, New Jersey and Albany. I was working at the time for CPI's Albany branch when they asked me. It was exciting for us to come back to WNY and I chose to open the branch in my home town of West Seneca on Dec 3rd, 1990. In 2006 John Ruggieri, the owner of CPI Controls, gave me the chance to buy the West Seneca branch. We agreed to a slight change in the company name from CPI Controls to CPI Process Systems. Fortunately it has worked out well. We're a distributor of industrial valves and specialize in pneumatic and electric valve assemblies. Our larger customers include Praxair in Tonawanda, IMA Life in Tonawanda, Pall Corporation in Cortland, Samco Technologies in Buffalo and Niacet Corporation in Niagara Falls. Praxair is 40% of our business. We are a global supplier of cryogenic valves for them, as well as pneumatic and electric valve assemblies.

**Estimated % of sales within Erie County** 35

**Estimated % of sales outside Erie County but within New York State** 20

**Estimated % of sales outside New York State but within the U.S.** 20

**Estimated % of sales outside the U.S.** 25

(*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**

Robert James - flanges 1%. Office supplies we purchase locally in Erie County as well as boxes and pallets.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
West Seneca

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

In which Municipality will the proposed project be located
West Seneca

Address
2800 North America Drive

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
135.06-6-2

What are the current real estate taxes on the proposed Project Site
$2,463.09

Assessed value of land
$48,000

Assessed value of building(s)

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?
No

Describe the present use of the Proposed Project site
Vacant land in the industrial park.

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)

We currently lease 5,000 sq ft on North America Drive and 3,000 sq ft in additional warehouse space on Ransier Drive. Our leases run out the end of 2019. Being in a larger facility with all inventory under one roof will help us be more efficient and will give us more room to stage project orders and be more responsive to our customers. We will need to purchase one tow motor, one automatic tagging machine, one welding machine and two overhead cranes.

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:

There is heavy competition in the valve industry. We are hoping with your help to grow our business and better serve our customers.

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)

With this expansion we will need three more people. One more shop person, possibly one more engineer and also one more in administration. With this investment it will enable us to handle project work more efficiently. This will give us the opportunity to use our bank credit line as well to increase our inventory to be more responsive to the customer.

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

Yes

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

We will most likely remain stagnant and we'll need to lease.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

We will either lease or take an equipment loan. We will need a tow motor, two cranes, a laser tagging machine and a new welder.

Site Characteristics

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

Yes

Describe the present zoning/land use

Building will be in the North America Industrial Park.

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

There will be human energy efficiencies (efficiencies in our shop).

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

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

No

If yes, please explain.

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

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

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

**Retail Sales**  No  **Services**  No

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

**Yes Manufacturing  No Multi-Tenant  No Mixed Use**

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

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 120,000  square feet  3 acres

New Building Construction

$ 2,600,000  11,560 square feet

New Building addition(s)

$ 0  square feet

Infrastructure Work

$ 100,000

Renovation

$ 0  square feet

Manufacturing Equipment

$ 250,000

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

$ 5,000

Soft Costs: (professional services, etc.)

$ 25,000

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 3,100,000

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:

Land has been purchased.

Sources of Funds for Project Costs:

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

$ 900,000

Bank Financing:

$ 2,200,000

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:**

$3,100,000

**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.*

$ 2,200,000

**Lender Name, if Known**

Community Bank

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

$16,500

**Construction Cost Breakdown:**

**Total Cost of Construction**

$ 2,700,000

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

**Cost for materials**

$ 1,620,000

**% sourced in Erie County**

60%

**% sourced in State**

85% (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**

$ 1,620,000

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

$ 141,750

**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.

---

**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 square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse square feet</td>
<td>$ 1,700,000</td>
<td>65</td>
</tr>
<tr>
<td>Research &amp; Development square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
<tr>
<td>Retail square feet</td>
<td>$ 0</td>
<td>0</td>
</tr>
<tr>
<td>Office square feet</td>
<td>$ 900,000</td>
<td>35</td>
</tr>
</tbody>
</table>

date 10/21
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
4/1/2019

End date: Estimated completion date of project
12/1/2019

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

Have construction contracts been signed?
No

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

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

Is project necessary to expand project employment?
Yes

Is project necessary to retain existing employment?
Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>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>12</td>
<td>2</td>
</tr>
<tr>
<td>Part time</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>2</td>
</tr>
</tbody>
</table>

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


11/21
***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>$250,000</td>
<td>$10,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>9</td>
<td>$75,000</td>
<td>$10,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>2</td>
<td>$0</td>
<td>$0</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>2</td>
<td>$60,000</td>
<td>$10,000</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>Full time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Will any of the facilities described above be closed or subject to reduced activity?
No

Payroll Information

Annual Payroll at Proposed Project Site
$1,285,000

Estimated average annual salary of jobs to be retained (Full Time)
$75,000

Estimated average annual salary of jobs to be retained (Part Time)
$20,000

Estimated average annual salary of jobs to be created (Full Time)
$60,000

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

Estimated salary range of jobs to be created
From (Full Time) $60,000 To (Full Time) $0
From (Part Time) $0 To (Part Time) $0

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Occupant Name</th>
<th>CPI Process Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>2800 North America Drive, West Seneca, NY</td>
</tr>
<tr>
<td>Contact Person</td>
<td>Andrew Christie</td>
</tr>
<tr>
<td>Phone</td>
<td>7166750134</td>
</tr>
<tr>
<td>Fax</td>
<td>7166758198</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:andyc@cpiprocess.com">andyc@cpiprocess.com</a></td>
</tr>
<tr>
<td>Federal ID #</td>
<td>204877322</td>
</tr>
<tr>
<td>SIC/NAICS Code</td>
<td>423830</td>
</tr>
</tbody>
</table>

### Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

<BLANK>

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

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Current Address (city, state, zip)</th>
<th># of sq ft and % of total to be occupied at new 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  
2800 North America Drive, West Seneca, N.Y. 14224

Name and Address of Owner of Premises  
Andrew Christie 105 Hillview Terrace West Seneca, N.Y. 14224

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

Industrial Park - flat terrain

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

Describe all known former uses of the Premises

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

If yes, please identify the substance, the quantity and describe how it is stored
Discharge Into Waterbodies
Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges.

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

Is any waste discharged into or near surface water or groundwaters?
No

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

Air Pollution
Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?
No

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

Are any of the air emission sources permitted?
No

If yes, attach a copy of each permit.

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

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?
No

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

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

Have there been any PCB spills, discharges or other accidents at the Premises?
No

If yes, relate all the circumstances.

Do the Premises have any asbestos containing materials?
No

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

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

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

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

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

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

Within New York State  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.)

More square footage, high ceilings with overhead cranes, more efficient

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?

Currently leasing in Erie County. Our work force lives 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?  
No

What is the age of the structure (in years)?  
0

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

If vacant, number of years vacant.  
0

If underutilized, number of years underutilized.  
0

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

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

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

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

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

Does the site have historical significance?  
No

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

If yes, provide estimated value of tax credits  
$

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

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

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

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

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

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

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

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

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

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

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

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 33.333%, 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>
# McKesson Corporation
## $16,100,000
## INDUCEMENT RESOLUTION

### Eligibility
- NAICS Section - 424210

### Company Incentives
- Approximately $1,238,125 in sales tax savings

### Employment
- Current: 62
- Projected New Jobs: 13
- Total after 2 years: 75
- Annual payroll: $2,600,000
- Estimated salary of jobs to be created: $39,000
- Estimated salary of jobs to be retained: $43,000

### Project History
- 03/27/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 3/27/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

## Agency Request
A sales tax exemption in connection with the construction of leasehold improvements and the purchase of machinery and equipment.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renovation</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Non-Manufacturing Equipment</td>
<td>$12,200,000</td>
</tr>
<tr>
<td>Soft Costs/Other</td>
<td>$25,000</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$16,100,000</td>
</tr>
<tr>
<td>85%</td>
<td>$13,685,000</td>
</tr>
</tbody>
</table>

## Company Description
McKesson Corporation is a global leader in healthcare supply chain management solutions, retail pharmacy, community oncology and specialty care, and healthcare information technology.

The company partners with manufacturers, provides pharmacies, governments and other organizations in healthcare to help provide the right medicines, medical products and healthcare services to the right patients at the right time, safely and cost-effectively.

This business is the largest pharmaceutical distributor in the U.S. with more than 40,000 customers.

