Agenda

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

1. Call Meeting to Order

2. Approval of the December 9, 2017 Policy Committee Minutes (Pages 2-6)

3. Project Matrix (Pages 7-8)

4. Project Presentations (Staff – Company Q&A)
   a. Acquest Development Company, LLC / Tomric Systems Expansion (Pages 9-43)
   b. Group V Real Estate, Inc. (Pages 44-84)

5. Updates/Discussion
   a. Adaptive Reuse Working Group (Informational)

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

MEETING: December 7, 2017, at Erie County Industrial Development Agency,
95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon.
Glenn R. Nellis, Laura Smith, David J. State, Paul V. Vukelic and
Maria Whyte

ABSENT: Rev. Mark E. Blue, Hon. Byron W. Brown, Hon. Johanna Coleman,
Colleen DiPirro, Hon. Joseph C. Lorigo and Hon. Geoffrey M.
Szymanski

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

GUESTS: Andrew Federick, Erie County Senior Economic Development
Specialist; Rebecca Gandour, City of Buffalo Office of Strategic
Planning; Mr. Dave Carswell, on behalf of Emerson Huron, LLC; and
Tom Fox, on behalf of St. Paul Group, LLC

There being a quorum present at 8:50 a.m., Mr. Lipsitz called the meeting of the Policy
Committee to order.

MINUTES

The minutes of the October 12, 2017 Policy Committee meeting were presented. Upon
motion made by Mr. Vukelic, and seconded by Mr. State, the aforementioned Policy Committee
meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s project matrix.

PROJECT PRESENTATIONS

Emerson Huron, LLC, 75 Huron West, Buffalo, New York. Mr. Cappellino reviewed
this proposed sales tax and mortgage recording tax exemption benefits project involving the
renovation and redevelopment of the former C.W. Miller Livery facility to serve as the site for a
new Buffalo Culinary School to be operated and leased solely by the Buffalo public schools. Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Project Amount = $36,798,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $31,279,065</td>
</tr>
<tr>
<td>Employment</td>
<td>Same as recapture period</td>
<td>Maintain 100% of base = 60</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>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of state and local sales taxes and mortgage recording tax</td>
</tr>
</tbody>
</table>

Mr. Cappellino then introduced Dave Carswell who spoke to Policy Committee members on behalf of the applicant.

Ms. McDuffie noted that the application calls for the construction of a single new approximately 600 sq. ft. apartment and stated her belief that the apartment is being established solely for purposes of obtaining the City of Buffalo Section 485-a real property tax abatement. Ms. McDuffie asked if the company would consider making the apartment available to a person of low or moderate income. Mr. Carswell responded that the small unit doesn’t have any income value to the overall project and as such, the developer would consider renting the unit as a low-mod income apartment.

Ms. Whyte asked the developer to describe the challenges to redevelopment. Mr. Carswell stated that the developer has faced significant structural issues including a major need to meet seismic support requirements to bring the building to code.

Ms. McDuffie moved, and Mr. Mudie seconded to approve of the project as proposed. Mr. Lipsitz called for the vote, and the project was then unanimously approved.

**St. Paul Group, LLC, 1115 Main Street, Buffalo, New York.** Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the full scale renovation of an existing vacant structure originally constructed in 1898 and known as Our
Lady of Lourdes Church. The proposed renovation includes the construction of two new floors within the open cathedral which will result in a building that will measure approximately 32,000 sq. ft. to be used for commercial, retail and residential purposes. It is anticipated that the residential units will be made available at market rate. Mr. Cappellino also noted that the project is located in a highly distressed area and, due to the large amount of speculative vacant space that could be used for retail purposes, and in compliance with Section 862 of the NY General Municipal Law, the Chief Executive Officer of Erie County shall provide written confirmation confirming the issuance of financial assistance for this project. Mr. Cappellino then stated that in exchange for providing the sales and use tax and mortgage recording tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount. Total Project Amount = $3,785,000 85% = $3,217,250</td>
</tr>
<tr>
<td>Employment</td>
<td>Same as recapture period</td>
<td>Create 85% of projected: Projected = 18 Recapture Employment = 15</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of state and local sales taxes and mortgage recording tax</td>
</tr>
</tbody>
</table>

Mr. Lipsitz asked Mr. Cappellino how many apartment units will be constructed. Mr. Cappellino responded that three apartment units will be construction.

