1. Call Meeting to Order

2. Approval of the November 3\textsuperscript{rd}, 2016 Policy Committee Minutes \textit{(Pages 2-8)}

3. Project Matrix \textit{(Pages 9-15)}

4. Project Presentations
   a. Latina Boulevard Foods, LLC \textit{(Pages 16-47)}

5. Compliance Issues
   a. Recapture Discussion
      1. Seneca Mortgage \textit{(Pages 48-51)}
      2. Niagara Blower/Alfa Laval \textit{(Pages 52-55)}

   b. Presentation
      1. 555 Riverwalk TM Montante/FedEx \textit{(Pages 56-61)}

6. Policy Discussion Updates

7. Adjournment – Next Meeting February 2, 2017 at 8:30 a.m.
MINUTES OF A MEETING OF THE POLICY COMMITTEE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: November 3, 2016, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York


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

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist; Rebecca Gandour, City of Buffalo Office of Strategic Planning; Amy Judd on behalf of The Alexandria Apartments, LLC; Patrick Curtin, Human Resources Manager, on behalf of Niagara Blower; Mr. John Anderson, CEO, on behalf of Seneca Mortgage

There being a quorum present at 8:45 a.m., Mr. Lipsitz called the meeting to order.

MINUTES

The minutes of the August 4, 2016 Policy Committee meeting were presented. Upon motion made by Mr. Rath, and seconded by Mr. Mesiah, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s project matrix. Mr. Cappellino stated that on a year-to-date basis, 11 projects have been approved which is low compared to prior years. General discussion ensued. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

The Alexandre Apartments, LLC. 510 Washington Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project noting that the project will rely on the City of Buffalo 485-a real property tax abatement.
This project involves the adaptive reuse of the former Loew’s Theater Warehouse in the City of Buffalo. This building has been vacant for 19 years and is approximately 24,000 sq. ft. and will be rehabilitated to include a residential and commercial component consisting of 12 market rate units and approximately 1,300 sq. ft. of commercial/retail space.

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

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment Review with company</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 = $4,269,606</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% of total project amount = $3,629,165</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with recapture period</td>
<td>New job creation of – 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment - 4</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 taxes, mortgage tax</td>
</tr>
</tbody>
</table>

At this point in time, Ms. DiPirro joined the meeting.

Mr. Cappellino introduced Ms. Amy Judd, on behalf of the project’s developer, who provided a presentation of the project.

Ms. Whyte queried as to whether the project would go forward if the Agency does not provide financial assistance. Ms. Judd stated that that would pose a real problem to the project and stated bank underwriting would be adversely affected if Agency incentives were not to be provided.

Mr. Mesiah inquired about parking. Ms. Judd responded that each unit has a secured spot at the Mohawk Ramp. Mr. Mesiah then inquired about lead and drinking water concerns. Ms. Judd stated that the project has brand new water infrastructure components.

Ms. McDuffie congratulated the company on figuring out how to redevelop and finance the development of this building. She then questioned as to whether the proposed new bakery tenant is an established or new business. Ms. Judd responded that the bakery is a brand new business.
Mr. Rath also congratulated the company on their project and asked about the target tenants for the residential space. Ms. Judd responded that the company anticipates finding tenants who are working within the Buffalo Niagara Medical Campus as well as from IBM and Delaware North plus people in general who do not need or want a car and desire to live in an urban area.

Ms. McDuffie made a motion to send this project to the Agency’s Board of Directors with a recommendation for approval. Mr. Rath seconded the motion. Ms. McDuffie called for the vote and the project was unanimously approved.

**COMPLIANCE ISSUES**

**Niagara Blower.** Mr. Cappellino provided members with background on the Niagara Blower incentive approval in 2013 which involved the approximate $1,000,000 renovation of the company’s newly purchased facility on Sawyer Avenue in Tonawanda, New York. The project consisted of building renovations and the purchase of new equipment and building improvements associated with the new facility. The project was approved for sales tax incentives and the recapture terms included the standard investment and employment conditions. The employment requirement was for maintaining 110 jobs and adding 17 new positions within two years after project completion. Mr. Cappellino noted that the 2013 project sales tax incentive approval amount was $61,250, and the project sales tax incentives actually used by the company were $42,068.89.

The company has experienced layoffs and as of December 31, 2013, the company reported 94 FTE positions.

In May of 2014, the Policy Committee reviewed the employment condition and voted to have staff monitor the employment level for the following six months or for a lesser amount of time if the employment levels came back into compliance. Agency staff monitored the employment level and Mr. Cappellino noted the company came back into compliance in September 2014 with 110 FTE positions.

The company’s August 2016 quarterly employment survey report indicated 79 FTE positions. This number is non-compliant for both the job retention goal of 110 FTE positions and the job creation goal of 17 new FTE positions for a grand total of 127 FTE positions.

Mr. Curtin, Human Resources Manager of the company, then addressed Policy Committee members by providing a brief history of the company and described the company’s liquid cooling/vapor condensing work and products used primarily in the oil and gas and power energy sectors. Mr. Curtin stated that the company’s customers are primarily from the oil/gas and fracking sector and with the decline of market conditions in that industry, the company has experienced a decrease in employment levels.

As of November 1, 2016, Mr. Curtin stated the company has 80 FTE positions consisting of 24 shop employees and 56 office employees. The company experienced layoffs in 2014 with
a decline in oil prices worldwide and related thereto the company’s clients do not need to be purchasing the company’s products when there is a worldwide drop off in oil prices and production.

Mr. Curtin stated that the company has taken several steps to increase its business including diversification into new markets and more reliance upon its parent company’s global network to expand clients and find new clients. It is also waiting for the world market to turn around so large orders can return.

Mr. Mesiah questioned how further declines in the market area may affect the company. Mr. Curtin responded the company is trying to diversify its product offerings so it is not so dependent on a single sector.

Ms. Whyte queried as to whether expansion into new markets will bring about new employment. Mr. Curtin responded that the company will make new hires if it obtains new business in new market areas and should be able to resume hiring and meet its employment numbers.

At this point in time, Mr. Rath left the meeting.

Ms. McDuffie queried as to when the company expects to increase its employment numbers. Mr. Curtin responded that they do not see any increase of employment in 2017 but only look to stabilize the number as it exists now, so within two years from now, we believe by the end of 2018, that business will pick up.

Ms. DiPirro asked if the business is stable now or is business cyclical so that FTE positions can go up and down. Mr. Curtin responded that the company’s employment numbers are currently stable and that the company is building diversity and hopes to level out its employment numbers in the near future to avoid ups and downs.

Ms. McDuffie asked that if the Agency decided to fully recoup the $42,000 in sales tax exemption benefits, then how would Niagara Blower and its parent company react. Mr. Curtin stated it is difficult to see how the parent company would react but stated the parent company is committed to Niagara Blower and suggested that if the Agency could pro rate the recapture of the sales tax benefit, then it would be greatly appreciated.

Ms. Smith stated that the Agency shouldn’t underestimate the approximately $3.5 million investment that the company has made in our community and noted the Agency has a precedent of putting companies on a watch period and not immediately recapturing financial assistance such that if we deviate from this precedent, it will difficult to explain to the company.

Ms. Coleman asked Mr. Curtin if the company faces competition that affects its ability to expand globally. Mr. Curtin responded that the company faces local and national competition but its parent company has a global network of clients and Niagara Blower is hopeful it can tap into that global network of clients.
Mr. State thanked the Chairs and Agency staff for the process and thought that has gone into this discussion and also thanked the company for its presentation. Mr. State stated that he struggles with these decisions and doesn’t want to be seen as kicking a company when it’s down, however, at the same time, it’s necessary to balance the public benefit of job creation that was the bargain made by Erie County taxpayers.

Ms. McDuffie thanked the Policy Committee for their thoughtful discussion and thanked the company for its presentation.

Seneca Mortgage. Mr. Cappellino provided background to Policy Committee members on the AMS Servicing, LLC/Seneca Mortgage project. The Agency Board in 2014 approved sales tax benefits only for the Seneca Mortgage project. To date, the company has utilized the entire sales tax incentive amount of $219,000. Mr. Cappellino stated the Agency approved the incentive in connection with the company’s relocation and build-out of new larger space at the Jamison Road location in Elma, New York. The company made an approximate $2,500,000 investment consisting of the renovation and purchase of new equipment related to the build-out of the facility. The project recapture terms included the standard investment and employment numbers and the employment requirement was for maintaining 270 FTE positions and adding 165 new FTE positions within two years after project completion.

Mr. Cappellino stated the Agency was made aware through media and other contacts that AMS Servicing had sold its Jamison Road operations to a third party, Nationstar Mortgage Holdings in June of 2016, and that only 5 FTE employees remain on site. Mr. Cappellino also stated that staff and legal counsel reached out to the owners of Seneca Mortgage to notify them that the terms of their ECIDA agreement required Seneca Mortgage to retain at least 270 FTE employees on the site and to create 165 new FTE positions within two years of project completion. These conversations confirmed that the Jamison Road servicing operation was in fact sold to Nationstar, and that Seneca Mortgage had 5 employees on site as of October 31, 2016. Seneca Mortgage did, however, indicate that Nationstar had hired a number of its employees (approximately 200) and was continuing to operate the facility at the site. Seneca Mortgage representatives also confirmed that the issue of job retention and creation commitments did not come up during the sale negotiations and Nationstar did not assume those obligations.