## Project Description
In 2015, ECIDA approved a project for Benderson Development for the construction of two (2) spec buildings totaling 100,000 sq. ft. within the Broadway Industrial Park. McKesson will be leasing 45,000 sq. ft. within one of the buildings. The company will be constructing leasehold improvements and purchasing machinery and equipment to create a fulfillment center at the site.

Once the leasehold improvements are constructed, employees currently located in 17,000 sq. ft. of leased space also within the park will relocate to the new 45,000 sq. ft. facility.

In addition to the Cheektowaga location, a West Seneca operation which consists of 139,000 sq. ft. will remain open as it will supply the new fulfillment center.

The company had been offered an alternative location for expansion; namely, Jeffersonville, Indiana where they were offered a $2.2 million incentive package. Along with ECIDA, Invest Buffalo Niagara and Empire State Development worked diligently to keep this company within Erie County.
### 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: $16,100,000 85% : $13,685,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with Recapture Period</td>
<td>Maintain Base: 62 FTE Create 85% pf Projected Projected: 13 85%: 11 Recapture Employment: 73</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 Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of State and Local Sales Taxes,</td>
</tr>
</tbody>
</table>

Recapture applies to:

State and Local Sales Taxes

### 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 62 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

**MCKESSON – 2019**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| **Wage Rate (above median wage for area)**                   | Eric County per capita income: $31,083  
Company estimated average salary of jobs to be created: $39,000  
Company estimated average salary of jobs to be retained: $43,000 |
| **Regional Wealth Creation (% sales/customers outside area)** | Sales:  
The company has more than 40,000 customers which includes national and regional chains, mail order pharmacies and mass merchandisers, independent retail pharmacies and institutional healthcare providers such as hospitals, health systems and long term care providers. |
| **In Region Purchases (% of overall purchases)**             | The company makes commercially reasonable efforts to procure materials from firms in the 8 county local labor area.                      |
| **Research & Development Activities**                        | No R&D activities are conducted at the site.                                                                                          |
| **Investment in Energy Efficiency**                          | Not applicable.                                                                                                                        |
| **Locational Land Use Factors, Brownfields or Locally Designated Development Areas** | Not applicable. The company is leasing an existing facility.                                                                           |
| **LEED/Renewable Resources**                                 | Not applicable to this project                                                                                                          |
| **Retention/Flight Risk**                                    | The company has been offered an alternative location for expansion in Jeffersonville, Indiana                                          |
| **MBE/WBE Utilization**                                      | McKesson’s Supplier Diversity Program encourages small and diverse businesses to apply online for consideration for upcoming business opportunities. |
| **Workforce Access – Proximity to Public Transportation**     | Facility is accessible through bus routes 19, 8, 4 and 14                                                                              |

**March 27, 2019**
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

### PILOT Estimate Table Worksheet-McKesson 2019

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,900,000</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Apply equalization rate to value N/A

### PILOT Year

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<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>$16,100,000</td>
<td>$0</td>
<td>$1,238,125</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 7.7 %
Internal Report: McKesson Corporation - McKesson Corporation

**Table 1: Basic Information**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>McKesson Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(42) Wholesale Trade</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>$16,125,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>75 (13 created and 62 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$4,759,226</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>29</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$1,498,866</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$6,258,092</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>$217,344</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$965,074</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$2,657,483</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$812,694</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$4,652,595</strong></td>
</tr>
</tbody>
</table>

**Table 3: Estimated Project Incentives**

<table>
<thead>
<tr>
<th>Property Tax Savings</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Savings</td>
<td>$1,238,125</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$1,238,125</strong></td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th>Direct**</th>
<th>75 (13 created and 62 retained)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect***</td>
<td></td>
<td>31</td>
</tr>
<tr>
<td>Induced****</td>
<td></td>
<td>44</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>Indirect</td>
<td></td>
<td>10</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>3.8:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>62.4:1</td>
</tr>
</tbody>
</table>

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

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PUBLIC HEARING SCRIPT

McKesson Corporation 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 February 26, 2019 at 11:00 a.m.,
at the Town of Cheektowaga Town Hall, 3301 Broadway
(Town Council Chamber), Cheektowaga, NY 14227

ATTENDANCE:

John Lenio – CBRE
Lorrie Abounader – Invest Buffalo Niagara
Hon. Diane Benczkowski – Supervisor, Town of Cheektowaga
Matt Janszewski – Town of Cheektowaga

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

Hearing Officer: Welcome. This public hearing is now open; it is 11:00 a.m. My name is Beth O’Keefe. 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 McKesson Corporation and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, February 15, 2019

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

Hearing Officer: The proposed project (the "Project") consists of: (i) constructing and equipping of leasehold improvements to an existing 45,000 +/- SF warehouse building to be utilized as a central fill pharmacy fulfillment operation (the "Improvements"); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, collectively with 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 March 26, 2019. There are no limitations on written comments.

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

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

The Hearing Officer calls on those who raise their hand.

John Lenio – Executive Vice President, CBRE. I represent McKesson Corporation as their site selection consultant for this project. To add a little more detail on McKesson Corporation, the company currently operates an existing 17,000 sq. ft. warehouse in Cheektowaga. We are looking to expand our operations to a 45,000 sq. ft. building within the same business park. The intention of the expansion is to add capacity and upgrade material handling equipment to allow for more automation fulfillment throughout the facility. The company is evaluating a sixteen-million-dollar investment in the building and into the material handling equipment. With this investment would come the retention of 62 existing jobs and potentially adding 13 new jobs in the Town of Cheektowaga. The proposed incentives that the ECIDA is considering will help overall economics of our investment, capital and people within the Town of Cheektowaga.

Currently we are evaluating a return on investment in a like size facility in Jeffersonville, Indiana. The proposed incentives will help significantly close the economic gap that we are forecasting with Erie County and the Town of Cheektowaga of $1.5M and the incentives are important to us in finalizing our business case and hopefully choose Cheektowaga and Erie County for this project. The company has been operating in Cheektowaga for the last 7-10 years. McKesson has been very happy with the workforce. Most of the workforce within their facility are pharmacy support technicians, maintenance and IT support staff. The company feels that the local workforce is very loyal and hard working compared to some of McKesson’s fulfillment centers. The company is looking forward to potentially continuing their partnership with the community. Thank you.

6. ADJOURNMENT:

As there were no further comments, the Hearing Officer closed the public hearing at 11:15 a.m.
SIGN IN SHEET
PUBLIC HEARING

February 26, 2019, at 11:00 a.m.
at the Town of Cheektowaga Town Hall, 3301 Broadway (Town Council Chamber), Cheektowaga, NY 14227
regarding:

**McKesson Corporation and/or Individual(s) or Affiliate(s), Subsidiary(ies),
or Entity(ies) formed or to be formed on its behalf**

Project Location: 2871 Broadway Street, 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>John Lenio</td>
<td>CBRE 25756 Camelback Road, Suite 500 Phoenix, Arizona 85016</td>
<td>X</td>
</tr>
<tr>
<td>Lorrie Abounader</td>
<td>Invest Buffalo Niagara 257 West Genesee Street Buffalo, New York 14202</td>
<td></td>
</tr>
<tr>
<td>Supervisor Diane Benczkowski</td>
<td>Town of Cheektowaga 3301 Broadway Cheektowaga, New York 14227</td>
<td></td>
</tr>
<tr>
<td>Matt Jenszewski</td>
<td>Town of Cheektowaga 3301 Broadway Cheektowaga, New York 14227</td>
<td></td>
</tr>
</tbody>
</table>
Project Frost

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name: Project Frost
Applicant Name: McKesson Corporation
Applicant Address: One Post Street, 30th Floor
Applicant Address 2: San Francisco
Applicant City: San Francisco
Applicant State: California
Applicant Zip: 94104
Phone: n/a
Fax: n/a
E-mail: www.mckesson.com
Website: www.mckesson.com
Federal ID#: 424210
NAICS Code: 424210
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:

Individual Completing Application

Name: John Lenio, CBRE (Consultant)
Title: Executive Vice President
Address: 2575 E Camelback Road, Suite 500
Address 2: Phoenix
City: Arizona
State: Arizona
Zip: 85016
<table>
<thead>
<tr>
<th>Phone</th>
<th>480-254-3379</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fax</td>
<td>n/a</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:john.lenio@cbre.com">john.lenio@cbre.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