Mr. Cappellino then introduced Tom Fox who spoke on behalf of the project and presented a PowerPoint presentation to Policy Committee members.

Mr. Vukelic queried as to whether financing for the project is separate, or associated, with the adjacent medical facility construction project being undertaken by the developer. Mr. Fox stated that the financing is bundled together.

Ms. Smith expressed support for the project and the important positive impact that this project will have within the community. Ms. Smith noted that the large financial risk combined with the significant and expensive structural challenges that must be overcome to support the walls
and roof of the facility and noted that 18 new jobs will be created as well, and compared this project to prior projects approved by the Agency including the Shea’s Seneca project that also has a similar positive community impact and that was approved by this committee.

Ms. Whyte queried as to what percentage of square footage will be made available for the residential units. Mr. Fox responded that approximately 30% of the space will be allocated to the three residential unit apartments. Ms. Whyte asked how the bank would react to the Agency being involved in the project. Mr. Fox responded that while the ECIDA financial assistance is only a small piece of the overall project and budget, it is the “buy-in” from the ECIDA that is useful and important for getting bank approval.

Ms. Whyte then asked if the Agency does not provide financial assistance, what then would the lender do? Mr. Fox responded that the bank probably would not support the project and provide its lending approval.

Mr. Cappellino confirmed that the bank is looking to finance both the project as before Policy Committee members and the adjacent new medical office building, however, Agency financial assistance will only be provided to the church component of the project.

Ms. Gandour expressed that the Mayor of the City of Buffalo is supportive of this project and the related community benefits and new jobs that will result.

Mr. State noted that comments in the public hearing transcript were inaccurate as related to the NFTA being denied revenues due to the mortgage recording tax exemption benefit. Mr. State then spoke in favor of the project and noted its close proximity to access to public transportation.

Ms. Whyte also then referenced comments made at the public hearing and as recorded in the public hearing transcript, and noted that most of the comments reflected a desire for the construction of affordable housing, however, Ms. Whyte noted that this project is not a housing project, referring to the fact that only about 30% of the total square footage is being allocated to housing purposes, stating that this is a mixed use project consistent with the Agency’s current adaptive reuse project policies and as such, is not a housing project in and of itself. Ms. Whyte also expressed support for the company’s efforts to create 18 new jobs.

Ms. Whyte moved and Mr. Nellis seconded to approve of the project as proposed.

Ms. Smith then commented that the public hearing comments as provided within the public hearing transcript contradict the Agency’s evaluative project criteria and the Agency’s adaptive reuse policy so, while the public hearing input is important, it is also important that the Agency filter through the comments and utilize the Agency’s approved evaluative criteria and policies as it evaluates projects on a case by case basis.

Mr. Lipsitz then called for the vote, and the project was then unanimously approved.
At this point in time, Mr. Nellis left the meeting.

UPDATES/DISCUSSION

**Adaptive Reuse Working Group Update.** Mr. Cappellino provided members with an update of the Adaptive Reuse project working group meetings. General discussion ensued. Mr. Cappellino noted that the next Adaptive Reuse Working Group meeting will occur on December 19, 2017. Mr. Lipsitz then directed that the report be received and filed.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:53 a.m.