Mr. Cappellino then introduced Mr. John Anderson, CEO of the company, who then made a brief presentation to the Policy Committee. Mr. Anderson provided background on the company’s growth and expansion within Erie County and noted that during 2015, the company had grown to approximately 394 employees. Mr. Anderson stated that when interest rates fell off during 2015, the company had a difficult time buying loans to service. In 2016, the company decided it would be better to outsource to a third party, for loan servicing, and Mr. Anderson then described how Seneca Mortgage sold its loan servicing assets. To date, Mr. Anderson stated that Seneca Mortgage continues to purchase mortgages and that it outsources all work to Nationstar here locally. Mr. Anderson stated Nationstar is committed to Western New York and is asking the Agency to remember that it did not abandon the site or its employees when it sold its loan servicing business to Nationstar.
Ms. McDuffie queried as to why the company didn’t disclose its ECIDA job requirements and commitments to the purchaser. Mr. Anderson stated that Seneca Mortgage did disclose the arrangement; however, the purchaser said that this was a Seneca Mortgage issue and did not assume the obligations. Ms. McDuffie then asked how many employees are currently employed at Nationstar. Mr. Anderson stated they have transitioned 230 employees from Seneca Mortgage to Nationstar and none of those employees lost pay, vacation, or health benefits.

Ms. Whyte questioned Mr. Anderson as to why he didn’t notify the Agency of the sale of its business. Mr. Anderson apologized to the Agency and stated that he should have disclosed the sale and stated this was a complete oversight on his part. Mr. Whyte thanked Mr. Anderson for the apology but stated this leaves Erie County taxpayers without the job benefits which were bargained for when sales tax benefits were provided to the company. Their perception, Ms. Whyte explained, is that it appears as if taxpayers in Erie County do not matter.

Mr. Anderson again apologized for this oversight, stated he should have reached out to the Agency and concluded that there were so many moving parts in the sale of the assets that he overlooked this component. Ms. Whyte confirmed that there are 230 FTE employees employed by Nationstar and stated that even if the Agency extends or assigns the benefits to Nationstar, the company would still be about 200 or more employees below the required amount. Ms. Whyte then asked if Mr. Anderson anticipates Nationstar will be increasing its employment numbers. Mr. Anderson stated he cannot speak for Nationstar but noted they are the nation’s leader in this loan servicing market sector. Mr. Anderson also stated that the building has the capacity to support 700 people.

Ms. Whyte asked Mr. Murray if the company is allowed to sell its assets. Mr. Murray responded that the company was obligated to maintain the business and employment numbers. Mr. Murray stated that the company certainly could have sought the Agency’s consent to agree to the sale of its assets and the Agency, as it has done in the past, could have and mostly like would have required the new company to assume the Seneca Mortgage employment commitments.

Ms. Gandour asked Mr. Lipsitz for the options to be considered here. Mr. Cappellino responded that in theory, if the new company asks to assume the employment obligations, the Agency could entertain that request. Mr. Anderson then responded that Nationstar is not interested in assuming the employment commitments.

Mr. Lipsitz asked Mr. Anderson to describe the wages. Mr. Anderson stated that wages begin at approximately $45,000 a year plus benefits and can rise approximately to $60,000 to 80,000 a year with benefits.

Mr. State asked Mr. Anderson if during negotiations with Nationstar whether the ECIDA employment commitment issue came up. Mr. Anderson stated the contract with Nationstar required Nationstar to hire 200 Seneca Mortgage employees but also stated Nationstar was not interested in assuming the ECIDA job commitments.
Ms. Whyte then stated that if Nationstar is not interested in assuming the ECIDA employment commitments, then what exactly is Seneca Mortgage asking for? Mr. Anderson stated that he would like the Agency to consider that 200 Seneca Mortgage FTE employee positions are now retained at Nationstar, and further stated that Seneca Mortgage does understand that it has contractual liabilities but with that said, requested that consideration be given to the 200 FTE employee positions retained by a different entity.

Mr. Lipsitz stated that the Policy Committee will not be making any determinations with respect to Seneca Mortgage or Niagara Blower today. He stated he will ask Agency staff, as has been done in the past, to develop financial assistance modification, recapture and/or termination options to be presented back to this Policy Committee at its next meeting. Mr. Lipsitz thanked Niagara Blower and Seneca Mortgage for their presentations.

Ms. Whyte stated she appreciates Mr. Anderson’s request but expressed her concern that the idea that Erie County taxpayers would only be an afterthought, and without communicating with the Agency at the outset, that this becomes problematic, and she stated her expectation that the County Executive will confirm this concern at the Agency’s Board meeting.

INFORMATION ITEMS

Update on Sales Tax Overage Issue. Mr. Cappellino provided Policy Committee members with an update on the Zaepfel sales tax overage issue noting that the company has agreed to allow the Agency to recapture sales tax exemption benefits claimed above and beyond the amount so authorized and the company will be making six equal monthly installments to the Agency of the overage amount. The Agency will then submit those payments to the New York State Department of Taxation and Finance as required.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:08 a.m.

Dated: November 3, 2016

Robert G. Murray, Secretary
<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval Date</th>
<th>Project Amount</th>
<th>Jobs Retained</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>*Incentive Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TM Montante</td>
<td>Apr-13</td>
<td>$10,628,000</td>
<td>168</td>
<td>85%-New</td>
<td>Sales Tax</td>
<td></td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$2,056,000</td>
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<td>1</td>
<td>Niagara Blowar</td>
<td>Apr-13</td>
<td>$1,035,000</td>
<td>110</td>
<td>85%-New</td>
<td>Sales Tax</td>
<td></td>
<td>5 years</td>
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<td>Swan Street</td>
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<td>Adaptive Reuse</td>
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<td>Automated Machine Tech</td>
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<td>$925,000</td>
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<td>YES</td>
<td>Period of PILOT 10 Years</td>
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<td>$156,250</td>
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<td>Mc Gard</td>
<td>May-13</td>
<td>$8,150,000</td>
<td>457</td>
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<td>Sales/</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>$1,123,000</td>
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<tr>
<td>1</td>
<td>Ellicott - Arctic Freezer</td>
<td>May-13</td>
<td>$14,675,000</td>
<td>2</td>
<td>Sales/</td>
<td>YES</td>
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<td>2 years or Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
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<tr>
<td>1</td>
<td>HH Richardson</td>
<td>Jun-13</td>
<td>$55,153,782</td>
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<td>85%-New</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>Retail Highly Distressed/Hotel Policy/Adaptive Reuse</td>
<td>$8,465,000</td>
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<td>Simmers Crane</td>
<td>Jun-13</td>
<td>$1,710,000</td>
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<td>85%-New</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
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<td>$388,000</td>
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<td>1</td>
<td>Compass East</td>
<td>Jul-13</td>
<td>$21,086,889</td>
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<td></td>
<td>2 years or Termination of Sales Tax</td>
<td>Retail Highly Distressed/Adaptive Reuse</td>
<td>$456,612</td>
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<tr>
<td>1</td>
<td>Frey the Wheelman</td>
<td>Jul-13</td>
<td>$1,050,000</td>
<td>8</td>
<td>85%-New</td>
<td>PILOT/SalesMortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>$478,600</td>
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<td>1</td>
<td>OSC Equipment Services</td>
<td>Aug-13</td>
<td>$17,329,473</td>
<td>20</td>
<td>85%-New</td>
<td>PILOT/SalesMortgage Tax</td>
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<td>Period of PILOT 10 Years</td>
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<td>$355,135</td>
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<td>1</td>
<td>Calspan Corp - Phase II</td>
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<td>90</td>
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<td></td>
<td>$393,750</td>
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<tr>
<td>1</td>
<td>Calspan Corp/Harper - Phase 1</td>
<td>Aug-13</td>
<td>$9,300,000</td>
<td>75</td>
<td>85%-New</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years or Termination of Sales Tax</td>
<td></td>
<td>$308,250</td>
</tr>
<tr>
<td>1</td>
<td>Zeepfal Dev. Wthny Will</td>
<td>Sep-13</td>
<td>$18,700,000</td>
<td>217</td>
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<td>PILOT/SalesMortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$5,147,500</td>
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<tr>
<td>1</td>
<td>Bocohe LLC</td>
<td>Oct-13</td>
<td>$5,800,000</td>
<td>1</td>
<td>Sales/</td>
<td>YES</td>
<td></td>
<td>2 years or Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$225,000</td>
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<tr>
<td>1</td>
<td>Uostate Niagara Coop.</td>
<td>Oct-13</td>
<td>$3,900,000</td>
<td>175</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
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<td>Period of PILOT 7 Years</td>
<td></td>
<td>$265,000</td>
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<tr>
<td>1</td>
<td>API Heat Transfer</td>
<td>Nov-13</td>
<td>$1,722,134</td>
<td>287</td>
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<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td></td>
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<tr>
<td>1</td>
<td>Delaware North Co</td>
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<td>YES</td>
<td>2 years or Termination of Sales Tax</td>
<td></td>
<td>$807,000</td>
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</tbody>
</table>
## Project Matrix/Material Factors/Clawbacks

