ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)  
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)  
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)  

Joint Finance & Audit Committee Meeting  

February 27, 2019 at 11:30 a.m.  

ECIDA Offices  
95 Perry Street  
4th Floor – Vista Room  
Buffalo, New York 14203  

Agenda  

1. Approval of Minutes – September 10, 2018 (Action) (Pages 2-3)  
2. Related Affordable – Bond Application (Action) (Pages 4-45)  
3. Auditor Communications (Information) (Pages 44-53)  
4. Adjournment - Next Meeting – Thursday, March 21 at 12:00 p.m.
MINUTES OF A JOINT MEETING OF THE
FINANCE & AUDIT COMMITTEES OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA or AGENCY)
THE BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT
CORPORATION (RDC) AND THE BUFFALO & ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION (ILDC)

MEETING: September 10, 2018, at the Erie County Industrial Development
Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203

PRESENT: Penny Beckwith, Hon. Joseph H. Emminger, Hon. Glenn R. Nellis,
Michael Szukala and William Witzleben

ABSENT: James F. Doherty and Sister Denise Roche

OTHERS PRESENT: John Cappellino, Executive Vice President; Mollie Profic, Chief
Financial Officer; Atiqa Abidi, Assistant Treasurer; and Robert G.
Murray, Secretary

There being a quorum present, Mr. Szukala called the meeting to order at 12:07 p.m.

MINUTES

The August 20, 2018 minutes of the joint meeting of the Committee were presented.
Upon motion made by Mr. Nellis, and seconded by Ms. Beckwith, and after a vote as called for
by Mr. Szukala, the August 20, 2018 minutes of the Committee were unanimously approved.

2019 DRAFT ECIDA OPERATING & CAPITAL BUDGET + 3 YEAR FORECAST; 2019
DRAFT RDC OPERATING BUDGET + 3 YEAR FORECAST AND 2019 DRAFT ILDC
OPERATING BUDGET + 3 YEAR FORECAST

Ms. Profic reviewed the proposed budget for 2019. In particular, Ms. Profic explained
the rationale for the determination of the administrative fees and expenses and discussed above
line and below the line expenditures in particular. Ms. Profic noted that approximately two-
thirds of the ECIDA expenses are made up of salaries and benefits and also noted that building
operating costs are increasing due to a rent increase. General discussed ensued. Ms. Profic then
reviewed the ECIDA general fund versus the ECIDA UDAG fund and revenues and expenses
related to each of those funds. More discussion ensued regarding the ability of the Agency to
normalize or annuitize revenues from administrative fees. Ms. Beckwith suggested that the
Agency review historical cash flow from prior years to identify trends, year over year, related to
receipt of fees.

Ms. Profic then reviewed the 2020-2022 proposed three year forecast and proposed five
year capital budget. There being no further discussion, Ms. Profic then reviewed the RDC 2019
proposed budget and three year forecast, as well as the ILDC 2019 proposed budget and three year forecast.

In reviewing how the committee handled prior year budget approvals, Ms. Profic noted that in 2018, the Finance and Audit Committee approved the budget as proposed, and recommended the budgets be submitted to the ECIDA, RDC and ILDC Board of Directors for ultimate approval, however, requested that the Finance and Audit Committee be permitted to review changes that may be recommended by the ECIDA, RDC and ILDC Board of Directors to the extent such changes exceed $100,000 in any one line item or in total.

Mr. Emminger moved and Mr. Nellis seconded to approve of the ECIDA, RDC and ILDC budgets, as proposed, subject to additional review by the Committee in the event any change of more than $100,000 is made in any one line item or in a summation line. Mr. Szukala called for the vote and the motion was then unanimously approved.

Mr. Weathers then reviewed the 2019 budget review process and confirmed that the deadline for submission of the 2019 budgets is November 1, 2019.

There being no further business to discuss, Mr. Szukala adjourned the meeting at 12:55 p.m.