Name: Chris Pericles
Title: Director, Global Real Estate
Address: One Post Street, 30th Floor

City: San Francisco
State: California
Zip: 94104
Phone: 602-502-8068
Fax: n/a
E-Mail: chris.pericles@mckesson.com

Company Counsel

Name of Attorney: Jennifer Duncan
Firm Name: McKesson Corporation
Address: 2 National Data Plaza

City: Atlanta
State: Georgia
Zip: 30329
Phone: 404-461-1358
Fax: n/a
E-Mail: jennifer.duncan@mckesson.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business: Corporation
Type of Ownership: 
Year Established: 1833
State of Organization: Delaware

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

None. Public company.
**Applicant Business Description**

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

McKesson Corporation currently ranked 6th on the FORTUNE 500, is a global leader in healthcare supply chain management solutions, retail pharmacy, community oncology and specialty care, and healthcare information technology. We partner with manufacturers, providers, pharmacies, governments and other organizations in healthcare to help provide the right medicines, medical products and healthcare services to the right patients at the right time, safely and cost-effectively. This business is the largest pharmaceutical distributor in the United States with more than 40,000 customers. Our U.S. Pharmaceutical Business supplies brand, generic, specialty, biosimilar and OTC pharmaceutical drugs and other healthcare-related products to customers throughout the United States and Puerto Rico through three primary customer channels: (1) Retail national accounts which includes national and regional chains, food and drug combinations, mail order pharmacies and mass merchandisers; (2) Independent retail pharmacies; and (3) Institutional healthcare providers such as hospitals, health systems, integrated delivery networks and long-term care providers. This business also provides solutions and services to pharmaceutical manufacturers. This business provides secondary distribution of generics and medical supplies and consulting services. Additional details where products will be shipped are unavailable.

**Estimated % of sales within Erie County**

0

**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.

The Company will make commercially reasonable efforts to procure materials from firms in the 8 County local labor area. A list of vendors and suppliers has not been identified at this time.
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
2871 Broadway Street

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

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

SBL Number for Property upon which proposed Project will be located
102.04-3-2.113

What are the current real estate taxes on the proposed Project Site
34,789

Assessed value of land

Assessed value of building(s)

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Cheektowaga

School District of Project Site
Cheektowaga Central

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

If No, indicate name of present owner of the Project Site
93 NYRPT LLC (Benderson)

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

Describe the present use of the Proposed Project site
Vacant warehouse building

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 involves a central fill pharmacy fulfillment operation. The short listed location is an existing building in Cheektowaga. Capital investment is estimated at $16.1 million including $3.9 million in leasehold improvements and $12.2 million in equipment & furniture investment. Regarding other properties in Erie County: McKesson is planning to keep the facility at 2851 Broadway open but will not have any FTEs there. The purpose is to use the 17,461 sq ft space as a back-up in case something happens to the new facility we plan to open. The West Seneca facility is part of the same legal entity (McKesson Corporation). This facility will remain open and it will supply the new fulfillment center (among others out of the State) with product as needed. The W. Seneca facility operates in 139,000 sf and has 91 FTEs. This FTE figure is not expected to change.

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

The Project requires financial assistance in order to occur in Cheektowaga.

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 project involves the potential retention and creation of 85 full-time jobs and $16.1 million investment in a central fill pharmacy fulfillment operation in Cheektowaga, NY. The Applicant has concluded that an operation in New York has a $1.5 million economic gap compared with a project in Jeffersonville, IN.

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?

Eric County could lose out on 85 jobs, $2.3M in annual payroll, and a $16.1M capital investment. The Applicant has a feasible alternative in Jeffersonville, Indiana.

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

warehouse

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

No

If yes, please provide a copy.

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

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?**

None

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

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

Please check any and all end uses as identified below.

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

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

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

Estimated costs in connection with project

Land and/or Building Acquisition
- $0 square feet acres

New Building Construction
- $0 square feet

New Building addition(s)
- $0 square feet

Infrastructure Work
- $0

Renovation
- $3,900,000 45,000 square feet

Manufacturing Equipment
- $0

Non-Manufacturing Equipment: (furniture, fixtures, etc.)
- $12,200,000

Soft Costs: (professional services, etc.)
- $0

Other Cost
- $0

Explain Other Costs

Total Cost
- $16,100,000

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

Have any of the above costs been paid or incurred as of the date of this Application?
- No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):
- $16,100,000

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):
- $0
Identify each state and federal grant/credit:
  None

Total Sources of Funds for Project Costs:
  $16,100,000

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.

$  

Lender Name, if Known

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

$0

Construction Cost Breakdown:

Total Cost of Construction
  $3,900,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
  $1,950,000

% 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
  $14,150,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
  $1,238,125

Real Property Tax Benefit:

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

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

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse square feet</td>
<td>$16,100,000</td>
<td>100</td>
</tr>
<tr>
<td>Research &amp; Development square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other square feet</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

4/1/2019

End date: Estimated completion date of project

10/1/2019

Project occupancy: estimated starting date of operations

12/1/2019

Have construction contracts been signed?

No

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

No

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
| Total | 62 | 13

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

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period.

following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>75</td>
<td>$39,000</td>
<td>$9,750</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>2851 Broadway Street</th>
<th>2700 North American Dr W. Seneca</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>62</td>
<td>91</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>91</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
$ 2,600,000

Estimated average annual salary of jobs to be retained (Full Time)
$ 43,000

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

Estimated average annual salary of jobs to be created (Full Time)
$ 39,000

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

Estimated salary range of jobs to be created
From (Full Time) $ 35,000 To (Full Time) $ 73,000
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?
Yes

If yes, please explain and identify out-of-state locations investigated
The Company has a feasible alternative location in Jeffersonville, Indiana. Jeffersonville and the State of Indiana are offering a $2.2 Million incentives package. The package includes State refundable corporate income tax credits, real estate tax refunds, and personal property tax refunds.

What competitive factors led you to inquire about sites outside of New York State?
The Company has identified an equally viable real estate option in Jeffersonville, Indiana.

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
Invest Buffalo Niagara and Empire State Development

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)
Excelsior Program
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
The project is an existing building.

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**
2871 Broadway Street

**Name and Address of Owner of Premises**
93 NYRPT LLC (Benderson)

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

**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**
Warehouse, fulfillment center

**Describe all known former uses of the Premises**
None

**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**
None expected

**Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years**
None.
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 expected

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 expected

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

None

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

No

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

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

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

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

<BLANK>

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

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

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

No

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

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

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?  
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)  
No

If vacant, number of years vacant.  
0

If underutilized, number of years underutilized.  
0

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

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

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

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

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

Does the site have historical significance?  
No

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

If yes, provide estimated value of tax credits  
$

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

Without financial assistance from ECIDA, the Company's alternative location in Jeffersonville, Indiana is $1.5M less expensive over 10 years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?  
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  
No

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

Is the project located in a Highly Distressed Area?  
No
Steuben Foods, Inc.
$16,854,183
Inducement Resolution

Eligibility
- NAICS Section - 311500

Company Incentives
- Approximately $795,000 in real property tax savings.
- Approximately $460,756 in sales tax savings

Employment
- Current: 555 FT
- 19 PT
- Projected New Jobs: 27 FT
- Estimated salary of jobs to be created: $35,421
- Estimated salary of jobs to be retained: $51,057

Project History
- 03/11/2019 - Public hearing held. Transcript attached.
- 03/27/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 3/27/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Steuben Foods, Inc.
Project Address: 1150 Maple Road
Elma, New York 14059
(Iroquois Central School District)

Agency Request
A sales tax and real property tax exemption in connection with the construction of an 82,500 sq. ft. manufacturing facility.

- New Building Construction $7,992,664
- Infrastructure $353,376
- Manufacturing Equipment $5,364,582
- Non-Manufacturing Equipment $1,017,586
- Soft Costs/Other $2,125,975

Total Project Costs $16,854,183
85% $14,326,055

Company Description
Steuben Foods, Inc, is a high tech food and beverage manufacturer founded in 1981. It processes and packages a variety of dairy and plant based foods and beverages in its over 400,000 sq. ft. manufacturing facility in Elma, New York. These products generally are packaged in aseptic or extended shelf life containers.

In December, 2016 Steuben completed an 80,000 sq. ft. expansion of its existing low-acid aseptic processing and packaging facility, which included 20,000 sq. ft. of manufacturing space and equipment to specifically process grains, nuts, and seeds.