Dated: December 7, 2017

Robert G. Murray, Secretary
<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approved Project Amount</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>Latin Foods</td>
<td>Jan-17 $10,000,000</td>
<td>85% threshold $8,500,000</td>
<td>372</td>
<td>85% - New 4 jobs</td>
<td>5</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$181,350</td>
<td>NO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Garden Plaza, 370 Assoc</td>
<td>Feb-17 $20,745,000</td>
<td>85% threshold $16,563,250</td>
<td>124</td>
<td>85% - New 10 jobs</td>
<td>12</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$2,547,309</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Pine Pharmaceuticals</td>
<td>Feb-17 $6,500,000</td>
<td>85% threshold $4,790,000</td>
<td>15</td>
<td>85% - New 10 jobs</td>
<td>12</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$3,186,250</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>128 Pearl (St. Paddy's)</td>
<td>Mar-17 $5,840,437</td>
<td>85% threshold $5,164,862</td>
<td>1</td>
<td>85% - New 1 job</td>
<td>1</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$79,992</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Monag</td>
<td>Mar-17 $73,600,000</td>
<td>85% threshold $57,740,000</td>
<td>288</td>
<td>85% - New 36 jobs</td>
<td>42</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$3,575,000</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>M&amp;M Lease/Pierce Arrow</td>
<td>Mar-17 $10,591,000</td>
<td>85% threshold $9,062,350</td>
<td>50</td>
<td>85% - New 17 jobs</td>
<td>20</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$109,428</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>781 Washington (Trico)</td>
<td>Mar-17 $80,335,000</td>
<td>85% threshold $68,454,750</td>
<td>80</td>
<td>85% - New 25 jobs</td>
<td>40</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$3,283,333</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Curtis Buffalo</td>
<td>Mar-17 $24,130,000</td>
<td>85% threshold $20,310,300</td>
<td>55</td>
<td>85% - New 46 jobs</td>
<td>46</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$1,123,750</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Akron Rule</td>
<td>Apr-17 $2,670,000</td>
<td>85% threshold $2,289,500</td>
<td>15</td>
<td>85% - New 11 jobs</td>
<td>13</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$396,460</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Delaware Lodge</td>
<td>Apr-17 $3,246,000</td>
<td>85% threshold $2,509,160</td>
<td>18</td>
<td>85% - New 16 jobs</td>
<td>18</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$59,150</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Double Eagle Kenmore</td>
<td>Apr-17 $4,280,000</td>
<td>85% threshold $3,612,500</td>
<td>40</td>
<td>85% - New 36 jobs</td>
<td>36</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$213,000</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Shea's Seneca</td>
<td>Apr-17 $9,043,780</td>
<td>85% threshold $7,085,470</td>
<td>17</td>
<td>85% - New 14 jobs</td>
<td>14</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$443,727</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Sumitomo Rubber</td>
<td>Apr-17 $9,700,000</td>
<td>85% threshold $8,253,600</td>
<td>124</td>
<td>85% - New 112 jobs</td>
<td>112</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td>$1,045,000</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Tecumseh</td>
<td>Apr-17 $3,455,556</td>
<td>85% threshold $2,917,222</td>
<td>22</td>
<td>85% - New 19 jobs</td>
<td>19</td>
<td>Sales Tax</td>
<td>YES</td>
<td>Period Completion</td>
<td>$175,000</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Unifaxes 1</td>
<td>Apr-17 $26,000,000</td>
<td>85% threshold $20,490,000</td>
<td>25</td>
<td>85% - New 21 jobs</td>
<td>21</td>
<td>PILOT/Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$1,250,000</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Pilgrim Village</td>
<td>Apr-17 $69,907,187</td>
<td>85% threshold $59,307,068</td>
<td>31</td>
<td>85% - New 26 jobs</td>
<td>26</td>
<td>Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$2,100,000</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Northland</td>
<td>May-17 $48,467,197</td>
<td>85% threshold $41,387,722</td>
<td>8</td>
<td>85% - New 7 jobs</td>
<td>7</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>$5,048,560</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Glendalof Development</td>
<td>May-17 $4,592,000</td>
<td>85% threshold $4,249,200</td>
<td>1</td>
<td>85% - New 1 job</td>
<td>1</td>
<td>Sales Mortgage Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>$243,500</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project Name</td>
<td>Approval Date</td>
<td>Project Amount</td>
<td>Incentive</td>
<td>Jobs Retained</td>
<td>Job Creation</td>
<td>Local Labor</td>
<td>Length of Term</td>
<td>Additional Findings</td>
<td>Incentive Amount</td>
<td>Pay Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>----------------------</td>
<td>---------------</td>
<td>----------------</td>
<td>-----------</td>
<td>--------------</td>
<td>--------------</td>
<td>-------------</td>
<td>----------------</td>
<td>---------------------</td>
<td>------------------</td>
<td>------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Skins at Elk Street</td>
<td>May-17</td>
<td>$2,055,000</td>
<td>85%</td>
<td>3</td>
<td>4</td>
<td>YES</td>
<td>Sales Mortgage Tax</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$86,750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>REVPAC</td>
<td>Jun-17</td>
<td>$10,775,636</td>
<td>85%</td>
<td>1</td>
<td>1</td>
<td>YES</td>
<td>Sales Mortgage Tax</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$395,625</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>WNY FFZ</td>
<td>Aug-17</td>
<td>$4,760,000</td>
<td>85%</td>
<td>2</td>
<td>3</td>
<td>YES</td>
<td>PILOT/Sales Mortgage Tax</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Pearl Group</td>
<td>Aug-17</td>
<td>$7,245,000</td>
<td>85%</td>
<td>20</td>
<td>25</td>
<td>YES</td>
<td>Sales Mortgage Tax</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$225,400</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>LGRAPH Chandler</td>
<td>Aug-17</td>
<td>$4,695,000</td>
<td>85%</td>
<td>6</td>
<td>7</td>
<td>YES</td>
<td>Sales Mortgage Tax</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$94,765</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>ITT Endtime</td>
<td>Sep-17</td>
<td>$1,200,000</td>
<td>85%</td>
<td>8</td>
<td>10</td>
<td>YES</td>
<td>PILOT Sales Tax</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>AES Great Arrow</td>
<td>Oct-17</td>
<td>$15,285,000</td>
<td>85%</td>
<td>1</td>
<td></td>
<td>YES</td>
<td>Sales Mortgage Tax</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$453,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Emerson Humen, LLC</td>
<td>Dec-17</td>
<td>$38,798,900</td>
<td>85%</td>
<td>30</td>
<td></td>
<td>YES</td>
<td>Sales Mortgage Tax</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$1,930,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>St. Paul Group LLC</td>
<td>Dec-17</td>
<td>$3,785,000</td>
<td>85%</td>
<td>15</td>
<td></td>
<td>YES</td>
<td>Sales Mortgage Tax</td>
<td>2 years after Termination of Sales Tax</td>
<td>Adaptive Reuse</td>
<td>$168,641</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Project Name</th>
<th>Approval Date</th>
<th>Project Amount</th>
<th>Incentive</th>
<th>Jobs Retained</th>
<th>Job Creation</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></td>
<td>Adaptive Reuse 2017 Sub Total</td>
<td>14</td>
<td>$206,674,693</td>
<td>102</td>
<td>172</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017 Total</td>
<td>27</td>
<td>$484,980,553</td>
<td>2263</td>
<td>465</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Acquest Development Company, LLC  
(Tomric Systems Expansion)  
$1,575,000  
INDUCEMENT RESOLUTION