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval Date</th>
<th>Project Amount</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Custom Sheet Metal</td>
<td>Dec-13</td>
<td>$1,049,127</td>
<td>11</td>
<td>10% - New</td>
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<td>Period of PILOT 7 Years</td>
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<tr>
<td>1</td>
<td>DNC 250 (Unilaid)</td>
<td>Dec-13</td>
<td>$51,785,708</td>
<td>350</td>
<td>85% - New</td>
<td>55 jobs</td>
<td>64</td>
<td>YES - Including Hotel</td>
<td>Period of PILOT 7 and 10 years Retail/Parking TIPC Store 1D</td>
<td>Retail Highly Distressed/No Sales Tax For Vacant Space Buildout</td>
<td>$10,001,070</td>
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</table>

### 2013 Sub Total

<table>
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<tr>
<th>Count</th>
<th>Project Name</th>
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<th>Jobs Created</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
</tr>
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<tbody>
<tr>
<td>5</td>
<td>Adaptive Reuse</td>
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### 2013 Total

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<th>Job Creation</th>
<th>Jobs Created</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
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<tbody>
<tr>
<td>20</td>
<td>(April - Dec)</td>
<td></td>
<td>$254,836,113</td>
<td>2351</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$32,243,347</td>
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</tbody>
</table>

*Incentive Amount does not include other public incentives like: 485-e, Historic Tax Credits etc.*
<p>| Count | Project Name        | Approval Date | Project Amount | Investment       | Material            | Terms               | Clawback       | Local Labor | Length of Term | Additional Findings   | Incentive Amount |
|-------|---------------------|---------------|----------------|------------------|--------------------|---------------------|-----------------|-------------|----------------|----------------------|-----------------|-----------------|
| 1     | AMS Servicing, LLC  | Jan-14        | $2,504,300     | 85% threshold    | Base               | 270 jobs           | Sales Tax       | YES         | 2 years after | Termination of Sales Tax | $219,000       |
|       |                     |               |                | 85% threshold    | $2,128,655         | 270                |                 |             |                   |                      |                 |
|       |                     |               |                | 100%             | 194                |                    |                 |             |                   |                      |                 |
| 1     | North American Salt| Jan-14        | $7,900,000     | 85% threshold    | $6,205,000         | 7                  | PILOT/Sales Tax  | YES         | Period of PILOT 7 | Years                      | $1,358,500     |
|       |                     |               |                | 85% threshold    | $26,976,98         | 0                  |                 |             |                   |                      |                 |
|       |                     |               |                | 100%             | 13                 | 20                 |                 |             |                   |                      |                 |
| 1     | 500 Seneca, LLC     | Feb-16        | $31,737,624    | 85% threshold    | $6,913,136         | 1                  | Sales/          | YES         | 2 years after | Termination of Sales Tax | $1,180,000     |
|       |                     |               |                | 85% threshold    | $26,824,000        | 19                 | Mortgage Tax    |             |                   |                      |                 |
|       |                     |               |                | 100%             | 19                 | 20                 |                 |             |                   |                      |                 |
| 1     | Elm-Michigan Holdings| Feb-16       | $8,133,102     | 85% threshold    | $6,913,136         | 1                  | Sales/          | YES         | 2 years after | Termination of Sales Tax | $279,000       |
|       |                     |               |                | 85% threshold    | $10,561,05         | 7                  | Mortgage Tax    |             |                   |                      |                 |
|       |                     |               |                | 100%             | 19                 | 1                  |                 |             |                   |                      |                 |
| 1     | ARCO Lofts          | Mar-14        | $12,424,750    | 85% threshold    | $2,001,800         | 7                  | 85% Construct. | YES         | 2 years or    | Termination of Sales Tax | $416,000       |
|       |                     |               |                | 85% threshold    | $3,001,800         | 7                  | 34 jobs         |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | 9187 Group(172 Elm St)| Mar-14      | $1,768,000     | 85% threshold    | $1,902,800         | 9                  | 85% Construct. | YES         | 2 years or    | Termination of Sales Tax | $65,800        |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | 59 jobs         |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | 1954 West Ferry LLC | May-14       | $1,655,000     | 85% threshold    | $1,872,750         | 9                  | 85% Construct. | YES         | 2 years or    | Termination of Sales Tax | $64,500        |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | 49 jobs         |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | Petrolift           | Jun-14        | $3,542,250     | 85% threshold    | $1,844,912         | 9                  | Sales Tax       | YES         | 2 years or    | Termination of Sales Tax | $24,500        |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | 49 jobs         |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | Derrick Corp.       | Jun-14        | $9,750,000     | 85% threshold    | $6,287,500         | 9                  | PILOT/Sales Tax | YES         | Period of PILOT | 10 Years                      | $1,940,000     |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | 57 jobs         |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | Flying Bison        | Jun-14        | $2,500,000     | 85% threshold    | $2,125,000         | 9                  | PILOT/Sales      | YES         | Period of PILOT 7 | Years                      | $372,500       |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | Mortgage Tax    |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | A. Titan            | Jun-14        | $4,215,000     | 85% threshold    | $3,581,750         | 9                  | Sales/          | YES         | 2 years or    | Termination of Sales Tax | $106,750       |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | Mortgage Tax    |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | Fisher Price        | Jun-14        | $8,000,000     | 85% threshold    | $6,800,000         | 9                  | Sales Tax       | YES         | 2 years or    | Termination of Sales Tax | $565,000       |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | 49 jobs         |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | Curtis Buffalo      | Jun-14        | $18,100,000    | 85% threshold    | $15,385,00         | 9                  | PILOT/Sales      | YES         | Period of PILOT 10 | Years                      | $883,000       |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | Mortgage Tax    |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | Simmers Crane(Rev. 6/13)| Jun-14     | $2,140,000     | 85% threshold    | $1,619,000         | 9                  | PILOT/Sales      | YES         | Period of PILOT 10 | Years                      | $503,000       |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | Mortgage Tax    |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |
| 1     | Conventus Partners  | Jul-14        | $10,000,000    | 85% threshold    | $8,500,000         | 9                  | 85% Construct. | YES         | 2 years or    | Termination of Sales Tax | $472,000       |
|       |                     |               |                | 85% threshold    | $3,001,800         | 9                  | 21 jobs         |             |                   |                      |                 |
|       |                     |               |                | 100%             | 20                 | 20                 |                 |             |                   |                      |                 |</p>
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<td>82</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$217,500</td>
<td></td>
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<tr>
<td>1</td>
<td>432 Abbott, LLC</td>
<td>Jun-15</td>
<td>$4,570,000</td>
<td>85% threshold</td>
<td>3,884,500</td>
<td>85% - New 3 job</td>
<td>3</td>
<td>Sales/Mortgage Tax</td>
<td>YES</td>
<td>2 years or Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$94,250</td>
</tr>
<tr>
<td>1</td>
<td>500 Parker, LLC</td>
<td>Jun-15</td>
<td>$3,458,192</td>
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<td>2,939,463</td>
<td>85% - New 2 job</td>
<td>2</td>
<td>Sales/Mortgage Tax</td>
<td>YES</td>
<td>2 years or Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$78,800</td>
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<tr>
<td>1</td>
<td>Orchard Heights Inc</td>
<td>Jul-15</td>
<td>$18,898,569</td>
<td>85% threshold</td>
<td>15,893,783</td>
<td>75</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$2,448,672</td>
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<tr>
<td>1</td>
<td>95 Persh (W/M Mech)</td>
<td>Aug-15</td>
<td>$3,304,500</td>
<td>85% threshold</td>
<td>2,808,623</td>
<td>85% - New 26 job</td>
<td>31</td>
<td>PILOT/Sales Mortgage Tax</td>
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<td>Period of PILOT 10 Years</td>
<td>$860,250</td>
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<tr>
<td>1</td>
<td>Sodexo</td>
<td>Aug-15</td>
<td>$5,076,021</td>
<td>85% threshold</td>
<td>5,164,600</td>
<td>511</td>
<td>Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$467,000</td>
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<tr>
<td>Count</td>
<td>Project Name</td>
<td>Approval Date</td>
<td>Project Amount</td>
<td>Investment</td>
<td>Material Factors</td>
<td>Clawback</td>
<td>Local Labor</td>
<td>Length of Term</td>
<td>Additional Findings</td>
<td>Incentive Amount</td>
<td>Pay Equity</td>
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</tr>
<tr>
<td>-------</td>
<td>-------------------------------</td>
<td>---------------</td>
<td>-----------------</td>
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<td></td>
</tr>
<tr>
<td>1</td>
<td>Uhland (Sodexo)</td>
<td>Aug-15</td>
<td>$21,058,095</td>
<td>$17,895,380</td>
<td>85% threshold</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>10 Years</td>
<td>Period of PILOT</td>
<td>$3,921,440</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Sheffin Land &amp; Cattle</td>
<td>Sep-15</td>
<td>$1,790,000</td>
<td>$1,445,000</td>
<td>85% threshold</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>10 Years</td>
<td>Period of PILOT</td>
<td>$239,625</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>240 Kensington LLC</td>
<td>Oct-15</td>
<td>$5,781,000</td>
<td>$4,913,850</td>
<td>85% threshold</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>10 Years</td>
<td>Period of PILOT</td>
<td>$4,786,000</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>722 Group, Ellicott Dev.</td>
<td>Oct-15</td>
<td>$5,790,000</td>
<td>$4,896,000</td>
<td>85% threshold</td>
<td>Sales/ Mortgage Tax</td>
<td>YES</td>
<td>2 years or</td>
<td>Termination of 10 years</td>
<td>$216,500</td>
<td>YES</td>
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<td>1</td>
<td>Flexvit USA, Inc.</td>
<td>Nov-15</td>
<td>$8,030,887</td>
<td>$6,817,753</td>
<td>85% threshold</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>10 Years</td>
<td>Period of PILOT</td>
<td>$533,000</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>486 Elmwood Buffalo LLC</td>
<td>Nov-15</td>
<td>$1,482,850</td>
<td>$1,260,422</td>
<td>85% threshold</td>
<td>Sales/ Mortgage Tax</td>
<td>YES</td>
<td>2 years or</td>
<td>Termination of 10 years</td>
<td>$29,470</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Garrett Leather Corp.</td>
<td>Dec-15</td>
<td>$4,100,000</td>
<td>$3,485,000</td>
<td>85% threshold</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years or</td>
<td>Termination of 10 years</td>
<td>$70,000</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Pilgrim Village Assoc.</td>
<td>Dec-15</td>
<td>$94,778,000</td>
<td>$80,561,300</td>
<td>85% threshold</td>
<td>Sales/ Mortgage Tax</td>
<td>YES</td>
<td>2 years or</td>
<td>Mixed Use Affordable</td>
<td>$1,913,281</td>
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</table>