National and international sales account for approximately 70% of sales.

Project Description
The project consists of the expansion of Steuben’s warehouse along with equipment purchases to improve its production capabilities. The expansion includes the construction of an 82,500 sq. ft. facility to improve production flow as demand for finished product continues to expand. The project also includes the purchase, installation and implementation of a robotic palletizing system.

New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue Over 10-Year Abatement Period</th>
<th>Additional Local Revenue Over 10-Year Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$205,000</td>
<td>$51,000</td>
<td>$160,000</td>
<td>$100,500</td>
</tr>
<tr>
<td>Combined Tax Rate:</td>
<td>$491.10</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: $16,854,183 85% : $14,326,055</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 10-Year PILOT</td>
<td>Maintain Base: 564 FTE Create 85% pf Projected Projected: 27 85%: 23 Recapture Employment: 587</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 10-Year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>PILOT Term</td>
<td>Recapture of State and Local Sales Taxes, 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 564 employees and created an additional 27 jobs iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Site History

- Early 1970’s - Western Electric began development of a 200 acre site in Elma, New York
- 1976 - Western Electric abandons site
- 1980 - ECIDA purchases site for $500,000 in back taxes with money loaned to it by the Regional Development Corporation
- 1983 - ECIDA identifies Steuben as a potential tenant for 150 acres
- 1983 - $5,5000,000 Urban Development Action Grant used for site work and building renovations
- 1983 - $700,000 EDA grant along with an Erie County grant for sewer facility
- 1983 - ECIDA and Steuben sign a 30-year lease for the property with two 30-year renewal options
- 2009 - Steuben exercises option to purchase the 150 acre site for $6,000,000 less all of the rental payments made (excluding PILOT payments) paid by Steuben under the lease agreement
# ADDENDUM TO PROJECT LOG

**STEUBEN FOODS**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| **Wage Rate (above median wage for area)**                | Erie County per capita income: $29,940  
Company estimated average salary of jobs to be retained: $51,000  
Company estimated average salary of jobs to be created: $35,420 |
| **Regional Wealth Creation (% sales/customers outside area)** | Sales:  
Outside Erie County and within NYS: 1%  
Outside NYS and within U.S.: 55%                                                                                     |
| **In Region Purchases (% of overall purchases)**         | Approximately 17%                                                                                                                  |
| **Research & Development Activities**                    | R&D operating expenses are currently estimated at 5%. Steuben formulates and researches new products at the Maple Road facility where five PhD scientists are currently employed. These individuals oversee the research and food development department. |
| **Investment in Energy Efficiency**                      | N/A                                                                                                                                 |
| **Locational Land Use Factors, Brownfields or Locally Designated Development Areas** | Site is zoned industrial.                                                                                                            |
| **LEED/Renewable Resources**                             | N/A                                                                                                                                 |
| **Retention/Flight Risk**                                | Recapture criteria currently in place requires a company this size to retain 95% of its 564 FTE jobs                               |
| **MBE/WBE Utilization**                                  | The company routinely lists job openings with the Department of Labor                                                             |
| **Workforce Access – Proximity to Public Transportation** | Bus route 70                                                                                                                      |

*March 27, 2019*
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

### PILOT Estimate Table Worksheet—Steuben Foods—2019

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,346,040</td>
<td>$205,000</td>
<td>$118.18</td>
<td>$5.30</td>
<td>$367.10</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>$2,423</td>
<td>$109</td>
<td>$7,526</td>
<td>$10,057</td>
<td>$100,571</td>
<td>$90,514</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$2,423</td>
<td>$109</td>
<td>$7,526</td>
<td>$10,057</td>
<td>$100,571</td>
<td>$90,514</td>
</tr>
<tr>
<td>3</td>
<td>10%</td>
<td>$2,423</td>
<td>$109</td>
<td>$7,526</td>
<td>$10,057</td>
<td>$100,571</td>
<td>$90,514</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$4,846</td>
<td>$217</td>
<td>$15,051</td>
<td>$20,114</td>
<td>$100,571</td>
<td>$80,457</td>
</tr>
<tr>
<td>5</td>
<td>20%</td>
<td>$4,846</td>
<td>$217</td>
<td>$15,051</td>
<td>$20,114</td>
<td>$100,571</td>
<td>$80,457</td>
</tr>
<tr>
<td>6</td>
<td>20%</td>
<td>$4,846</td>
<td>$217</td>
<td>$15,051</td>
<td>$20,114</td>
<td>$100,571</td>
<td>$80,457</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$7,269</td>
<td>$326</td>
<td>$22,577</td>
<td>$30,171</td>
<td>$100,571</td>
<td>$70,400</td>
</tr>
<tr>
<td>8</td>
<td>30%</td>
<td>$7,269</td>
<td>$326</td>
<td>$22,577</td>
<td>$30,171</td>
<td>$100,571</td>
<td>$70,400</td>
</tr>
<tr>
<td>9</td>
<td>30%</td>
<td>$7,269</td>
<td>$326</td>
<td>$22,577</td>
<td>$30,171</td>
<td>$100,571</td>
<td>$70,400</td>
</tr>
<tr>
<td>10</td>
<td>30%</td>
<td>$7,269</td>
<td>$326</td>
<td>$22,577</td>
<td>$30,171</td>
<td>$100,571</td>
<td>$70,400</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$50,880</td>
<td>$2,283</td>
<td>$158,037</td>
<td>$211,199</td>
<td>$1,005,710</td>
<td>$794,511</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>$16,854,183</td>
<td>$794,511</td>
<td>$460,756</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 7.4 %
## Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Steuben Foods, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(311) Food Manufacturing</td>
</tr>
<tr>
<td>Municipality</td>
<td>Elma Town</td>
</tr>
<tr>
<td>School District</td>
<td>Iroquois</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$16,500,807</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$7,992,664</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>591 (27 created and 564 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$36,756,447</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>58</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$3,071,778</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$39,828,225</td>
</tr>
</tbody>
</table>

## Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
<td>$200,785</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$12,793,428</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$34,499,114</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$10,773,413</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$58,266,741</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>$791,908</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$438,718</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$1,230,626</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>591 (27 created and 564 retained)</td>
</tr>
<tr>
<td>Indirect***</td>
<td>999</td>
</tr>
<tr>
<td>Induced****</td>
<td>596</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>58</td>
</tr>
<tr>
<td>Indirect</td>
<td>21</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>47.3:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>829:1</td>
</tr>
</tbody>
</table>

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

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Steuben Foods, Inc. Application

Section I: Applicant Background Information

**Applicant Information - Company Receiving Benefit**

<table>
<thead>
<tr>
<th><strong>Project Name</strong></th>
<th>Steuben Foods, Inc. Expansion Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Applicant Name</strong></td>
<td>Steuben Foods, Inc.</td>
</tr>
<tr>
<td><strong>Applicant Address</strong></td>
<td>1150 Maple Road</td>
</tr>
<tr>
<td><strong>Applicant Address 2</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Applicant City</strong></td>
<td>Elma</td>
</tr>
<tr>
<td><strong>Applicant State</strong></td>
<td>New York</td>
</tr>
<tr>
<td><strong>Applicant Zip</strong></td>
<td>14059</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>7166554000</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td>716-655-4078</td>
</tr>
<tr>
<td><strong>E-mail</strong></td>
<td><a href="mailto:Bmanka@steubenfoods.com">Bmanka@steubenfoods.com</a></td>
</tr>
<tr>
<td><strong>Website</strong></td>
<td><a href="http://www.steubenfoods.com">www.steubenfoods.com</a></td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
<td>22-2407431</td>
</tr>
<tr>
<td><strong>NAICS Code</strong></td>
<td>311500</td>
</tr>
<tr>
<td><strong>Will a Real Estate Holding Company be utilized to own the Project property/facility</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>What is the name of the Real Estate Holding Company</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
<td></td>
</tr>
<tr>
<td><strong>State and Year of Incorporation/Organization</strong></td>
<td></td>
</tr>
<tr>
<td><strong>List of stockholders, members, or partners of Real Estate Holding Company</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Individual Completing Application**

<table>
<thead>
<tr>
<th><strong>Name</strong></th>
<th>Brian Manka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title</strong></td>
<td>Chief Financial Officer and Senior Corporate Counsel</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>1150 Maple Road</td>
</tr>
<tr>
<td><strong>Address 2</strong></td>
<td></td>
</tr>
<tr>
<td><strong>City</strong></td>
<td>Elma</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>New York</td>
</tr>
<tr>
<td><strong>Zip</strong></td>
<td>14059</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>716-655-4000 Ext. 443</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td>716-655-4078</td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:Bmanka@steubenfoods.com">Bmanka@steubenfoods.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)
Name
Title
Address
Address 2
City
State
Zip
Phone
Fax
E-Mail

Company Counsel
Name of Attorney     Brian Manka
Firm Name     In-House Senior Corporate Counsel for Steuben Foods, Inc.
Address     1150 Maple Road
Address 2
City     Elma
State     New York
Zip     14059
Phone     716-655-4000 Ext. 443
Fax     716-655-4078
E-Mail     Bmanka@steubenfoods.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%

Please include name and % of ownership.