| ELIGIBILITY | Project Title: Acquest Development Company, LLC  
(Tomric Systems Expansion) |
|-------------|------------------------------------------------------------------------------------------------|
| • NAICS Section - 531110 | Project Address: 85 River Rock Drive  
Buffalo, New York 14207  
(Buffalo City School District) |
| **COMPANY INCENTIVES** | Agency Request |
| • Approximately $65,625 in sales tax savings | A sales tax exemption in connection with upgrades to mechanical systems in support of an existing tenant. |
| **EMPLOYMENT** |  
• Current - FT - 25  
PT - 1  
• Projected Jobs - FT 27 |
| **PROJECT HISTORY** |  
• No public hearing required since requested benefit is less than $100,000  
• 2/21/2018 - Inducement Resolution presented to the Board of Directors |
| **Company Description** |  
Acquest Development is a privately held, full service commercial real estate company located in Amherst, New York. Since being established in 1988, Acquest has had a large presence in Erie County with a variety of federal government design-build projects as well as retail, office and warehouse projects. The company is 100% owned by William Huntress. |
| **Project Description** |  
Eric County IDA had a leasehold interest in 85 River Rock (formerly known as the Buffalo Free Trade Zone Complex) on behalf of the Buffalo Economic Renaissance Corporation since 1983. The facility provided low rent incubator space to companies since that time. In 2017, the ECIDA transferred the property to the BERC which in turn sold it to Acquest Development. |
|  | The proposed project entails renovations to the space occupied by Tomric Systems within the 85 River Rock complex to better serve their needs. The company presently occupies 30,000 sq. ft. and is increasing their footprint within the building to 45,000 sq. ft. Tomric is a manufacturer of plastic chocolate molds and food packaging and distributes chocolate handling equipment for sale throughout the US and Canada. They currently employ 25 people and expect to hire an additional 2 as part of this project. |
|  | Tomric’s expansion in the facility requires an extensive amount of upgrades to HVAC, electrical, fire safety systems and loading docks for which a sales exemption is being sought in the amount of $65,625. |
## Draft Recapture Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total project Amount = $1,575,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $1,338,750</td>
</tr>
<tr>
<td>Employment</td>
<td>Same as Recapture Period</td>
<td>Maintain 100% of base = 25 FT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 2</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>Same as Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of state and local sales taxes</td>
</tr>
</tbody>
</table>