**Adaptive Reuse**

<table>
<thead>
<tr>
<th>Approve Date</th>
<th>Project Amount</th>
<th>Material Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
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<tbody>
<tr>
<td>2015 Sub Total</td>
<td>$74,666,702</td>
<td>26</td>
<td></td>
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<td></td>
<td></td>
<td>$3,099,550</td>
<td>YES</td>
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<tr>
<td>2015 Total</td>
<td>$257,221,605</td>
<td>1975</td>
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<td>$16,762,058</td>
<td>YES</td>
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<tr>
<td>Adaptive Reuse 2013-15 Total</td>
<td>$278,664,936</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$17,007,308</td>
<td>YES</td>
</tr>
<tr>
<td>2013-15 Total</td>
<td>$741,246,483</td>
<td>7131</td>
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<td></td>
<td></td>
<td></td>
<td>$62,996,661</td>
<td>YES</td>
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</tbody>
</table>

*Incentive Amount does not include other public incentives like: 485-a, Historic Tax Credits, etc.*
## Project Matrix/Material Factors/Clawbacks

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>Incentive Amount</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tried Recycling</td>
<td>Jan-16</td>
<td>$2,993,000</td>
<td>85% threshold $2,544,650</td>
<td>85% - New 2 jobs</td>
<td>3</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$149,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Alt Store, LLC</td>
<td>Jan-16</td>
<td>$6,900,000</td>
<td>85% threshold $5,846,000</td>
<td>85% - New 27 jobs</td>
<td>12</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$332,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Upstate Pharmacy</td>
<td>Mar-16</td>
<td>$310,000</td>
<td>85% threshold $243,500</td>
<td>85% - New 8 jobs</td>
<td>10</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$247,125</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Buell Ave Senderson</td>
<td>May-16</td>
<td>$5,360,000</td>
<td>85% threshold $4,579,000</td>
<td>85% - New 80 jobs</td>
<td>35</td>
<td>PILOT Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$765,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Great Lakes Ortho</td>
<td>Jun-16</td>
<td>$5,009,230</td>
<td>85% threshold $4,254,446</td>
<td>85% - New 8 jobs</td>
<td>1</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$1,032,131</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Kohler Awning</td>
<td>Jul-16</td>
<td>$850,000</td>
<td>85% threshold $722,500</td>
<td>85% - New 1 jobs</td>
<td>1</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$107,500</td>
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<td></td>
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<tr>
<td>7</td>
<td>Shell Fab</td>
<td>Aug-16</td>
<td>$2,795,000</td>
<td>85% threshold $2,334,750</td>
<td>85% - New 8 jobs</td>
<td>10</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$344,150</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Trico</td>
<td>Aug-16</td>
<td>$30,490,542</td>
<td>85% threshold $27,916,960</td>
<td>85% - New 110 jobs</td>
<td>110</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$6,862,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Calspan</td>
<td>Aug-16</td>
<td>$7,070,000</td>
<td>85% threshold $6,009,500</td>
<td>85% - New 9 jobs</td>
<td>11</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$1,061,875</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Rosina Foods</td>
<td>Oct-16</td>
<td>$4,544,000</td>
<td>85% threshold $3,312,400</td>
<td>85% - New 9 jobs</td>
<td>4</td>
<td>PILOT Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$82,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Inquinis Bar</td>
<td>Oct-16</td>
<td>$900,000</td>
<td>85% threshold $782,000</td>
<td>85% - New 8 jobs</td>
<td>2</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$179,400</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Alexandre Apart</td>
<td>Nov-16</td>
<td>$4,269,600</td>
<td>85% threshold $3,629,165</td>
<td>85% - New 9 jobs</td>
<td>4</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$165,125</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Flexo Transparent</td>
<td>Dec-16</td>
<td>$6,150,000</td>
<td>85% threshold $5,227,500</td>
<td>85% - New 9 jobs</td>
<td>5</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$333,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2016 Sub Total
- **Adaptive Reuse**: 2
  - Project Amount: $94,760,148
  - Jobs Retained: 0
  - Jobs Creation: 135
  - Incentive Amount: $3,723,500

### 2016 Total
- **Count**: 13
  - Project Amount: $134,617,378
  - Jobs Retained: 896
  - Jobs Creation: 258
  - Incentive Amount: $8,319,900
**ELIGIBILITY**
- NAICS Section: 424410

**COMPANY INCENTIVES**
- Approximately $175,000 in sales tax savings.

**EMPLOYMENT**
- Current: 172
- New Jobs Projected: 5
- Total Jobs after project completion: 177

**PROJECT HISTORY**
- 12/27/2016 - Public hearing held. Transcript attached
- 01/25/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

---

**Inducement Resolution**

**Project Title:** Latina Boulevard Foods, LLC  
**Project Address:** 1 Scrivner Drive  
Cheektowaga, New York 14227  
(West Seneca School District)

**Agency Request**

A sales tax savings in connection with the expansion of the company's footprint in an existing building.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Acquisition</td>
<td>$8,500,000</td>
</tr>
<tr>
<td>Renovation</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>85%</td>
<td>$9,350,000</td>
</tr>
</tbody>
</table>

**Company Description**

Latina Foods was founded in 1954 in Niagara Falls and is a wholesale food distributor. In 2010 the company merged with Boulevard Produce. Latina houses a USDA inspected meat processing facility and also provides fresh produce tailored to each customer order. Both divisions custom pick, pack and deliver products on their own fleet of trucks, tractor trailers and vans. The distribution area covers all of Western New York including Niagara Falls, Rochester, Syracuse, Cortland, Ithaca, Olean, Springville, Jamestown and Dunkirk.

**Project Description**

Latina has been at the Cheektowaga location since the beginning of 2011 where they currently lease 80,000 sq. ft. of a 430,000 sq. ft. complex. The proposed project includes purchasing the facility and expanding their footprint in the facility to 190,000 sq. ft. This expansion involves the modification of 30,000 sq. ft. to house a freezer and the addition of a 10,000 sq. ft. cooler along with the purchase of material handling equipment. Improvements such as updated HVAC will also be made to the remainder of the building.

The remainder of the building remains unoccupied but for two tenants that occupy 39,000 sq. ft. No sales tax benefits will accrue to these tenants.
<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 = $11,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $9,350,000</td>
</tr>
<tr>
<td>Employment</td>
<td>2 Years after project completion</td>
<td>Maintain Base = 172</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% pf Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 176</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>See recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>See recapture period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 Years after project completion</td>
<td>Recapture of state and local sales taxes and real property taxes</td>
</tr>
</tbody>
</table>

Recapture applies to:

- State and local sales taxes

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 project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will maintain 172 jobs and create an additional 4 iii) confirm adherence to ECIDA local labor/unpaid tax/pay equity policies.
## ADDENDUM TO PROJECT LOG

**LATINA BOULEVARD, LLC**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
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<tr>
<td><strong>Wage Rate (above median wage for area)</strong></td>
<td>Erie County per capita income: $28,512 Company estimated average salary of jobs to be retained: $53,000 Company estimated average salary of jobs to be created: $40,000</td>
</tr>
<tr>
<td><strong>Regional Wealth Creation (% sales/customers outside area)</strong></td>
<td>Sales: Outside Erie County and within NYS: 27%</td>
</tr>
<tr>
<td><strong>In Region Purchases (% of overall purchases)</strong></td>
<td>20% of annual supplies and vendor services are within Erie County</td>
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<tr>
<td><strong>Research &amp; Development Activities</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Investment in Energy Efficiency</strong></td>
<td>Yes, new freezer and updated electrical will be energy efficient</td>
</tr>
<tr>
<td><strong>Locational Land Use Factors, Brownfields or Locally Designated Development Areas</strong></td>
<td>The land is zoned for industrial and manufacturing uses.</td>
</tr>
<tr>
<td><strong>LEED/Renewable Resources</strong></td>
<td>NA</td>
</tr>
<tr>
<td><strong>Retention/Flight Risk</strong></td>
<td>According to the company, if the economics of expanding in Buffalo become prohibitive, a focus on growth outside of this area becomes more attractive.</td>
</tr>
<tr>
<td><strong>MBE/WBE Utilization</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Workforce Access – Proximity to Public Transportation</strong></td>
<td>The facility is on a bus route. Transit 2B</td>
</tr>
</tbody>
</table>
** 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-Latina 2016