Applicant Business Description

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

Steuben Foods Inc. ("Steuben") is a food and beverage manufacturer founded in 1981. It processes and packages a variety of dairy and plant based foods and beverages in its over 400,000 square foot facility located in Elma, New York. Generally, these products are packaged in aseptic or extended shelf life containers. Steuben's production capabilities and products include, but are not limited to the following: Almond Milk, Coffee Creamers, Drinkable Yogurt, Flavored Milk, Horchata, Non-Alcoholic Drink Mixers, Shakes, Soymilk, Sweetened Condensed Milk, Cereal Beverages, Custard Bases, Energy Drinks, Gravy, Ice Cream Mix, RTD Coffee/Tea, Smoothies, Sport Protein, Weight Control Drinks, Coconut Milk, Dainty/Soy Frappe, Evaporated Milk, High-Protein Drinks, Meal Replacement Drinks, Sauces, Soups, and Stocks/Broth. Steuben co-manufactures products for a variety of customers, including some of the largest food companies in the world. Given confidentiality obligations in place with a variety of its customers, it must refrain from naming specific customers in a document available to the general public. In December of 2016, Steuben Foods completed an 80,000 square foot expansion of its existing low-acid aseptic processing and packaging facility, which included 20,000 square feet of manufacturing space and equipment to specifically process grains, nuts, and seeds. To date, Steuben has used its unique patented plant processing technology to process various nuts, including almonds, hazelnuts, cashews and walnuts, transforming them into a highly nutritious and digestible beverage product referred to as "Milked Nuts". These products offer substantially more nuts than the leading brands of plant based beverages, such as "almond milks" that contain formulated almond flavored waters. The novel Steuben processed plant based products are nutritionally complete and provide the nutritional value of a handful of nuts in an eight ounce serving. Steuben has also successfully manufactured whole grain rice and oat products providing a full serving of brown rice or whole oats per single serving of the beverage. Steuben has over five hundred employees working in its processing facility, all located in New York, and the varied positions include laboratory technicians, mechanics, various equipment operators, and scientists. Notably, Steuben’s research and development team is headed by renowned food scientist, Dr. Cheryl Mitchell, who received the Women Entrepreneur of the Year Award from the State of California for her lifetime achievements in foods. Dr. Mitchell has since relocated to New York, bringing her expertise in plant based foods to Steuben. Steuben is now looking at opportunities to expand and grow its facility again in Erie County, New York.

Estimated % of sales within Erie County 30
Estimated % of sales outside Erie County but within New York State 1
Estimated % of sales outside New York State but within the U.S. 55
Estimated % of sales outside the U.S. 14
(*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.

Steuben sources approximately 17% of its supplies, raw materials and vendor services from companies that have a presence in Erie County.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
Elma, New York

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

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

Address
1150 Maple, Elma, New York 14059

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
155.00-2-5.111

What are the current real estate taxes on the proposed Project Site
$226,394.84 (2018 School and County Tax Combined)

Assessed value of land

Assessed value of building(s)

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Elma, New York

School District of Project Site
IROQUOIS CENTRAL#1

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
Steuben Foods, Inc. currently has its manufacturing facility located at the proposed project site.

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)

Steuben is looking to expand its northeast warehouse and making equipment purchases to improve and increase production. The northeast warehouse expansion includes construction and preparation of approximately 82,500 square feet of structure with drive-in racking. It will include over 6,000 pallet rack spaces and is much needed to support increased volume production and growth at Steuben. The parking lot is also planned to be expanded for added employee parking spaces, and tractor trailer staging. The Project also involves the purchase, installation and implementation of a robotic palletizing system. Currently, Steuben utilizes third-party contractors to assist it in its palletizing process. This process involves the staging, wrapping and securing of product on pallets. The installation of the robotic palletizing system will allow Steuben to increase the volume of product palletized, and more efficiently perform these tasks. As a result of the Project, Steuben will hire a number of full-time skilled positions, including system operators, maintenance employees, and warehouse personnel, and will rely on temporary third-parties to a lesser extent.

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

The Project, in its entirety and without cuts to its scope, will not be able to be completed without Financial Assistance from the Agency. While some parts of the Project might be completed without Agency support, funding from the Agency is crucial to allow Steuben to fully invest and pursue the Project in its entirety as needed.

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 Project represents a significant cost to Steuben, and without financial assistance from the Agency, it will be forced to consider and implement cuts to its proposed Project. The Project is necessary to allow Steuben to remain competitive in the food manufacturing space, particularly with many of its aseptic food manufacturing competitors located outside of New York state. Currently, there are a number of existing and prospective customers that have requested additional production capacity at Steuben’s facility, and completing the project in its entirety is necessary to ensure Steuben is able to take on the commitments each of these customer’s require. The Agency’s Financial Assistance will allow Steuben to fully invest in the construction and equipment purchases that will lead to the creation of over twenty skilled jobs, including palletizer operators, machine operators, warehouse personnel, and various skilled maintenance positions. Notably, Steuben has received incentives in the past from ECIDA in connection with expansion projects, which has allowed it to remain competitive and expand its employment here in Erie County. In each of these instances, Steuben has complied with its obligations and promises made to ECIDA in connection with such funding.

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?

Steuben will need to make cuts to aspects of the Project. Cuts to the project will likely result in it being unable to fully accommodate the capacity demands made on it by current and prospective customers. It may be required to turn away prospective customers and limit production for existing customers, both of which will likely pursue manufacturing capacity with Steuben’s competitors located outside of Erie County and New York State. Cuts to the project will also reduce the creation of skilled jobs in 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

The property is currently zoned as Industrial.

Describe required zoning/land use, if different

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

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

Yes

If yes, please explain

The site was contaminated with non-friable asbestos contained in the collapsed roofing materials. Steuben Foods completed the remediation of this asbestos on December 21, 2018

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

The case conveyors and palletizers are added electrical load in the plant. We currently pallete by hand.

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.

While the location of the Warehouse may not specifically involve research activities, Steuben formulates and researches a number of new products at its facility at 1150 Maple Road, where is currently employs five PhD scientists who oversee its research and food development department. Steuben has a unique patented plant processing technology that allows it to extract all the nutrients and separate it from the fiber in nuts, grains, and seeds. It has used this technology to create various new plant based products. These products offer substantially more nutrition than the leading brands of plant based beverages, such as "almond milks" that contain formulated almond flavored waters. As an example, Steuben has developed a "Milked Almond" product which has up to four times more nuts per eight ounce serving than the leading brands. The novel Steuben processed plant based products are nutritionally complete. Additionally, Steuben has successfully manufactured whole grain rice and oat products providing a full serving of brown rice or whole oats per single serving of the beverage. Currently, Steuben is a research partner with the New York Department of Agriculture and Markets, and collaborates with Cornell University, in the research of various industrial hemp processing techniques. Steuben is developing various new products created with industrial hemp seeds, including hemp based milks, creamers, and fiber based products. These highly nutritious industrial hemp seeds are grown in Western New York under the auspices of the New York Department of Agriculture. Currently, the leading plant based beverages contain Almonds, many of which are imported from California. Steuben is optimistic that its new hemp based milk products, the main ingredient of which can be grown in New York, will capture a large segment of market share for plant based beverages.

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

Approximately 5%

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 0  square feet  acres

New Building Construction

$ 0  square feet

New Building addition(s)

$ 7,992,664  92,600 square feet

Infrastructure Work

$ 353,376

Renovation

$ 0  square feet

Manufacturing Equipment

$ 5,364,582

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

$ 1,017,586

Soft Costs: (professional services, etc.)