### Recapture

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

At completion of the project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount; ii) maintain 100% of base employees and create 2 full time jobs; iii) confirm adherence to ECIDA local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
Internal Report: Acquest Development Company, LLC - Tomric Systems Expansion

Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Tomric Systems Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>School District</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$1,575,000</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>2</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$62,419</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>11</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$576,487</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$638,906</td>
</tr>
</tbody>
</table>

Table 2: Estimated State & Regional Benefits*

<table>
<thead>
<tr>
<th>Region</th>
<th>New Property Tax Revenue (PILOT or Improvements)</th>
<th>$374,076</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales Tax Revenue</td>
<td>$38,222</td>
</tr>
<tr>
<td>State</td>
<td>Income Tax Revenue</td>
<td>$96,459</td>
</tr>
<tr>
<td></td>
<td>Sales Tax Revenue</td>
<td>$32,187</td>
</tr>
<tr>
<td></td>
<td>TOTAL Estimated Revenue</td>
<td>$540,945</td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Property Tax Savings</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Savings</td>
<td>$65,625</td>
</tr>
<tr>
<td>TOTAL Estimated Incentives</td>
<td>$65,625</td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>2</td>
</tr>
<tr>
<td>Indirect***</td>
<td>2</td>
</tr>
<tr>
<td>Induced****</td>
<td>1</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>11</td>
</tr>
<tr>
<td>Indirect</td>
<td>4</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>8.2:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>52:1</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.
EVALUATIVE CRITERIA

85 River Rock Road, LLC/Tomric Systems Expansion

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wage Rate (above median wage for area)</strong></td>
<td><strong>Notes</strong></td>
</tr>
<tr>
<td>■ The wage rate given is for the</td>
<td>Erie County per capita income: $28,879</td>
</tr>
<tr>
<td>Tomric employees</td>
<td>Company estimated average salary of jobs to be created: $40,000</td>
</tr>
<tr>
<td></td>
<td>The company sells its products throughout the USA and Canada.</td>
</tr>
<tr>
<td></td>
<td>Approximately 94% of sales are to customers outside of New York</td>
</tr>
<tr>
<td></td>
<td>State.</td>
</tr>
<tr>
<td><strong>Regional Wealth Creation (% sales/customers outside area)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>In Region Purchases (% of overall purchases)</strong></td>
<td>Approximately 7%</td>
</tr>
<tr>
<td><strong>Research &amp; Development Activities</strong></td>
<td>The company devotes approximately 10% of its operations to research</td>
</tr>
<tr>
<td></td>
<td>and development.</td>
</tr>
<tr>
<td><strong>Investment in Energy Efficiency</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Locational Land Use Factors, Brownfields or Locally Designated Development Areas</strong></td>
<td>The land is currently zoned for light industrial use.</td>
</tr>
<tr>
<td><strong>LEED/Renewable Resources</strong></td>
<td>NA</td>
</tr>
<tr>
<td><strong>Retention/Flight Risk</strong></td>
<td>N/A</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 property is accessible by Metro Rail along with 23A Bus Route.</td>
</tr>
</tbody>
</table>