<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>N/A</td>
<td></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>
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<tbody>
<tr>
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</tr>
<tr>
<td>5</td>
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<td>TOTAL</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>$11,000,000</td>
<td>N/A</td>
<td>$175,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 1.6 %

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Latina Boulevard Foods, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(42) Wholesale Trade</td>
</tr>
<tr>
<td>Municipality</td>
<td>Cheektowaga Town</td>
</tr>
<tr>
<td>School District</td>
<td>West Seneca</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>5</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$200,000</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>18</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$960,812</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$1,160,812</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>$592,866</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$66,330</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$169,343</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$55,857</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$884,396</strong></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$109,375</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$109,375</strong></td>
</tr>
</tbody>
</table>
**Table 4: Employment Breakdown**

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>5</td>
</tr>
<tr>
<td>Indirect***</td>
<td>2</td>
</tr>
<tr>
<td>Induced****</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>18</td>
</tr>
<tr>
<td>Indirect</td>
<td>7</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>8.1:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>53.7:1</td>
</tr>
</tbody>
</table>

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

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PUBLIC HEARING SCRIPT

Latina Boulevard Foods, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on December 27, 2016 at 9:00 a.m., at the Town of Cheektowaga, 3301 Broadway (Town Council Chamber), Cheektowaga, New York 14227

ATTENDANCE

David Raponi, Latina Boulevard Foods
Mark LaMartina, Latina Boulevard Foods
Susan Rims, West Seneca
Nora Mikes, West Seneca
☐ Members of the General Public

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

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

☐ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Latina Boulevard Foods, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, December 16, 2016.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the renovation of an additional 110,000+/- SF expansion to the Company's existing 80,000+/- SF footprint in an existing building located at 1 Scrivner Drive, Town of
Cheektowaga, Erie County, New York (the "Improvements") consisting of a 30,000+/- SF freezer, a 10,000+/- SF cooler, and 70,000+/- SF of additional racking and storage/warehouse space and the renovation of 201,100+/- SF of unoccupied space to facilitate various tenants for distribution/warehouse purposes; and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property to be utilized for Company operations (the "Equipment," and collectively with the Improvements, the "Facility").

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on January 24, 2017. 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.

Dave Raponi, Chief Financial Officer for Latina Boulevard Foods - We’re here to apply for sales tax exemption for our improvements within the facility that we have and also we’re trying to expand the cooler freezer as Grant stated, as well as recruit other leasehold holders into the building within that additional 200,000 sq. ft. My colleague here is Mark LaMartina, Executive Vice President of Sales & Marketing. I’m going to let him speak to the project itself. If there’s any details you’d like to know then you can certainly ask but in essence we’re expanding our
facility and we have grown quite a bit since the corporation was formed, about 130 percent growth.

My name is Mark LaMartina, Executive Vice President of Latina Boulevard Foods - As Dave just stated, we’re in front of you requesting this be approved. We have been in the facility for about going on five years now and since that time, as Dave mentioned, our growth has been about over 130 percent. The facility originally was a distribution center. When we moved in we modified it, our parcel to accommodate what we thought at the time was our needs and would be our needs for probably ten years. We have far surpassed that, those needs. Our initial model was to grow about ten percent a year which we’ve extremely outgrown that goal. Making this decision to continue our growth, we need this expansion to accommodate our needs. Our business is selling wholesale foods to restaurants, institutions and schools all within, well I should say ¾ of which is in Erie County. We do go as far as Rochester, Jamestown and Olean, but ¾ of our business is within Erie County. We have been in existence for 54 years and have experienced continual growth, but the growth within the last five years since we have occupied this facility has been tremendous. We hope to continue with this growth within the next 3 to 4 years, we hope to be even probably double the business we currently have. So in order to make this happen we need to expand our capabilities and that is the project before you. That’s where we’re at.

Norma Mikes, 758 Orchard Park Road - So are you asking for just a tax abatement or a subsidy? Dave Raponi - Sales tax.
Norma Mikes - That’s it? So the financing for the project is private?
Dave Raponi - It’s from the bank? Right.
Norma Mikes - Ok, I went to your website and it we’re local, and you’re local. Why don’t you buy from us? If you’re wholesale, I haven’t seen any effort in your sale to the public. How can I? Are you just wholesale?
Mark LaMartina - We just sell wholesale food and not food products, meaning paper goods to restaurants and schools. We represent, we are products of national brands, the Sara Lee’s and Tysons of the world, but the products that we sell can only be found in restaurants. We don’t sell to retail.
Norma Mikes - Ok.

Susan Kims, 99 Covington Drive in West Seneca - So you’re only looking for the sales tax abatement and you’ve been there for five years now?
Mark LaMartina - We moved into this facility in November of 2011.
Susan Kims - And you’re not looking for a PILOT, payment in lieu of taxes to the school district here?
Mark LaMartina - No.
Susan Kims – And you’re looking to add five new employees possibly?
Dave Raponi – At a minimum.
Susan Kims - Sounds like a good venture.
Dave Raponi - Thank you.
Nora Mikes - It does say in your application – first of all there’s so many things you left blank. Why did you leave so many of things blank in the application?
Dave Raponi – A lot of the items did not apply to us.
Nora Mikes - Like half of it. Ok, well if it doesn’t apply you’re supposed to do NA, not leave it blank. Alright, well it does say in the application, it says “are you looking for other assistance” and that said “yes”.

24
Dave Raponi - Yes, the Workforce Investment Board and the ECC Employment Training Center.
Nora Mikes - Right, and you’re asking them for assistance or
Dave Raponi - They offer assistance and we’re going to take them up on it.
Nora Mikes - What kind of assistance exactly are they offering?
Dave Raponi - Well one is hiring, where you hire people within a certain income and we’re able to get that subsidy for the people to come work for us.
Nora Mikes - Ok so are you going to take steps to hire from among our most vulnerable?
Dave Raponi - That’s part of the program. I mean we’re not going to go to the homeless shelter as part of our hiring but those that are disadvantaged as part of that program, get them on board.
Nora Mikes - How about formerly incarcerated people?
Dave Raponi - Well we don’t go out and target incarcerated people specifically.
Nora Mikes - Formerly, formerly. Well will you make outreach to the people who need employment the most in our county?
Dave Raponi – UNAUDIBLE
Nora Mikes - But will you try to outreach to them? If they apply that’s one thing. But will you go looking for them? The disadvantaged people?
Dave Raponi – Yes but not specifically. If they come in they will (UNAUDIBLE). With this program they will, but for right now, we don’t need it, so we’re just going to these programs for the future if we need.
Nora Mikes - And your looking to hire five people?
Dave Raponi – Yes.
Nora Mikes – Ok
Susan Kims – On the application it talks about are you applying for state/federal historical tax credit. Is that what you were just referring to? You answered yes to that.
Dave Raponi – Yes
Susan Kims – Ok so that’s what you were just referring to. Ok, Thank you.

6. ADJOURNMENT.

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

December 27, 2016, at 9:00 a.m.
at the Town of Cheektowaga Town Hall, 3301 Broadway (Town Council Chambers)
Cheektowaga, New York 14227
regarding:

__Latina Boulevard Foods, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf__

Project Location: 1 Scrivner Drive, Cheektowaga, New York 14227

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Raponi</td>
<td>Latina Boulevard Foods&lt;br&gt;1 Scrivner Drive&lt;br&gt;Cheektowaga, New York 14227</td>
<td>X</td>
</tr>
<tr>
<td>Mark LaMartina</td>
<td>Latina Boulevard Foods&lt;br&gt;1 Scrivner Drive&lt;br&gt;Cheektowaga, New York 14227</td>
<td>X</td>
</tr>
<tr>
<td>Susan Rim</td>
<td>99 Covington Drive&lt;br&gt;West Seneca, New York</td>
<td>X</td>
</tr>
<tr>
<td>Norma Mikes</td>
<td>758 Orchard Park Road&lt;br&gt;West Seneca, New York</td>
<td>X</td>
</tr>
</tbody>
</table>
Tax Incentive Application

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name: Latina Boulevard Foods Expansion
Applicant Name: Latina Boulevard Foods, LLC
Applicant Address: 1 Scrivner Drive
Applicant Address 2: Cheektowaga
Applicant City: Cheektowaga
Applicant State: New York
Applicant Zip: 14227
Phone: 716-656-8400
Fax: 716-656-2100
E-mail: draponi@latinaboulevardfoods.com
Website: 
Federal ID#: 27-3389362
NAICS Code: 424410
Will a Real Estate Holding Company be utilized to own the Project property/facility: Yes
What is the name of the Real Estate Holding Company: LB Real Estate Holdings, LLC
Federal ID#: 81-3867648
State and Year of Incorporation/Organization: Florida, 2016
List of stockholders, members, or partners of Real Estate Holding Company: Anderson LB Investors Charles Marazzo Glenn Dombrowski

Individual Completing Application

Name: David Raponi
Title: Chief Financial Officer
Address: 1 Scrivner Drive
Address 2: Cheektowaga
City: Cheektowaga
State: New York
Zip: 14227
The Erie County Industrial Development Agency (ECIDA)