$ 1,054,103

Other Cost

$ 1,071,872

Explain Other Costs

Planning, design and engineering work as well as asbestos removal costs

Total Cost

$ 16,854,183

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:

engineering, design and site prep work

Sources of Funds for Project Costs:

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

$ 356,551

Bank Financing:

$ 16,497,631

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:
$16,854,182

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.


Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$0

Construction Cost Breakdown:

Total Cost of Construction
$8,346,040 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$4,248,194

% sourced in Erie County
25%

% sourced in State
55% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency’s sales and use tax exemption benefit
$5,265,780

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$460,756

Real Property Tax Benefit:

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

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

<table>
<thead>
<tr>
<th>Manufacturing/Processing</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>82,500 square feet</td>
<td>$15,000,222</td>
<td>89</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Specify Other</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,100 square feet</td>
<td>$1,853,960</td>
<td>11</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
4/1/2019

End date: Estimated completion date of project
10/31/2019

Project occupancy: estimated starting date of operations
10/31/2019

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>555</td>
<td>555</td>
</tr>
<tr>
<td>Part time</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>574</td>
<td>574</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>67</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>5</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>43</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>475</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>1</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>10</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></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
$ 0

Estimated average annual salary of jobs to be retained (Full Time)
$ 51,057

Estimated average annual salary of jobs to be retained (Part Time)
$ 20,396

Estimated average annual salary of jobs to be created (Full Time)
$ 35,421

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>$ 30,083</td>
<td>$ 56,478</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
No. [Note, confidential payroll, salary, and benefits information is left blank above and has been provided in a separate attachment submitted with this application.]

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
We anticipate submitting a New York State consolidated funding application in the near future and contacting Empire State Development. In connection with hemp processing, which is unrelated to this warehouse improvement project, New York Empire State Development has offered a $500,000 matching grant in connection with the purchase of a specialized press and dryer for ingredient manufacturing.

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)
We anticipate submitting a New York State consolidated funding application and Empire State Development application in the near future.
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 Steuben Foods, Inc.
Address 1150 Maple Road
Contact Person Steuben Foods, Inc.
Phone 7166554000
Fax 7166554078
E-Mail Bmanka@steubenfoods.com
Federal ID # 22-2407431
SIC/NAICS Code 311500

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 projeet 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
1150 Maple Road, Elma, NY 14059

Name and Address of Owner of Premises
Steuben Foods, Inc. 1150 Maple Road, Elma, NY 14059

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
Flat graded site with minimal modifications to the existing topography. The total site is 153.78 acres. There are 2.06 acres of wetlands located at the north perimeter on the site between Jamison Road and the North Truck Parking 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
The original construction was started in the mid-1970's by Western Electric. The structural steel and insulated metal panel clad building shell that was constructed in the mid-1970's was abandoned by Western Electric in 1976. The shell building has a flat TPO roof and structural steel is designed on a 25 ft x 50 ft column line grid. The interior roof height is 24 feet clear under the steel bar joists. A 120,000 square foot portion of the shell building was renovated in 1985 for yogurt production and additional expansions were completed between the period 1989 to 2015 to expand the building to its current size of 474,535 square feet. The facility is dedicated to the processing and packaging of both extended shelf life and aseptic dairy based and non-dairy based beverages packaged in flexible containers and in plastic bottles.

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?
Yes

If yes, please provide copies of the permits.
Identify the transporter of any hazardous and/or solid wastes to or from the Premises
Yes. Chemical Bulk Storage, Air Permit for Boiler Operation, Stormwater, and Wastewater permits are attached.

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

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?
Yes

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source
Air emissions from boilers covered under the attached air permit.

Are any of the air emission sources permitted?
Yes

If yes, attach a copy of each permit.

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

Above Ground Tanks:- 300 gallon diesel fuel tank for emergency generator- 7,000 gallon vegetable oil tank - 110 gallon miscellaneous oil tanks- 6,000 gallon sodium hydroxide tank- 4,100 gallon Nitric Acid Tank- 1,000 gallon sodium hydroxide tank- Two (2) 300 gallon sodium hydroxide tanks- Two (2) 300 gallon Nitric Acid 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?
Yes

If yes, please identify the materials
Yes. See attached asbestos survey and remediation documents for the boiler and the Northeast Warehouse roof at this site.
Section VI: Inter-Municipal Move Determination

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

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

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

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

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

If Yes to either question, please, explain

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

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

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

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

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

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

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

Are you applying for tax incentives under the Adaptive Reuse Program? 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) No
If vacant, number of years vacant. 0
If underutilized, number of years underutilized. 0
Describe the use of the building during the time it has been underutilized:
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) No
If yes, please provide dollar amount of income being generated, if any $
If apartments are planned in the facility, please indicate the following:

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

Does the site have historical significance? No
Are you applying for either State/Federal Historical Tax Credit Programs? No
If yes, provide estimated value of tax credits $
Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)
This section left blank as applicant is not applying for adaptive reuse.

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
This section left blank as applicant is not applying for adaptive reuse.

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
This section left blank as applicant is not applying for adaptive reuse.
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

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>
Unifrax I, LLC/Line 7 Project
$36,000,000
INDUCTION RESOLUTION

ELIGIBILITY

- NAICS Section - 321999

COMPANY INCENTIVES

- Approximately $752,500 in sales tax savings
- Approximately $1,705,000 in real property tax savings
- Approximately $146,250 in mortgage tax exemption

EMPLOYMENT

- Current Jobs - 27
- Projected Jobs - 10
- Total Jobs 2 Years After Project Completion: 37

Additional Company Employment in Tonawanda:

- 360 Fire Tower Drive-242
- 600 Riverwalk-122
- Annual payroll: $1,862,000
- Estimated salary of jobs to be created: $57,500
- Estimated salary of jobs to be retained: $69,000

PROJECT HISTORY

- 02/26/2019 - Public hearing held. Transcript attached.
- 03/27/2019 - The Project is consistent with the mitigation measures set forth in the DGEIS, FGEIS, and the Findings Statement that were prepared for the Project and as such, no further SEQR review is required for the Project pursuant to 6 N.Y.C.R.R. Section 617.10(d)(1).
- 03/27/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

PROJECT INVESTMENT

- 1988 - $4,250,000
- 2000 - $2,250,000
- 2011 - 3,035,000
- 2015 - $13,000,000
- 2018 - $28,700,000

Project Title: Unifrax I, LLC/Line 7 Project
Project Address: 55 Pirson Parkway
North Youngmann Commerce Center Business Park
Tonawanda, New York 14150
(Kenmore-Town of Tonawanda Union Free School District)

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the construction of a 90,000 sq. ft. manufacturing facility.

Land Acquisition $25,000
New Building Construction $10,975,000
Infrastructure $7,700,000
Manufacturing Equipment $14,800,000
Soft Costs/Other $250,000

Total Project Cost $36,000,000
85% $30,600,000

Company Description

Unifrax is a leading producer of high temperature insulation products for a wide variety of industrial applications. Unifrax fiber products are used to solve application problems in the ferrous and non-ferrous metals, industrial chemicals, petroleum products, power generation, ceramic, glass, automotive, fire protection, aerospace, appliance and other industries.

With corporate headquarters located in Tonawanda, Unifrax has three U.S. manufacturing facilities - Tonawanda, Sanborn, New York and New Carlisle, Indiana. Unifrax employs more than 2,300 people worldwide with 23 manufacturing facilities and various regional and sales locations.

Additional manufacturing facilities are also located in France, UK, Germany, India, Brazil, China, South Africa, Austria, Russia, Bahrain and the Czech Republic.

Global sales account for 51% of the company's business.

Project Description

In 2017, this Board approved an incentive package which led to Unifrax investing over $24,000,000 for the construction of an 83,000 sq. ft. manufacturing plant within the North Youngmann Commerce Park.