Dated: September 10, 2018

Robert G. Murray, Secretary
Related Affordable, LLC/Marina Vista Apartments
$23,599,613
INDUCEMENT RESOLUTION/TAX EXEMPT BOND

**Eligibility**
- NAICS Section - 531110

**Company Incentives**
- Approximately $380,835 in sales tax savings
- Approximately $93,757 in mortgage tax exemption

**Employment**
- Current - FT: 5
- Total Jobs 2 Years After Project Completion: FT - 5

**Project History**
- 02/04/2019 - Public hearing held. Transcript attached.
- 02/27/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

**Project Title:** Related Affordable, LLC/Marina Vista Apartments

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

**Agency Request**

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Renovation</td>
<td>$8,704,800</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$4,894,813</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$23,599,613</strong></td>
</tr>
<tr>
<td>85%</td>
<td>$20,059,671</td>
</tr>
</tbody>
</table>

**Company Description**

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

**Project Description**

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total project Amount = $23,599,613</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $20,059,671</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with Recapture Period</td>
<td>Maintain base: FT 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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>State and Local Sales Taxes, Mortgage Tax</td>
</tr>
</tbody>
</table>

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

### Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained 5 FT, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
From: Related Affordable  
Date: January 3, 2019  
Re: Marina Vista Rehabilitation Plan

Property Description
Marina Vista (also known as Watergate II) is a 195-unit affordable apartment community located at 32 Hertel Avenue (also identified as 10 and 12 Hertel Avenue) in Buffalo, New York. The property sits on a 5.4-acre lot and consists of two 13-story towers, containing 97 one-bedroom units, 97 two-bedroom units, and a non-revenue employee unit, as well as a management office, community room, two laundry rooms, and outdoor barbecue area. The property offers an appealing transit-accessible waterfront location with green space and views of the Niagara River, in an area of Buffalo experiencing an increase in development activity. The property is home to many long-term residents, with a majority of households having lived at the property for 10 years or more.

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

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

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

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

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

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

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

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

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>/ Marina Vista Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$23,053,613</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$8,704,800</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>5</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$156,047</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>64</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$3,345,469</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$3,501,517</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>$1,276,965</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$129,673</td>
</tr>
</tbody>
</table>

State

| Income Tax Revenue                          | $336,059          |
| Sales Tax Revenue                           | $109,198          |

**TOTAL Estimated Revenue**

| **$1,851,894** |

Table 3: Estimated Project Incentives *

| Property Tax Savings                        | $0                |
| Sales Tax Savings                           | $380,835          |
| Mortgage Tax Savings                        | $93,757           |

**TOTAL Estimated Incentives**

| **$474,592** |
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>5</td>
</tr>
<tr>
<td>Indirect***</td>
<td>6</td>
</tr>
<tr>
<td>Induced****</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>64</td>
</tr>
<tr>
<td>Indirect</td>
<td>23</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>3.9:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>24.4:1</td>
</tr>
</tbody>
</table>

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

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PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits** and Percentage of Project Costs financed from Public Sector sources

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

### PILOT Estimate Table Worksheet-Related Affordable/Marina Vista Apartments- 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>$8,704,800</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>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>
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</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>$23,599,613</td>
<td>N/A</td>
<td>$380,835</td>
<td>$93,757</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs:  **2.0 %**
## EVALUATIVE CRITERIA
Marina Vista Apartments

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

February 27, 2019
February 11, 2019

Mr. Steven W. Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Marina Vista Apartments
Related Affordable, LLC

Dear Mr. Weathers:

The City of Buffalo supports Related Affordable LLC’s application to the Erie County Industrial Development Agency to rehabilitate the property at 32 Hertel Avenue in Buffalo. We believe the Marina Vista Apartments project will strengthen Buffalo’s appeal to new residents.

As Buffalo continues to thrive and prosper it is essential that there is development that is beneficial to everyone in the City, no matter their economic status. It is also important that lower income residents do not get displaced when large scale development projects are executed. The proposed project is for the acquisition and renovation of a 195 unit affordable apartment community. 100% of the units will renovated and they will remain affordable for residents with incomes at or below 60% AMI.

This project will breathe new life into an occupied affordable housing complex while offering updated residential options for low-income residents, and is a welcomed addition to the impressive revitalization efforts that continue to propel Buffalo into a new era of development.