Phone 716-656-8400
Fax 716-656-2100
E-Mail draponi@latinaboulevardfoods.com
Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney  Paul Vallone
Firm Name  Hodgson Russ
Address  140 Pearl Street
Address 2  Suite 100
City  Buffalo
State  New York
Zip  14202-4040
Phone  716-856-4000
Fax  716-819-4762
E-Mail  pvallone@hodgsonruss.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business  Limited Liability Company
Type of Ownership
Year Established  2010
State of Organization  Florida

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

Anderson LB Investors 70%
Applicant Business Description

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

Wholesale Food Distributor. Latina Foods was founded in 1954 when Anthony Sciolino opened an Italian import store on Pine Avenue in Niagara Falls, NY. At the age of 17 Charles Marazzo Jr. joined the company to grow the business, expanding it to include a wholesale food distributorship. In 2010 Latina Foods, Inc. joined with Boulevard Produce, Inc. to become Latina Boulevard Foods, LLC. Today Latina Boulevard Foods is a food distributor under the direction of member Charles Marazzo, Jr., for the Latina Food Service Division and member Glenn Dombrowski for the Boulevard Produce Division. They are co-presidents of the corporation. The Latina Food Division houses a USDA inspected meat processing facility allowing them to offer "Center of Plate" meat and poultry items which are daily cut fresh to order, insuring the highest quality. Latina Food Service Division also has a wide variety of dry goods, paper products, culinary equipment and frozen items. The Boulevard Produce Division offers a complete offering of fresh produce tailored to each customer order. Both divisions custom pick, pack and deliver these products on their own trucks, tractor trailers and vans. This diversity of product and services enables Latina Boulevard Foods to offer a "One Stop Shopping" experience for their customers. The corporation's distribution area encompasses all of Western New York including Niagara Falls, Rochester, Syracuse, Cortland, Ithaca, Olean, Springville, Jamestown, Dunkirk and all areas in between.

Estimated % of sales within Erie County 73
Estimated % of sales outside Erie County but within New York State 27
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.

20%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
Cheektowaga

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

In which Municipality will the proposed project be located
Cheektowaga

Address
1 Scrivner Drive, Cheektowaga, NY 14227

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

What are the current real estate taxes on the proposed Project Site
$235,000

Assessed value of land
600,000

Assessed value of building(s)
5,400,000

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Cheektowaga

School District of Project Site
West Seneca

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

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

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

Describe the present use of the Proposed Project site
warehouse/distribution, meat processing and packing facility

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)

Latina Boulevard Foods, LLC has been at 1 Scrivner Drive in Cheektowaga since the beginning of 2011 where they currently lease 80,000 sq. ft. and have been experiencing increasing sales volumes. Other than renting outside freezer space we have not increased our footprint. The proposed project includes expanding our footprint to 190,000 sq. ft. within the existing building. The entire facility is 430,000 sq. ft, 50% of which is not yet occupied. Two smaller tenants are currently housed in the building - UPS Offices representing 8,100 sq. ft. and Landmark Global occupies 31,000 sq. ft. No benefits of the project will accrue to these tenants. The additional 201,000 sq. ft. remains unoccupied. This unused space will be improved for lease to other warehouse/distribution type tenants. Latina's 110,000 sq. ft. expansion will involve modifying 30,000 sq. ft. of existing space to house a freezer and add a 10,000 sq. ft. cooler. Other building improvements will be made to facilitate this expansion as well as purchasing material handling equipment.

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 as is would be cost prohibitive and would not be viable for the purposes of expansion from growth and acquisition. See further explanation below.

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)

IDA assistance is important to the project to reduce the debt being incurred to support the renovation of the existing warehouse facility at 1 Scrivner. This renovation project represents over 30% of the cost of purchasing the building and is critical to the overall plan for Latina Boulevard Foods keeping the business viable well into the future. Presently the company supports 172 people and this renovation allows the company to add additional employees as the company grows organically as well as through acquisition. This renovation is necessary to be competitive within an industry with very small margins and many expense services necessary to capture and retain customers. Multinational competition from companies such as Sysco and US Foods requires that we offer broad line product and services or risk losing our present business and have little opportunity to expand our customer base and overall volume and margins. The recent failure of the merger between Sysco and US Foods has created even a more competitive atmosphere within the industry as well as locally.

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

No

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

The project would have to be drastically reduced and the business plan for Latina would have to be adjusted. Additionally we would not be able to create as many jobs as quickly as we would like.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

electric forklifts, pallet jacks

Site Characteristics

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

Yes

Describe the present zoning/land use

Commercial

Describe required zoning/land use, if different

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

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

No
If yes, please explain

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

   If yes, please provide a copy.

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

   If yes, please provide copies of the study.

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

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

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

   If yes, please explain.

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

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

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

Please check any and all end uses as identified below.

Retail Sales    No    Services    No

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

No Manufacturing
No Acquisition of Existing Facility
No Housing
Yes Equipment Purchase

No Multi-Tenant
Yes Commercial
Yes Back Office
No Retail

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

Estimated costs in connection with project

Land and/or Building Acquisition
$ 8,500,000  450,000 square feet  30 acres

New Building Construction
$ 0  square feet

New Building addition(s)
$ 0  square feet

Infrastructure Work
$ 0

Renovation
$ 2,500,000  square feet

Manufacturing Equipment
$ 0

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

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

Other Cost
$ 0

Explain Other Costs

Total Cost
$ 11,000,000

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

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

If Yes, describe particulars:

Sources of Funds for Project Costs:

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

Bank Financing:
$ 11,000,000

Tax Exempt Bond Issuance (if applicable):
$ 0

Taxable Bond Issuance (if applicable):
$ 0

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

http://www.ecidny.com/app/tax-incentive-application-2014/print/652
Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:
$11,000,000

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

Mortgage Recording Tax Exemption Benefit:

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

$L

Lender Name, if Known

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

Construction Cost Breakdown:

Total Cost of Construction
$2,500,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$2,000,000

% sourced in Erie County
70%

% sourced in State
100% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency’s sales and use tax exemption benefit
$2,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$175,000

Real Property Tax Benefit:

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

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

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$2,500,000</td>
<td>100</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>
If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

1/1/2017

End date: Estimated completion date of project

4/1/2017

Project occupancy: estimated starting date of operations

4/1/2017

Have construction contracts been signed?

No

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

No

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>172</td>
<td>172</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>172</td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th>Average Salary</th>
<th>Average Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$99,500</td>
<td>$14,925</td>
</tr>
<tr>
<td>Professional</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>$53,400</td>
<td>$8,010</td>
</tr>
<tr>
<td>Production</td>
<td>$40,200</td>
<td>$6,030</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</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>655 Young Street</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonawanda, NY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>64</td>
<td>0</td>
<td>64</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>0</td>
<td>64</td>
</tr>
</tbody>
</table>
Will any of the facilities described above be closed or subject to reduced activity?
No

**Payroll Information**

**Annual Payroll at Proposed Project Site**
$ 9,142,000

**Estimated average annual salary of jobs to be retained**
$ 53,150

**Estimated average annual salary of jobs to be created**
$ 40,000

**Estimated salary range of jobs to be created**
From $31,200 To $52,000

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

If yes, please explain and identify out-of-state locations investigated
Have not investigated to date but a more friendly business environment would be welcomed.

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?
Yes

If yes, please indicate the Agency and nature of inquiry below
ECIDA officials introduced us to representatives of the Workforce Investment Board and ECC’s Employment Training Center.

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)
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
      Renovation not building...
   Have any tenant leases been entered into for this project?
      No

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

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

General Background Information

Address of Premises 1 Scrivner Drive, Cheektowaga, NY 14227
Name and Address of Owner of Premises Latina Boulevard Foods, LLC 1 Scrivner Drive Cheektowaga, NY 14227

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
Flat land, one story commercial flat roof building.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises
Was built in 1970's...

Describe all known former uses of the Premises
Food and Various product wholesale distribution.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?
<BLANK>
If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?
No
If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?
<BLANK>
If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?
No
If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?
No
If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?
No
If yes, please provide copies of the permits.
Identify the transporter of any hazardous and/or solid wastes to or from the Premises
Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

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

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

None

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

None

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

No

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

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

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

None

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

No

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

Some Floor Tiles...
Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State  
No

Within Erie County  
<BLANK>

If Yes to either question, please explain

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

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

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

Freezer and cooler space to be constructed....

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)? 46
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) No
If vacant, number of years vacant. 0
If underutilized, number of years underutilized. 6
Describe the use of the building during the time it has been underutilized: Product Distribution
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) Yes
If yes, please provide dollar amount of income being generated, if any $
Does the site have historical significance? No
Are you applying for either State/Federal Historical Tax Credit Programs? Yes
If yes, provide estimated value of tax credits $
Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)
Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities
Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments
Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area?  <BLANK>
MEMO

To: ECIDA Policy Committee  
Re: AMS Servicing/Seneca Mortgage  
Date: January 5, 2017

AMS Servicing/Seneca Mortgage  
611 Jamison Road  
Elma, NY

AMS Servicing was established in 2008 as a national servicer of residential and small balance commercial mortgages. Major clients include Fannie Mae and Freddie Mac, as well as large private financial institutions and investment funds.