February 21, 2018
**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-Acquest Development Company, LLC/Tomric Expansion-2018

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

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Estimated Value of PILOT</th>
<th>Estimated Value of Sales Tax Incentive</th>
<th>Estimated Value of Mortgage Tax Incentive</th>
<th>Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,575,000</td>
<td>N/A</td>
<td>$65,625</td>
<td>N/A</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: **4.2** %
Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

### Part 1 - Project and Sponsor Information

**Tomric Systems Expansion - 85 River Rock Road, LLC**

<table>
<thead>
<tr>
<th>Name of Action or Project:</th>
<th>ECIDA Sales and Use Tax Exemption</th>
</tr>
</thead>
</table>

| Project Location (describe, and attach a location map): | 85 River Rock Drive, Buffalo, NY 14207 |

| Brief Description of Proposed Action: | $1,500,000 expansion and renovation of Tomric Systems from 30,000 sf to approximately 45,000 sf. Tomric Systems designs, manufactures, distributes, and sells chocolate molds, equipment, packaging, tools, and utensils. Tomric Systems delivers complete systems to the confectionary and baking industries at all levels worldwide. The 85 River Rock Drive location includes manufacturing, warehouse/distribution, and office support. The project has high costs associated with upgrading electrical and mechanical equipment and additional loading docks to support Tomric System’s operation in the expansion space. 85 River Rock Road, LLC seeks sales and use tax exemption from ECIDA to assist with the costs associated with expanding Tomric Systems into a currently vacant space and upgrading equipment. |

<table>
<thead>
<tr>
<th>Name of Applicant or Sponsor:</th>
<th>Telephone: (716)204-3570</th>
</tr>
</thead>
<tbody>
<tr>
<td>85 River Rock Drive, LLC</td>
<td>E-Mail: <a href="mailto:Tweber@acquestdevelopment.com">Tweber@acquestdevelopment.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address:</th>
<th>80 Curtright Drive, Suite 5</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>City/PO:</th>
<th>State:</th>
<th>Zip Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buffalo</td>
<td>NY</td>
<td>14221</td>
</tr>
</tbody>
</table>

1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation?  
   If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.  
<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

2. Does the proposed action require a permit, approval or funding from any other governmental Agency?  
   If Yes, list agency(s) name and permit or approval:  
<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

3.a. Total acreage of the site of the proposed action?  
<table>
<thead>
<tr>
<th>7.67 acres</th>
</tr>
</thead>
</table>
   | b. Total acreage to be physically disturbed?  
   | 0 acres |
   | c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?  
   | [ ] acres |

4. Check all land uses that occur on, adjoining and near the proposed action.  
   - [ ] Urban  
   - [ ] Rural (non-agriculture)  
   - [ ] Industrial  
   - [ ] Commercial  
   - [ ] Residential (suburban)  
   - [ ] Forest  
   - [ ] Agriculture  
   - [ ] Aquatic  
   - [ ] Other (specify):  
   - [ ] Parkland
<table>
<thead>
<tr>
<th></th>
<th>NO</th>
<th>YES</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Is the proposed action,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. A permitted use under the zoning regulations?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Consistent with the adopted comprehensive plan?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If Yes, identify:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. a. Will the proposed action result in a substantial increase in traffic above present levels?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Are public transportation service(s) available at or near the site of the proposed action?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Does the proposed action meet or exceed the state energy code requirements?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the proposed action will exceed requirements, describe design features and technologies:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Will the proposed action connect to an existing public/private water supply?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If No, describe method for providing potable water:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Will the proposed action connect to existing wastewater utilities?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If No, describe method for providing wastewater treatment:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Is the proposed action located in an archeological sensitive area?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Shoreline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Forest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Agricultural/grasslands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Early mid-successional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Wetland</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>- Urban</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Suburban</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Is the project site located in the 100 year flood plain?</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Will the proposed action create storm water discharge, either from point or non-point sources?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If Yes,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Will storm water discharges flow to adjacent properties?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If Yes, briefly describe:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)?
If Yes, explain purpose and size:

<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?
If Yes, describe:

<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?
If Yes, describe:

<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

**I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE**

Applicant/sponsor name: Timothy Weber, Project Manager  
Date: 12/22/17

Signature: Timothy Weber

---

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

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

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

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

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

**ERIE COUNTY JOA**

Name of Lead Agency

**KAREN M. FIALA**

Print of Type Name of Responsible Officer in Lead Agency

**2/21/18**

Date

**ASST. TREASURER**

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (if different from Responsible Officer)
Tomric Systems Expansion

Section I: Applicant Background Information

Applicant Information – Company Receiving Benefit

- Project Name: Tomric Systems Expansion
- Applicant Name: 85 River Rock Road, LLC
- Applicant Address: 80 Curtwright Drive, Suite 5
- Applicant City: Williamsville
- Applicant State: New York
- Applicant Zip: 14221
- Phone: 7162043570
- Fax: 7162043565
- E-mail: Tweber@acquestdevelopment.com
- Website: www.acquestdevelopment.com
- Federal ID#: 45-3934166
- NAICS Code: Yes
- 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: 85 River Rock Road, LLC
- Federal ID#: 81-5023564
- State and Year of Incorporation/Organization: 2,017
- List of stockholders, members, or partners of Real Estate Holding Company: Acquest Development Company, 85 River Rock Road LLC

Individual Completing Application

- Name: Timothy Weber
- Title: Project Manager
- Address: 80 Curtwright Drive, Suite 5
- Address 2: Williamsville
- City: New York
- State: New York
- Zip: 14221

http://www.ecidary.com/app/tax-incentive-application-2014/print/730
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  Robert Scarpello
Firm Name  Acquest Development Company
Address  80 Curtwright Drive, Suite 5
Address 2
City  Williamsville
State  New York
Zip  14221
Phone  (716)204-3570
Fax  (716)204-3565
E-Mail  rscarpello@acquestdevelopment.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  1988
State of Organization  New York

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

Please include name and % of ownership.

Michael Huntress 100%
Applicant Business Description

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

Acquest Development Company is a privately held, full service commercial real estate company located in Amherst, New York. Established in 1988, Acquest has had a large presence in Erie County with a variety of federal government design-build projects, as well as retail, office and warehouse flex value-add projects. Acquest recognizes the need for low rent manufacturing and office flex space for local companies who create jobs in Erie County and provides this space in two buildings located on River Rock Drive in the City of Buffalo.

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

(*Percentage to equal 100%)

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

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

Project Location

Municipality or Municipalities of current operations
  Buffalo

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

In which Municipality will the proposed project be located
  Buffalo

Address
  85 River Rock Drive

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

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?
  No

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

SBL Number for Property upon which proposed Project will be located
  77.74-5-3.1

What are the current real estate taxes on the proposed Project Site
  N/A - Previously owned by ECIDA

Assessed value of land
  166,800

Assessed value of building(s)
  2,700,000

Are Real Property Taxes current?
  Yes

If no please explain

Town/City/Village of Project Site
  Buffalo

School District of Project Site
  Buffalo

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

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

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

Describe the present use of the Proposed Project site
  The expansion space within the building is currently vacant and will provide new jobs for Tomric Systems, a long term tenant of
the building and company within the community.