Sincerely,

[Signature]
Byron W. Brown
Mayor
PUBLIC HEARING SCRIPT

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

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

ATTENDANCE

Dennis Penman, Penman Development Partners
Deep Katdare, Related Companies
Alison Carey, Related Companies
Karen Fiala, ECIDA
John Cappellino, ECIDA
Kirk Laubenstein, CEJ Buffalo
Jerome Shadwick, Buffalo Laborers’ 210
Evelyn Vossler, COB Council North District
Jonathan Fuzak, NYSLOF

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

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

2. PURPOSE: Purpose of the Hearing.

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

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

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

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

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

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

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

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

The Hearing Officer calls on those who raise their hand.

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

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

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

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

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

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

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

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

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

6. ADJOURNMENT.

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

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

Related Affordable, LLC and Marina Vista Apartments, L.P., on behalf of themselves and/or an entity or entities formed or to be formed on behalf of the foregoing  
Project Location: 32 Hertel Avenue, City of Buffalo, Erie County, New York  

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dennis Penman</td>
<td>Penman Development Partners 172 Allen Buffalo, NY</td>
<td></td>
</tr>
<tr>
<td>Deep Katdare</td>
<td>Related Companies</td>
<td>X</td>
</tr>
<tr>
<td>Alison Carey</td>
<td>Related Companies</td>
<td>X</td>
</tr>
<tr>
<td>Karen Fiala</td>
<td>ECIDA</td>
<td></td>
</tr>
<tr>
<td>Kirk Laubenstein</td>
<td>CEJ Buffalo</td>
<td>X</td>
</tr>
<tr>
<td>Jerome Shadwick</td>
<td>Buffalo Laborers' 210 25 Tyrol Drive Cheektowaga, NY 14227</td>
<td>X</td>
</tr>
<tr>
<td>Evelyn Vossler</td>
<td>COB Council North District 1502 City Hall Buffalo, NY 14202</td>
<td></td>
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<tr>
<td>Jonathan Fuzak</td>
<td>NYSLOF</td>
<td>X</td>
</tr>
</tbody>
</table>
January 2, 2019

Ms. Karen M. Fiala
Manager – Tax Incentives
Erie County IDA
95 Perry Street, Suite 403
Buffalo, NY 14203

Subject: Notification of Initial Allocation

Dear Ms. Karen M. Fiala,

I am pleased to inform you that, pursuant to the Private Activity Bond Allocation Act of 2018, your initial allocation for calendar year 2019 is $27,681,168. This allocation is based upon the formula prescribed in Chapter 103, Laws of 2018, utilizing the most recent official population estimates of the U.S. Bureau of the Census.

If you have any questions or need additional information, please feel free to contact George LaPointe at george.lapointe@esd.ny.gov or (518)292-5307.

Sincerely yours,

[Signature]

Howard Zemsky
President & CEO, Empire State Development
Commissioner, NYS Department of Economic Development
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FINANCE & AUDIT COMMITTEE

RESOLUTION

A Meeting of the Erie County Industrial Development Agency Finance & Audit Committee was convened on February 27, 2019 at 11:30 a.m.

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

RESOLUTION OF THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA" OR "ISSUER") FINANCE & AUDIT COMMITTEE RECOMMENDING THAT THE ECIDA FINANCE CERTAIN COSTS RELATING TO, AND APPROVING THE UNDERTAKING OF A CERTAIN PROJECT DESCRIBED BELOW AT THE REQUEST OF RELATED AFFORDABLE, LLC AND MARINA VISTA PRESERVATION, L.P., ON BEHALF OF THEMSELVES AND/OR AN ENTITY OR ENTITIES FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING, AND THE GRANTING OF CERTAIN FINANCIAL ASSISTANCE IN CONNECTION THEREWITH, INCLUDING THE ISSUANCE OF THE ISSUER'S MULTIFAMILY HOUSING REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED $13,300,000 FOR THE PURPOSES OF UNDERTAKING THE PROJECT AND FUNDING THE COSTS OF SUCH ISSUANCE