The ECIDA approved an incentive project for AMS Servicing in January of 2014 in connection with their relocation and buildout of new larger space at the Jamison Road location. At the time of the ECIDA project approval AMS had an existing location on Walden Avenue in Depew, NY.

2014 Expansion Project

- A $2,504,300 investment to renovate leased space and purchase new equipment in the former Motorola Complex located at 611 Jamison Road in the Town of Elma. The project consisted of the renovation and purchase of new equipment with the renovation. The 2014 project was needed to improve efficiencies and accommodate a significant increase in the employment which was being projected over the next two years. The project was approved for sales tax incentives by the ECIDA Board in January of 2014. The project recapture terms included the standard investment and employment. The employment requirement was for maintaining 270 FTE’s and adding 165 new positions 2 years after project completion.

Incentives Received:

The 2014 ECIDA Board approval was for sales tax benefits only. To date they have received sales tax incentives of:

2014 Project Sales Tax Incentives approved $219,000  
Project Sales Tax Incentives used from April 2014 through March 2016 $219,000

Total Sales Tax subject to recapture $219,000

ECIDA staff was made aware through media and other contacts that AMS Servicing had sold its Jamison Road operations to a third party, Nationstar Mortgage Holdings in June of 2016, and that only 5 AMS employees were remaining on the site.

ECIDA through staff and legal counsel did reach out to the owners of AMS Servicing to notify AMS that the terms of their ECIDA agreement required AMS to retain at least 270 employees on the site and to create 165 new positions within two years of project completion. The sale of the Jamison Road facility created a violation of the terms of the ECIDA agreement.

Follow up conversations with representatives of AMS Servicing confirmed that the Jamison Road servicing operation was indeed sold to Nationstar, and that AMS had 5 employees on the site as of October 31, 2016. AMS did however indicate that Nationstar had offered position to a number of AMS employees (approx. 200) and was continuing to operate a facility at the site.
AMS representatives confirmed that the issue of the job retention and creation commitments did not come up during the sale negotiations and were not transferred to Nationstar.

**Recent Employment History**

Jan. 2014 AMS Servicing Reported 270 FTE

Dec. 31 2015 AMS Servicing Reported 314 FTE

2nd quarter 2016 AMS Servicing Reported 283 FTE

**Material Employment Terms**

Retention of 270 FTE’s
Creation of 165 new FTE’s
Total Employment of 435 FTE’s

Maintain 270 FTE’s for 2 years after project completion and create 165 new FTE’s within 2 years after project completion.

Project Completion Date March 2016.
AMS Servicing LLC
Recapture Recommendation

AMS Servicing's approval for Sales Tax Incentives purchases at their new Jamison Road operations facility was conditioned on several material factors and in addition several standard contractual obligations which AMS agreed to upon acceptance of ECIDA assistance.

In June of 2016 AMS Servicing's Jamison Road operations facility was sold to an unrelated third party Nationstar Mortgage Holdings. The sale was transacted without notifying the ECIDA of the change in ownership of the facility.

As a result of the sale to Nationstar Mortgage Holdings, AMS Servicing LLC is in violation of several Material Term requirements and standard contractual obligations as follows:

1. AMS Servicing was required to meet and maintain the employment requirements as approved by the ECIDA board. These included
   
   i. Maintaining 270 FTE's and the creation of 165 new FTE's within 2 years of project completion. The sale to Nationstar resulted in AMS having only 5 employees at the Jamison Road site, creating a violation of the job retention requirement. In addition, company officials indicated that AMS would not be meeting the job creation goal since they no longer own or operate the Jamison Road facility.

   AMS representatives have asked that the ECIDA take into consideration that the new operator of the Jamison Road facility offered approx. 200 former AMS employee's positions at the Jamison Road facility. However, it is important to note that the sale to Nationstar did not include any transfer of ECIDA's employment requirements to Nationstar, as such ECIDA would have no way to enforce the employment requirements as approved by ECIDA.

2. AMS Servicing was required to own and operate the Jamison Road facility for the purposes and terms as required by the ECIDA approval.

   i. Due to the sale to Nationstar Holdings, AMS no longer owns or operates the facility for the purposes as described in the Agent and Financial Assistance Agreement as executed by the parties. As such AMS is unable to meet the requirements of the agreement.
Recommended Recapture Method

Based upon AMS Servicing’s violation of the Material Terms for Employment and the fact that they no longer own or operate the Jamison Road facility for which the incentives were approved, it is recommended that the full Sales Tax Incentive provided for the buildout and operation of the Jamison Road facility be recaptured.

2014 Project Sales Tax Incentives approved $219,000
Project Sales Tax Incentives used from April 2014 through March 2016 $219,000
Total Sales Tax recommended for recaptured $219,000
MEMO

To:     ECIDA Policy Committee
Re: Niagara Blower/Alfa Laval Employment
Date: January 5, 2017

Niagara Blower/Alfa Laval
91 Sawyer Avenue
Tonawanda, NY 14150

Alfa Laval is a leading global provider of specialized products and engineered solutions based on its key technologies of heat transfer, separation and fluid handling. These solutions help heat, cool, separate and transport products in industries that produce food and beverages, chemicals and petrochemicals, pharmaceuticals, starch, sugar and ethanol. Alfa Laval’s products are used in power plants, aboard ships, with oil and gas exploration, in the mechanical engineering industry, in the mining industry, and for wastewater treatment, as well as for comfort climate and refrigeration applications. Alfa Laval’s worldwide organization spans nearly 100 countries.

Alfa Laval purchased the assets of Niagara Blower in June of 2013

The ECIDA approved an incentive project for Niagara Blowers relocation and expansion on Sawyer Avenue in April of 2013

2013 Expansion Project

- A $1,035,000 million renovation of a newly purchased 110,000 sq.ft. facility on Sawyer Avenue. The project consisted of the renovation and purchase of new equipment and building improvements associated with the renovation. In June of 2013 Alfa Laval purchased the assets of Niagara Blower and continued operations at the Sawyer Avenue facility. The 2013 project was needed to improve efficiencies in the manufacturing process and provide additional space to accommodate increased sales demand. The project was approved for Sales Tax incentives by the ECIDA Board in April of 2013. The project recapture terms included the standard investment and Employment. The employment requirement was for maintaining 110 jobs and adding 17 new positions 2 years after project completion.

Incentives Received:

The 2013 ECIDA Board approval was for Sales Tax benefits only. To date they have received are Sales Tax incentives of:

2013 Project Sales Tax Incentives approved $61,250
2013 Project Sales Tax Incentives used $42,068.89

Total Sales Tax subject to recapture $42,068.89

The company experienced layoffs in 2013, as of the December 31, 2013 ECIDA Employment Survey Alfa Laval reported 94 FTE.

Representatives from Alfa Laval presented at the Policy Committee in May of 2014, at which the Policy Committee voted to have staff monitor Alfa Laval’s employment level monthly for the next 6 months or until their employment level was back in compliance. ECIDA Staff monitored Alfa Laval’s employment and they increased employment until they were back in compliance in September of 2014 with 110 FTE’s.
Recent Employment History

Dec. 31 2014 Alfa Laval Reported 117 FTE (Compliant for Job Retention)
Dec. 31 2015 Alfa Laval Reported 114 FTE (Compliant for Job Retention)

April 30th of 2016 Alfa Laval was to have meet it job creation goal for two years after project completion of 127 FTE’s

August of 2016 Alfa Laval’s 2nd quarter Employment Survey indicated 79 FTE’s
Non-compliant condition for both Job Retention goal of 110 FTE’s and job creation of 17 for a total of 127 FTE’s
Niagara Blower/Alfa Laval
Recapture Options

1. Niagara Blower/Alfa Laval would be placed on a "watch list" for a one year period, and would be subject to compliance monitoring every 4 months. They would be required to become compliant with all material factors within the one year watch list period, if not the ECIDA would take additional actions to recapture the sales tax incentives provided.

2. Niagara Blower/Alfa Laval has failed to meet both the job retention requirement and the two-year job creation requirement as required by the ECIDA approval. As such the Agency, should recapture the full amount of the sales tax incentives provided to the project of $42,068.89

3. Niagara Blower/Alfa Laval has failed to meet both the job retention requirement and the two-year job creation requirement as required by the ECIDA approval. The sales tax incentives provided would be recaptured using the Pro-rata Recapture Method as described below.

**Straight Pro-rata Recapture Method:** Sales tax incentives would be recaptured based on the % of employment shortfall. Total employment shortfall percentage would be determined by the difference between the current employment and the total jobs required once the job creation period has been met as a percentage. Total employment shortfall percentage multiplied by benefit amount would determine the pro rata recapture penalty.

**Niagara Blower pro-rata recapture penalty**

<table>
<thead>
<tr>
<th>SALES TAX EXEMPTION</th>
<th>TOTAL EMPLOYMENT SHORTFALL</th>
<th>% EMPLOYMENT SHORTFALL</th>
<th>RECAPTURE PENALTY (38% OF NET EXEMPTION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$42,068.89</td>
<td>127 – 79 = 48</td>
<td>38% - (48/127)</td>
<td>$42,068.89 * 38% = 15,986.18</td>
</tr>
</tbody>
</table>
MEMO

TO: ECIDA Policy Committee
FROM: John Cappellino
RE: 555 Riverwalk/TM Montante/FedEx
Date: January 5, 2017

In April of 2013, the ECIDA Board approved a project for TM Montante for the construction of a new FedEx Trade Networks facility at the Riverview Solar Park located in the Town of Tonawanda. In connection with the construction of the $10.6 million facility, TM Montante was approved for sales, mortgage and PILOT incentives associated with the construction and equipping of the new facility. The project also received benefits through Empire State Development’s Excelsior Jobs Program.