The current project proposes the construction of an additional 90,000 sq. ft. of manufacturing space along with the purchase of production machinery and equipment.
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>$3,000,000</td>
<td>$62,000</td>
<td>$403,000</td>
<td>$310,000</td>
</tr>
<tr>
<td>Combined Tax Rate:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$103</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 = $36,000,000 85% = $30,600,000</td>
</tr>
</tbody>
</table>
| Employment         | Coincides with 7-year PILOT         | Maintain base: 27
Create 85% of Projected
Projected = 10
85% = 8
Recapture Employment = 35 |
| Local Labor        | Construction period                 | Adherence to policy including quarterly reporting                                     |
| Pay Equity         | Coincides with 7-year PILOT         | Adherence to Policy                                                                      |
| Unpaid Tax         | Coincides with 7-year PILOT         | Adherence to Policy                                                                      |
| Recapture Period   | Coincides with 7-year PILOT         | Recapture of Mortgage recording tax, state and local sales taxes                       |

Recapture applies to:
State and Local Sales Taxes
Real Property Tax
Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 27 employees and created an additional 10 FTE 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

**UNIFRAX 1, LLC NORTH YOUNGMANN – 2019 – Line 7**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Wage Rate (above median wage for area) | Erie County per capita income: $31,083  
Company estimated average salary of jobs to be created: $57,500 |
| Regional Wealth Creation (% sales/customers outside area) | Sales:  
Outside NYS and within U.S.: 48%  
Outside U.S.: 51% |
| In Region Purchases (% of overall purchases) | Approximately 30% of total annual supplies, raw materials and vendors services are purchased from firms located within Erie County. |
| Research & Development Activities | Approximately 3% of annual operating expenses are devoted to research and development activities |
| Investment in Energy Efficiency | There may be improvements in energy efficiency for the new machinery and equipment but it cannot be identified until project design is further advanced |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The land is currently zoned for industrial use. |
| LEED/Renewable Resources | Not applicable to this project |
| Retention/Flight Risk | Since a significant percentage of product sales are ultimately sold and shipped into the European market, consideration was given to expand at other corporate locations. |
| MBE/WBE Utilization | Unifrax has partnered with the Department of Labor to identify additional ways to connect with diverse talent through apprentice programs, local high schools and community retraining centers. |
| Workforce Access – Proximity to Public Transportation | Facility is on bus route #35 Sheridan |

March 27, 2019
The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

** PILOT Estimate Table Worksheet - Unifrax Line 7 - 2019 **

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,675,000</td>
<td>$3,000,000</td>
<td>$13.76</td>
<td>$38.49</td>
<td>$51.07</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

** PILOT Year | % Payment | County PILOT Amount | Local PILOT Amount | School PILOT Amount | Total PILOT | Full Tax Payment w/o PILOT | Net Exemption ***

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$4,128</td>
<td>$11,547</td>
<td>$15,332</td>
<td>$31,007</td>
<td>$310,071</td>
<td>$279,064</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$4,128</td>
<td>$11,547</td>
<td>$15,332</td>
<td>$31,007</td>
<td>$310,071</td>
<td>$279,064</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>$8,256</td>
<td>$23,094</td>
<td>$30,664</td>
<td>$62,014</td>
<td>$310,071</td>
<td>$248,057</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$8,256</td>
<td>$23,094</td>
<td>$30,664</td>
<td>$62,014</td>
<td>$310,071</td>
<td>$248,057</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
<td>$12,384</td>
<td>$34,641</td>
<td>$45,996</td>
<td>$93,021</td>
<td>$310,071</td>
<td>$217,050</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>$12,384</td>
<td>$34,641</td>
<td>$45,996</td>
<td>$93,021</td>
<td>$310,071</td>
<td>$217,050</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$12,384</td>
<td>$34,641</td>
<td>$45,996</td>
<td>$93,021</td>
<td>$310,071</td>
<td>$217,050</td>
</tr>
</tbody>
</table>

|           | $61,920   | $173,205            | $229,982          | $465,107            | $2,170,497  | $1,705,391                 |                |

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36,000,000</td>
<td>$1,705,000</td>
<td>$752,500</td>
<td>$146,250</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 8.6 %
## Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(321) Wood Product Manufacturing</td>
</tr>
<tr>
<td>Municipality</td>
<td>Tonawanda Town</td>
</tr>
<tr>
<td>School District</td>
<td>Kenmore-Town of Tonawanda</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$33,750,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$10,975,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>37 (10 created and 27 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$1,536,843</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>80</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$4,217,963</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$5,754,806</td>
</tr>
</tbody>
</table>

## Table 2: Estimated State & Regional Benefits*  

<table>
<thead>
<tr>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Property Tax Revenue (PILOT or Improvements)</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>Income Tax Revenue</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</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>$1,695,825</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$742,656</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$146,250</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$2,584,731</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>37 (10 created and 27 retained)</td>
</tr>
<tr>
<td>Indirect***</td>
<td>12</td>
</tr>
<tr>
<td>Induced****</td>
<td>15</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>80</td>
</tr>
<tr>
<td>Indirect</td>
<td>29</td>
</tr>
</tbody>
</table>

### Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>0.7:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>9.7:1</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

Unifrax I 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 February 26, 2019 at 9:30 a.m.,
at the Town of Tonawanda Town Hall, 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, New York 14217

ATTENDANCE:

John Thurber – Unifrax
Joseph Emminger – Supervisor, Town of Tonawanda

☒ 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 Unifrax I LLC and/or
Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be
formed on its behalf project. The transcript of this hearing will be
reviewed and considered by the Agency in determination of this project.
Notice of this hearing appeared in The Buffalo News on Friday, February
15, 2019.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the construction and
equipping of a 90,000+/- SF addition to an existing manufacturing facility
located at 55 Pirson Parkway, Town of Tonawanda, Erie County, New
York to be utilized for additional production space for the manufacturing
of polycrystalline fiber product (the “Improvements”), and (ii) the
acquisition and installation by the Company of certain items of machinery,
equipment and other tangible personal property (the "Equipment," and
collectively with the Improvements, the "Facility"). The proposed financial
assistance contemplated by the Agency includes New York State and local
sales and use tax exemption benefits, mortgage recording tax exemption
benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on March 26, 2019. There are no limitations on written comments.

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

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

The Hearing Officer calls on those who raise their hand.

John Thurber – Vice President, Unifrax. First of all, I thank you for the opportunity to be here today. Unifrax has submitted an application for an additional project located at 55 Pirson Parkway. This would be for an approximately 90,000 sq. ft. manufacturing facility for line 7. This is an additional PCW line in the Town of Tonawanda. Thank you.

Hon. Joseph Emminger – Supervisor, Town of Tonawanda. I am here today to support Unifrax’s efforts for benefits from the ECIDA. Unifrax has been a great corporate citizen here in the Town of Tonawanda for decades and has spent over one hundred million dollars over the past 6-7 years and this will add on to that figure. They have not only worked with the Town but with the ECIDA in good times and bad times. Maybe not so bad times but not so good times and we have worked together as partners to get through those times and they understand the ECIDA’s goals & objectives. Certainly, the Town of Tonawanda wants to help Unifrax any way that we can with this project, and we are glad that they are expanding in the Town of Tonawanda since they could go anywhere in the global environment that we live in and we appreciate their confidence in the Town of Tonawanda and Erie County and locating this expansion project here.

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

February 26, 2019, at 9:30 a.m.
at the Town of Tonawanda Town Hall, 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, New York 14217
regarding:

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

Project Location: 55 Pirson Parkway, Tonawanda, 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>John Thurber</td>
<td>Unifrax</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>500 Riverwalk Parkway</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tonawanda, NY 14150</td>
<td></td>
</tr>
<tr>
<td>Hon. Joseph Emminger</td>
<td>Town of Tonawanda</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>2919 Delaware Avenue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kenmore, New York 14217</td>
<td></td>
</tr>
</tbody>
</table>
PCW Line 7

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name
PCW Line 7 - Pirson Site Tonawanda

Applicant Name
Unifrax I LLC

Applicant Address
600 Riverwalk Parkway

Applicant Address 2
Suite 120

Applicant City
Tonawanda

Applicant State
New York

Applicant Zip
14150

Phone
7167686449

Fax

E-mail
jthurber@unifrax.com

Website
www.unifrax.com

Federal ID#

NAICS Code
327993

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

Federal ID#

State and Year of Incorporation/Organization

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

Individual Completing Application

Name
Richard Nibbs

Title
Director, Global Capital Engineering

Address
600 Riverwalk Parkway

Address 2
Suite 120

City
Tonawanda

State
New York

Zip
14150


1/22
<table>
<thead>
<tr>
<th>Phone</th>
<th>+447808143894</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fax</td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:richard.nibbs@unifrax.com">richard.nibbs@unifrax.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

Name: John Thurber
Title: Vice President, Global Supply Chain
Address: 600 Riverwalk Parkway
Address 2: Suite 120
City: Tonawanda
State: New York
Zip: 14150
Phone: 716-768-6449
Fax: 
E-Mail: jthurber@unifrax.com