WHEREAS, the Finance & Audit Committee (the "Committee") has reviewed the application submitted by Related Affordable, LLC and Marina Vista Preservation, L.P. on behalf of themselves and/or an entity or entities formed or to be formed on behalf of the foregoing (collectively, the "Company"), requesting that the Erie County Industrial Development Agency (the "Issuer" or the "ECIDA") undertake a project consisting of: (i) the acquisition by the Issuer of title to or a leasehold interest in approximately 5.4 acres of land with an address of 32 Hertel Avenue, City of Buffalo, Erie County, New York, such land being more particularly described as tax map 88.24-4-1 (the "Land"), and the existing improvements located thereon, consisting principally of two (2) 13-story towers containing approximately 188,000 +/- square feet in the aggregate (the "Existing Improvements"), (ii) the renovation, reconstruction and refurbishment of the Existing Improvements called "Marina Vista Apartments" and containing 97 one-bedroom units, 97 two-bedroom units, and a non-revenue employee unit, management office, community room, two laundry rooms and outdoor barbeque area (collectively, the "Improvements"); (iii) the acquisition in and around the Improvements and of certain items of equipment and other tangible personal property and equipment (the "Equipment"; and, collectively with the Land and the Improvements, the "Facility"); (iv) the issuance by the Issuer of its Multifamily Housing Revenue Bonds in a principal amount not to exceed $13,300,000 (the "Bonds") for the purpose of financing all or a portion of the costs of the Project; (v) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds (the costs associated with items (i) through (v) above being hereinafter collectively referred to as the "Project Costs"); and (vi) the granting of certain other financial assistance in the form of exemptions from mortgage recording tax and sales and use taxation (collectively with the
Bonds, the “Financial Assistance”); and (vii) the lease or sale of the Project Facility back to the Company pursuant to an agreement; and

WHEREAS, the Public Authorities Accountability Act of 2005 (the "PAAA"), which was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005, was enacted by the New York State (the "State") Legislature to insure greater accountability and openness of public authorities throughout the State; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law ("PAL") of the State, the provisions of the PAAA apply to certain defined "local authorities," including the ECIDA; and

WHEREAS, pursuant to Section 2824(8) of the PAL, it shall be the responsibility of the members of the Finance & Audit Committee to review proposals for the issuance of debt by the ECIDA and make recommendations related thereto; and

WHEREAS, Under Article IV(E) of the Committee's Charter, the "Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance"; and

WHEREAS, the Committee understands that the Bonds will be special limited obligations of the ECIDA payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds and purchased by a qualified institutional buyer or an accredited investor (a "Purchaser"); and

WHEREAS, the Committee further understands that Purchaser has or will have investigated independently the circumstances surrounding the issuance of the Bonds and the security and sources of payment for the Bonds; and

WHEREAS, the Committee has reviewed information relating to the proposed issuance of the Bonds and recommends that the ECIDA undertake the Project and proceed with the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE FINANCE & AUDIT COMMITTEE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

1. That it is in the best interest of economic development in Erie County for the ECIDA to provide the financial assistance to the Company as described herein provided (a) that the Bonds shall never be a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon, and (b) that the Bonds shall be limited obligations of the ECIDA payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds.

2. This resolution shall take effect immediately.

Dated: February 27, 2019
Marina Vista Apartments

Section I: Applicant Background Information

<table>
<thead>
<tr>
<th>Applicant Information - Company Receiving Benefit</th>
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<tbody>
<tr>
<td><strong>Project Name</strong></td>
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<tr>
<td><strong>Applicant Name</strong></td>
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<td><strong>Applicant Address</strong></td>
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<tr>
<td><strong>Applicant Address 2</strong></td>
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<tr>
<td><strong>Applicant City</strong></td>
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<td><strong>Applicant State</strong></td>
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<td><strong>Applicant Zip</strong></td>
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<td><strong>Phone</strong></td>
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<td><strong>E-mail</strong></td>
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<tr>
<td><strong>Website</strong></td>
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<tr>
<td><strong>Federal ID#</strong></td>
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<tr>
<td><strong>NAICS Code</strong></td>
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<tr>
<td><strong>Will a Real Estate Holding Company be utilized to own the Project property/facility?</strong></td>
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<tr>
<td><strong>What is the name of the Real Estate Holding Company?</strong></td>
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<tr>
<td><strong>Federal ID#</strong></td>
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<td><strong>State and Year of Incorporation/Organization</strong></td>
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<tr>
<td><strong>List of stockholders, members, or partners of Real Estate Holding Company</strong></td>
</tr>
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</table>