The tenant, FedEx Trade Networks (Fed-Ex), pledged to locate 168 retained jobs at the new facility and pledged to create 70 new jobs (for a total of 238 employees) at the site by August 31, 2016 (2 years after project completion). Per its 2016 third quarter survey, Fed-Ex indicated that it had 207 employees at the 555 Riverwalk project site. Accordingly, the project was short 31 jobs.

2013 Project

- A $10,628,000 investment to construct a new 88,000 sq.ft. facility located at 555 Riverwalk Parkway to be constructed by TM Montante for occupancy by FedEx. The project consisted of the construction and purchase of equipment for the new facility. The 2013 project was to help FedEx consolidate operations and expand to meet increased demand and to accommodate significant growth of employment which was being projected over the next two years. The project was approved for sales tax, mortgage and PILOT incentives by the ECIDA Board in April of 2013. The project recapture terms included the standard investment and employment. The employment requirement was for the retention of 168 jobs to be located at the new site and 70 new positions to be created at the Riverwalk facility within 2 years after project completion.

Incentives Received:

The 2014 ECIDA Board approval was for sales tax benefits only. To date they have received sales tax incentives of:

2013 Project Sales Tax Incentives approved $352,000
Project Sales Tax Incentives used 341,964.95
Mortgage Recording Tax Incentive of $80,000

10 Year PILOT
School PILOT Began 2014-15
County and Town PILOT 2015

Staff has had several conversations with TM Montante and FedEx regarding the status of employment at the site. We were informed that FedEx created more than the required jobs but some of those jobs were created at 170 Cooper Ave., a neighboring location in the Town of Tonawanda.
We also learned that FedEx made a request to Empire State Development (ESD) to consider multiple sites in Erie County to meet their required job goals under the Excelsior project in December of 2013. ESD did grant FedEx’s request to include multiple locations in its Excelsior. It is important to note that no such request was made to the ECIDA.

TM Montante/FedEx is asking that the Policy Committee consider the job growth that was made at 170 Cooper Ave. to count towards the job creation goal they committed to at 555 Riverwalk Parkway.

We asked FedEx to provide employment numbers at its various sites. Fed-Ex has provided the following data from its annual reports to ESD.

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<td>937</td>
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<td>1007</td>
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*Data provided by FedEx, to be presented at meeting*

**Material Employment Terms**

Retention of 168 FTE’s

Creation of 70 new FTE’s

Total Employment of 238 FTE’s

Maintain 168 FTE’s for 2 years after project completion and create 70 new FTE’s within 2 years after project completion.

Two-year job creation deadline August 31, 2016

Employment at 555 Riverwalk Parkway as of 3rd quarter 2016 reporting period 207 FTE’s
Discussion/Recommendation

ECIDA benefits are generally tied to a specific physical location, due to the PILOT, mortgage or sales tax incentives being provided for the improvements at a specific location. The ECIDA has participated in projects where improvements have been made over multiple parcels and multiple buildings (Buffalo Public School Bonds). In each of these instances specific investments were being made at these locations. The ECIDA has also participated in specific improvement districts using a PIF model, which generally allocates PILOT payments to district public infrastructure improvements.

In this instance, TM Montante and FedEx are asking that the IDA consider allowing job creation to be considered at the 170 Cooper facility, where no investment or incentives were approved, in support of meeting the requirements of the 2013 555 Riverwalk project. While the original 2013 approval would not allow for consideration of the off-location jobs at 170 Cooper, staff has considered the following in making a recommendation to amend the 2013 agreement to allow for the 170 Cooper jobs to be counted in meeting the material terms as required in the agreement.

- Empire State Development did amend FedEx Trade Networks Excelsior award to include the 170 Cooper site in meeting the job goals required through the Excelsior program.
- Staff was able to confirm through records provided by the company and through documents filed with Empire State Development, that the job growth being shown at 170 Cooper was indeed new job growth and not the result of reshuffling jobs from other Erie County locations.
- Both the 555 Riverwalk and 170 Cooper facilities are totally occupied by FedEx as the single tenant, and are both owned by TM Montante.
- Both facilities are located in the Town of Tonawanda and are in close proximity to each other.

As such, staff recommends amending the 2013 agreement with TM Montante to allow for the jobs at FedEx’s 170 Cooper facility and the 555 Riverwalk project to be counted to meet the employment obligations of the 2013 ECIDA approval. In addition, it is recommended that FedEx Trade Networks be added as a signatory to the amended 2013 agreement and FedEx would pledge to meet and maintain the job retention and creation requirements at both facilities as outlined below. The amendment would increase the overall employment retention requirements by 603 jobs and maintain the original job creation requirements are reflected below.

Job Retention Requirement

168 jobs at the 555 Riverwalk project
603 jobs at the Cooper site (there were 603 employees at the Cooper site at the time Fed-Ex moved to Riverwalk)

Total: 771 jobs to be retained (FedEx would be required to maintain these employees for the duration of the PILOT agreement with TM Montante for the 555 Riverwalk project)

Job Creation Requirement

70 new jobs required above the retained amount required at both sites of 771 (employees may be added at either site)

Total jobs = 841 (771 jobs retained + 70 new jobs).

In addition to the new job requirements, TM Montante and FedEx Trade Networks would agree to adhere to all the required ECIDA material terms including the Pay Equity Policy and the Unpaid Tax Policy which they were not previously subject to.
November 7, 2016

Mr. John Cappellino
Executive Vice President of Business Development
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

RE: Response to Notice of Implementation of the Erie County Industrial Development Agency (the “Agency”) Recapture and Termination Policy

Dear Mr. Cappellino:

In April 2013, the Agency awarded 555 Riverwalk Parkway LLC (the “Company”) an inducement (the “Agreement”) in connection with the construction of an 88,000 square foot facility for FedEx Trade Networks (“FedEx”) at 555 Riverwalk Parkway, which is located within Riverview Solar Technology Park in the Town of Tonawanda (the “Project”). The Agreement established targets for the Company and FedEx as the tenant, which included but were not limited to a $10,628,000 investment in the construction of the facility, 168 retained jobs, and the addition of 82 new jobs (for a total of 250 jobs) within the Town of Tonawanda at the Project site.

On October 27, 2016, the Company received a Notice of Implementation (the “Notice”) of the Agency’s Recapture and Termination Policy (the “Policy”) for the Project.

However, it is essential to note that the Project has resulted in the Company and FedEx meeting or exceeding the investment and job creation targets that were included in the Agreement. Specifically, the Project has resulted in the retention of 168 jobs, the creation of 104 new jobs (27% higher than the new jobs target of 82), and a total investment in the construction of the facility of more than $10.8 million, all within the same municipality as the Project. Simply put, the Project enabled FedEx, one of the largest employers in Erie
County with 979 employees, to build on its long history of growth and investment in the region and exceed the stated job creation and retention targets.

The sole reason for the Notice being sent is that some of the new jobs created in Erie County as a result of the Project are not currently located at the Project site. The reason for this is simple: FedEx, adapting to market changes that occurred during the construction of the Project, shifted and/or maintained certain departments and personnel to its other Town of Tonawanda facility, located within a mile of the Project at 170 Cooper Avenue, Tonawanda, NY ("170 Cooper"). This allowed FedEx to most efficiently operate their business, thereby positioning the company for future growth in Erie County. It also should be noted that the facility located at 170 Cooper Avenue pays full real estate taxes and is also owned by the Project developer.

The Project has resulted in significant benefits to the Town of Tonawanda and Erie County, including:

- Construction of an 88,000 square foot office and warehouse facility for a Fortune 100 Company;
- Construction of a 350 kW solar array that reduces the demand for fossil-fuel sourced electricity at the facility by as much as 40 percent annually;
- Private sector investment in the Town of Tonawanda of more than $10.8 million;
- Creation of 104 new FTE in the Town of Tonawanda; and
- Total employment of 853 FTE in Tonawanda and 979 throughout Erie County.

Pursuant to Section 5(d) of the Policy, the Company would like to formally request that the Agreement be modified such that 170 Cooper Avenue and 555 Riverwalk Parkway are both listed as eligible project locations to accommodate the ongoing growth and reorganization of the FedEx employee base in Erie County. I have attached a December 2013 letter from FedEx to Empire State Development with a similar request. The State granted this request, thereby ensuring that the Excelsior benefits associated with the Project are now tied to both of the above listed locations.

The Project would not have been possible without the incentive package authorized by the Agreement, and it allows for the continued long-term growth by FedEx in our region. Perhaps most importantly, the Project has bolstered FedEx’s allegiance to the Buffalo-Niagara region. Any move to recapture incentives could endanger future investment by
FedEx in Erie County, jeopardizing WNY’s long history as a regional corporate hub for one of the most recognized brands in the world.

The Company appreciates the Agency’s continued support as it works with FedEx to expand its operations in the Town of Tonawanda.

Regards,

Matthew Montante
Managing Member
555 Riverwalk Parkway LLC
2760 Kenmore Avenue
Tonawanda, NY 14150