Company Counsel

Name of Attorney: Terrence M. Gilbride
Firm Name: Hodgson Russ
Address: 140 Pearl Street, Suite 100
Address 2: 
City: Buffalo
State: New York
Zip: 14202
Phone: 716.856.4000
Fax: 
E-Mail: tgilbrid@hodgsonruss.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: Limited Liability Company
Type of Ownership: 
Year Established: 1996

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

Clearlake Capital Partners 58% and Ulysses Co-Investment Partners 38%
Applicant Business Description

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

Unifrax I LLC has corporate headquarters located in Tonawanda, New York. Unifrax has 23 worldwide manufacturing facilities located in the US, Europe, Asia, South Africa and Latin America. Unifrax currently employs 395 at three facilities in New York State. Unifrax is a leading producer of high temperature insulation products for a wide variety of industrial applications. Since 1942, Unifrax high temperature insulation products have been providing heat management solutions in a wide range of markets. Our commitment to the high temperature insulation market is evident with over 50 product forms, including bulk fiber, blankets, boards, modules, papers, felts, woven textiles, ropes, braids, coatings and mixes, and accessory products. Unifrax fiber products are used to solve application problems in the ferrous and non-ferrous metals, industrial chemicals, petroleum products, power generation, ceramic, glass, automotive, fire protection, aerospace, appliance and other industries. With corporate headquarters located in Tonawanda, New York Unifrax has three US manufacturing facilities located in Tonawanda and Sanborn New York, as well as New Carlisle, Indiana. The Tonawanda manufacturing facility is ISO/TS-16949-2002 certified for the design and manufacture of ceramic high temperature insulation products such as non-woven papers, felts, and boards for use in automotive applications. TS- 16949 is the automotive industries adaption of ISO 9000, an international quality system standard for suppliers designed to promote common quality standards worldwide. The other facilities, including Tonawanda have achieved ISO 9001:2000 certification for the manufacture of ceramic fiber high temperature insulation products used in industrial applications. The New Carlisle Indiana manufacturing facility produces bulk fiber, blankets, modules, vacuum cast boards and specialty products, woven and spun textiles, and fabricated products. Manufacturing facilities are located in France, UK, Germany, India, Brazil, China, South Africa, Austria, Russia, Bahrain and the Czech Republic. All Unifrax manufacturing facilities have achieved current ISO certifications and comply with all appropriate quality standards expected for production of high temperature insulations. Unifrax employs more than 2300 people worldwide with 23 manufacturing facilities and various regional and sales locations. Together they provide customers with accessibility to high temperature insulation products, service and technical support.

Estimated % of sales within Erie County 0
Estimated % of sales outside Erie County but within New York State 1
Estimated % of sales outside New York State but within the U.S. 48
Estimated % of sales outside the U.S. 51

(*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

Services and supplies UFX WNY facilities - 30% of purchases in Erie County
Section II: Eligibility Questionnaire - Project Description & Details

**Project Location**

Municipality or Municipalities of current operations

Town of Tonawanda - Erie County

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

Yes

In which Municipality will the proposed project be located

Town of Tonawanda

**Address**

55 Pirson Pkwy, Tonawanda NY 14150

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**

52.15-1-24

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

County $21,934; School $16,208

**Assessed value of land**

$176,153

**Assessed value of building(s)**

$1,409,847

**Are Real Property Taxes current?**

Yes

If no please explain

Town/City/Village of Project Site

Town of Tonawanda

School District of Project Site

Ken-Ton

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

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

Project would expand the existing site approximately another 90000 Sq Ft & will add additional multiple manufacturing lines for the production of Poly-Crystalline Fiber Products.

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)

Financial assistance is required to be competitive with other potential European sites where these products could also be made. A significant % of these product sales will be ultimately be sold and shipped into the European theater and shipping charges are a potential cost issue with the production of these products in the United States. Favoring production at the Tonawanda site is faster project construction time and operational experience here. Unifrax would prefer to initiate this project almost immediately as additional construction work is already being performed at this site and part of the cost reduction comparison to other sites would be the reduced mobilization charges and schedule necessary here instead of a cold European start to construction.

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?

Other European manufacturing sites will be considered for these new manufacturing lines.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Most equipment will be purchased, scope of any equipment leasing under negotiation.

Site Characteristics

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

Yes

Describe the present zoning/land use

Light industrial & manufacturing

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?
Possible improvements - but cannot be defined until project design is further advanced

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 company will expect to do product update & improvement trials as required to keep this material competitive in the marketplace.

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

Approximately 3%

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

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

Please check any and all end uses as identified below.

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

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

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

Estimated costs in connection with project

Land and/or Building Acquisition
- $25,000
- $9,000,000, 80,000 square feet
- $1,975,000, 10,000 square feet

New Building Construction
- $9,000,000

New Building addition(s)
- $1,975,000

Infrastructure Work
- $7,700,000

Renovation
- $0

Manufacturing Equipment
- $14,800,000

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

Soft Costs: (professional services, etc.)
- $2,500,000

Other Cost
- $0

Explain Other Costs

Total Cost
- $36,000,000

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?
- No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):
- $18,000,000

Bank Financing:
- $17,500,000

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):
- $500,000
Identify each state and federal grant/credit:
Estimated National Grid Grant

Total Sources of Funds for Project Costs:
$36,000,000

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.
$ 19,500,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$146,250

Construction Cost Breakdown:
Total Cost of Construction
$ 18,700,000

Cost for materials
$16,554,535

% sourced in Erie County
52%

% sourced in State
65% (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
$ 8,600,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$ 752,500

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:
Not applicable

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>$36,000,000</td>
<td>100</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

5/1/2019

End date: Estimated completion date of project

6/30/2020

Project occupancy: estimated starting date of operations

9/1/2020

Have construction contracts been signed?

No

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>27</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>$88,500</td>
<td>$13,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>20</td>
<td>$54,600</td>
<td>$13,000</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>360 Firetower Dr, Tonawanda, NY</th>
<th>600 Riverwalk Pkwy, Tonawanda, NY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>242</td>
<td>122</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>242</td>
<td>122</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

$1,862,000

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

$69,000

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

$0

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

$57,500

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

$0

Estimated salary range of jobs to be created

From (Full Time) $57,500 To (Full Time) $57,500
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?

Yes

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

Possible European locations as described earlier in this application.

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

Closer proximity to customers - who are mostly European.

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)

National Grid, National Fuel Grants, NYPA, NYSERDA
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          Unifrax I LLC
Address                55 Pirson Parkway Tonawanda, NY
Contact Person         Bob Rioux
Phone                  7163892702
Fax                    
E-Mail                 rrioux@unifrax.com
Federal ID #           34-1839047
SIC/NAICS Code         327993

Multi-Tenant Facility

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

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

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

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

General Background Information

Address of Premises 55 Pirson Parkway Tonawanda, NY

Name and Address of Owner of Premises Unifrax 600 Riverwalk Parkway TONAWANDA NY 14150

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

Industrial park - no wetlands.

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

Large industrial building (85000 sq. ft) containing two PCW fiber mat production lines (Line 5 and Line 6) constructed 2017. Project is to extend the building by 90000 sq. ft to accommodate a further PCW production line (Line 7).

Describe all known former uses of the Premises

None

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?


120

16/22
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

Wastewater to local treatment works - current permit with TOTW treatment facility id# 702 a copy of which is attached.

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 discharges. Current SPDES permit id # NYR11B799, a copy of which is attached to this application.

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

No

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

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

Yes

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

The site emissions are regulated under DEC Air Permit id # 9-1464-00323/00001, a copy of which is attached to this application. The main source of process emissions is the heat treatment part of the fiber mat process - treated to remove acid and organic components before release to air via a stack. There are also minor emissions to air from site steam raising equipment and cooling tower.

Are any of the air emission sources permitted?

Yes

If yes, attach a copy of each permit.

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

Storage tanks for raw materials (silica solution (60 ton) and aluminium chlorohydrate solution - (2 x 60 ton)) plus diesel tank for emergency power generation. Diesel tank below size threshold for permit. No permits required for raw materials tanks.

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

No

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State 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? 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) No

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

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

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

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

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

Does the site have historical significance? No

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

If yes, provide estimated value of tax credits $

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

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

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

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

If yes, complete the Retail Questionnaire Supplement below.

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

0%

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area?