Individual Completing Application

<table>
<thead>
<tr>
<th>Name</th>
<th>Alison Carey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Associate</td>
</tr>
<tr>
<td>Address</td>
<td>60 Columbus Circle</td>
</tr>
<tr>
<td>Address 2</td>
<td>18th Floor</td>
</tr>
<tr>
<td>City</td>
<td>New York</td>
</tr>
<tr>
<td>State</td>
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<td>Zip</td>
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https://www.ecidany.com/app/tax-incentive-application-2014/print/797
The Erie County Industrial Development Agency (ECIDA)

Phone 212-419-8508
Fax 212-301-3731
E-Mail acarey@related.com
**Company Contact (if different from individual completing application)**

<table>
<thead>
<tr>
<th>Name</th>
<th>David Pearson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Senior Vice President</td>
</tr>
<tr>
<td>Address</td>
<td>60 Columbus Circle</td>
</tr>
<tr>
<td>Address 2</td>
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<tr>
<td>Phone</td>
<td>212-301-3738</td>
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<tr>
<td>Fax</td>
<td>212-301-3731</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:dpearson@related.com">dpearson@related.com</a></td>
</tr>
</tbody>
</table>

**Company Counsel**

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

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

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<tr>
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<tr>
<td>Exemption from Real Property Tax</td>
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<tr>
<td>Tax Exempt Financing*</td>
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* (typically for not-for-profits & small qualified manufacturers)

**Business Organization**

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<td>Type of Ownership</td>
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<td>Year Established</td>
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<td>State of Organization</td>
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List all stockholders, members, or partners with % of ownership greater than 20%
Please include name and % of ownership.

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

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

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

Estimated % of sales within Erie County 100
Estimated % of sales outside Erie County but within New York State 0
Estimated % of sales outside New York State but within the U.S. 0
Estimated % of sales outside the U.S. 0

(*Percentage to equal 100%)

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

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

Project Location

Municipality or Municipalities of current operations
City of Buffalo

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

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

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

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

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

SBL Number for Property upon which proposed Project will be located
88.24.4-1

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

Assessed value of land
435,600

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

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
City of Buffalo

School District of Project Site
Buffalo School District

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

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

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

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

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

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

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

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

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

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

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

Yes

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

Yes

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

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

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

Site Characteristics

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

Yes

Describe the present zoning/land use

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

Describe required zoning/land use, if different

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

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

N/A

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

No

If yes, please explain

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

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

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

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

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

No

If yes, please explain.

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

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

N/A

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

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

Please check any and all end uses as identified below.

**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  **Yes** Multi-Tenant

**Yes** Acquisition of Existing Facility  **No** Commercial

**Yes** Housing  **No** Back Office

**Yes** Equipment Purchase  **No** Retail

**No** Mixed Use

**No** Facility for the Aging

**No** Civic Facility (not for profit)

**Yes** Other

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 10,000,000

188,080 square feet
5 acres

New Building Construction

$ 0

square feet

New Building addition(s)

$ 0

square feet

Infrastructure Work

$ 0

Renovation

$ 8,704,800

188,080 square feet

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 3,828,781

Other Cost

$ 1,066,032

Explain Other Costs

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

Total Cost

$ 23,599,613

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

$ 0

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

Yes

If Yes, describe particulars:

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

Sources of Funds for Project Costs:

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

$ 575,400

Bank Financing:

$ 2,140,213

Tax Exempt Bond Issuance (if applicable):

$ 12,501,000

Taxable Bond Issuance (if applicable):

https://www.ecidany.com/app/tax-incentive-application-2014/print/797
Public Sources (Include sum total of all state and federal grants and tax credits):

$ 8,383,000

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

Total Sources of Funds for Project Costs:

$23,599,613

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

Mortgage Recording Tax Exemption Benefit:

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

$ 12,501,000

Lender Name, if Known
TBD

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

$93,757

Construction Cost Breakdown:

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

Cost for materials
$ 4,352,400

% sourced in Erie County
5%

% sourced in State
5% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit
$ 4,352,400

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$ 380,835

Real Property Tax Benefit:

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

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

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

11/23
The Erie County Industrial Development Agency (ECIDA)

<table>
<thead>
<tr>
<th>Manufacturing/Processing</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>square feet</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Commercial</td>
<td>square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Retail</td>
<td>square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Office</td>
<td>square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>188,080 square feet</td>
<td>$23,599,613</td>
</tr>
</tbody>
</table>

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

No

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

<BLANK>

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

N/A

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

3/1/2019

End date: Estimated completion date of project

1/1/2020

Project occupancy: estimated starting date of operations

3/1/2019

Have construction contracts been signed?

No

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

No

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

No

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

| Current # of jobs at proposed project location or to be relocated at project location | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED | IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED | Estimate number of residents of the Labor Market Area in which the Project is located that will |

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

12/23
The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

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

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>5</td>
<td>$40,000</td>
<td>$7,700</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

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

https://www.ecidany.com/app/tax-incentive-application-2014/print/797
Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

$ 280,000

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

$ 40,000

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

$ 0

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

$ 0

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

$ 0

Estimated salary range of jobs to be created

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

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

No

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

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

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

N/A

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

No

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

N/A

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

Yes

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

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

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

Multi-Tenant Facility

**For Single Use Facility**

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

**Multi-Tenant Facility**

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

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

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

Yes

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

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

General Background Information

Address of Premises  32 Hertel Avenue (also referenced as 10 and 12 Hertel Avenue) Buffalo, New York 14207
Name and Address of Owner of Premises  (Proposed owner is a to-be-formed entity) Related Affordable, LLC 60 Columbus Circle New York, New York 10023

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

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

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

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

Describe all known former uses of the Premises

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

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

Yes

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

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

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

No

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

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

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

Yes

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

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

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

No

If yes, describe in full detail

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

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?
If yes, provide the Premises' applicable EPA (or State) identification number

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

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

No

If yes, please provide copies of the permits.

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

The rubbish removal company is Allied Waste.

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

The solid waste disposal facility is not known.

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

No

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

Discharge Into Waterbodies

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

The current and contemplated use of the property as residential apartments does not involve industrial process discharges.

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

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

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

No

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

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

Air Pollution

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

No

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

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and 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

The preparer is not aware of any underground storage tanks at the Premises. From the Phase I report, "ATC observed a 60-gallon
day tank associated with an emergency power generator in the mechanical room of Building 12. No signs of release or staining on the concrete surface beneath the day tank was observed. Based on observed conditions at the time of the property reconnaissance the diesel day tank is not considered to represent an environmental concern to the property.

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

**No**

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

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

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

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

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

**No**

**If yes, relate all the circumstances**

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

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

**Yes**

**If yes, please identify the materials**

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

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

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

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

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

N/A

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

Within New York State No

Within Erie County No

If Yes to either question, please explain N/A

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

No

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

N/A

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

N/A

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

No

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

N/A

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

N/A

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

N/A
Section VII: Adaptive Reuse Projects

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

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

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

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

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

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

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

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

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 VII: 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-orientated 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?

<BLANK>

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

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

<BLANK>

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

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>
Board of Directors
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Attention: Mollie Profic, Controller

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the Erie County Industrial Development Agency's (the "ECIDA") financial statements as of and for the year ending December 31, 2018.

Communication

Effective two-way communication between our Firm and the Board of Directors is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding ECIDA and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We will also communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our Firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no director or professional employee of Freed Maxick CPAs, P.C. is permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliates of a client.
Also, if an immediate family member or close relative of a director or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain non-audit services that may be provided by Freed Maxick CPAs, P.C. and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your entity functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your operations. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of entity objectives, strategies, risks, and performance.

As part of obtaining an understanding of your entity and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement and noncompliance, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement and noncompliance. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error or instances of noncompliance, including abuse.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality both in planning and performing the audit, evaluating the effect of identified misstatements or noncompliance on the audit, and the effect of uncorrected misstatements, if any, on the financial statements, and in forming the opinion in our report on the financial statements and in determining or reporting in accordance with Government Auditing Standards and other compliance reporting requirements. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the financial statements, including compliance, will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of ECIDA’s internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements and major programs. These reports describe the scope of testing of internal control and the results of our tests of internal controls. Our reports on internal control will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with the requirements of the Government Auditing Standards issued by the Comptroller General of the United States.
We will issue a reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements and any noncompliance that could have a direct and material effect on each major program. Our report on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with the requirements of the standards identified above.

Timing of the Audit

We have scheduled preliminary audit field work January 7, 2019 with final field work commence the week of February 4, 2019. Management’s adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to ECIDA.

This communication is intended solely for the information and use of the Board of Directors and is not intended to be and should not be used by anyone other than this specified party.

Freed Maxick CPAs, P.C.

Laura L. Landers, CPA, MPA
Director
January 7, 2019

Board of Directors
Buffalo and Erie County Regional Development Corporation
95 Perry Street, Suite 403
Buffalo, NY 14203

Attention: Mollie Profic, Controller

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the Buffalo and Erie County Regional Development Corporation (the “RDC”) financial statements as of and for the year ending December 31, 2018.

Communication

Effective two-way communication between our Firm and the Board of Directors is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding RDC and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We will also communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our Firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no director or professional employee of Freed Maxick CPAs, P.C. is permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliates of a client.
Also, if an immediate family member or close relative of a director or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain non-audit services that may be provided by Fred Maxick CPAs, P.C. and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your entity functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your operations. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of entity objectives, strategies, risks, and performance.

As part of obtaining an understanding of your entity and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement and noncompliance, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement and noncompliance. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error or instances of noncompliance, including abuse.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality both in planning and performing the audit, evaluating the effect of identified misstatements or noncompliance on the audit, and the effect of uncorrected misstatements, if any, on the financial statements, and in forming the opinion in our report on the financial statements and in determining or reporting in accordance with Government Auditing Standards and other compliance reporting requirements. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the financial statements, including compliance, will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of RDC's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements and major programs. These reports describe the scope of testing of internal control and the results of our tests of internal control. Our reports on internal control will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with the requirements of Government Auditing Standards issued by the Comptroller General of the United States, the Single Audit Act, and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 (Uniform Guidance).
We will issue reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements and any noncompliance that could have a direct and material effect on each major program. Our reports on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with the requirements of the standards identified above.

Timing of the Audit

We have scheduled preliminary audit field work commencing the week of January 7, 2019, single audit field work from January 14 through January 15, 2019 and year end field work to commence February 4, 2019. Management’s adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to RDC.

This communication is intended solely for the information and use of the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Laura L. Landers, CPA, MPA
Director
January 7, 2019

Board of Directors
Buffalo and Erie County Industrial Land Development Corporation
95 Perry Street, Suite 403
Buffalo, NY 14203

Attention: Mollie Profic, Controller

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the Buffalo and Erie County Industrial Land Development Corporation's (the "ILDC") financial statements as of and for the year ending December 31, 2018.

Communication

Effective two-way communication between our Firm and the Board of Directors is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding ILDC and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We will also communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

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We will issue a report on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements. Our report on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with the requirements of the standards identified above.

Timing of the Audit

We have scheduled preliminary audit field work commencing the week of January 7, 2019 with year-end field work to commence February 4, 2019. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to ILDC.

This communication is intended solely for the information and use of the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Laura L. Landers, CPA, MPA
Director