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)

85 River Rock Drive was purchased from ECIDA in 2017. 85 River Rock Drive, formerly known as the Buffalo Free Trade Complex was built to provide low rent incubator space to companies that placed a high priority on creating jobs. BERc and ECIDA offered six incubator locations around the City of Buffalo, in which Acquest purchased the Buffalo Free Trade Complex, the Can-Am Building, and the River Rock Industrial Incubator with the goal of sustaining the low cost rental space to the best of its ability for existing and relocating local companies. The 74,000 sf building will be occupied by The City of Buffalo Clerk Records (11,000 sf), Aries Transportation (9,000 sf), warehousing for LS&S (6,000 sf), and Tomric Systems (45,000 sf).

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 City of Buffalo City Clerk Records was unable to be relocate within the building to provide Tomric Systems with the existing Clerk Records space which has the mechanical systems and loading docks that better meet the required design of the Tomric Systems expansion. 85 River Rock Drive, LLC therefore has large costs associated with upgrading the electrical, mechanical, and loading docks in other space within the building to meet the needs of Tomric Systems expansion and operations.

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

The Tomric Systems expansion and renovation project requires an extensive amount of upgrades to the HVAC, electrical, and fire safety systems. The project also includes new loading docks for the manufacturing and warehouse expansion. The high costs associated with these upgrades have created a gap that would need the assistance from the agency to help with lower than expected ROI. This renovation project will help retain jobs as well as create 2 additional full time jobs for a company who has been located in and invested in the community for more than 50 years.

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

Yes

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

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes.

Describe the present zoning/land use

Light Industrial District The processing or manufacturing of finished products or parts from previously prepared materials including processing, fabrication, assembly, treatment, and packaging of such products, and incidental storage, sales, and distribution of such products, provided that all manufacturing processes are contained entirely within a fully enclosed building. A light industrial use may include a showroom or ancillary sales of products related to the items manufactured on-site.

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

N/A

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

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

Yes

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.

Yes Manufacturing No Multi-Tenant No Mixed Use

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

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

No Equipment Purchase No Retail No Other
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$ 0  square feet  acres

New Building Construction

$ 0  square feet

New Building addition(s)

$ 0  square feet

Infrastructure Work

$ 0

Renovation

$ 1,500,000  45,030 square feet

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 75,000

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 1,575,000

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

$ 0

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

Yes

If Yes, describe particulars:

Professional design fees and demolition permit fees

Sources of Funds for Project Costs:

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

$ 1,575,000

Bank Financing:

$ 0

Tax Exempt Bond Issuance (if applicable):

$ 0

Taxable Bond Issuance (If applicable):

$ 0

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

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

$1,575,000

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

No

Mortgage Recording Tax Exemption Benefit:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge).

*Amount of mortgage, if any, that would be subject to mortgage recording tax.

$0

Lender Name, if Known

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

$0

Construction Cost Breakdown:

Total Cost of Construction

$1,500,000

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

Cost for materials

$750,000

% sourced in Erie County

100%

% 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

$750,000

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

$65,625

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>Type</th>
<th>sq ft</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>13,000</td>
<td>$150,000</td>
<td>10</td>
</tr>
<tr>
<td>Warehouse</td>
<td>13,000</td>
<td>$400,000</td>
<td>27</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>8,500</td>
<td>$500,000</td>
<td>33</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>6,500</td>
<td>$350,000</td>
<td>23</td>
</tr>
<tr>
<td>Specify Other</td>
<td>4,030</td>
<td>$100,000</td>
<td>7</td>
</tr>
</tbody>
</table>
If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

2/15/2018

End date: Estimated completion date of project

6/1/2018

Project occupancy: estimated starting date of operations

6/15/2018

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?

No

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>Part time</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>3</td>
<td>$105,000</td>
<td>$18,900</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>4</td>
<td>$69,150</td>
<td>$12,447</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>1</td>
<td>$40,000</td>
<td>$7,200</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>18</td>
<td>$37,067</td>
<td>$6,675</td>
<td>$26,000</td>
<td>$4,800</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

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

Will any of the facilities described above be closed or subject to reduced activity?
No

Payroll Information

Annual Payroll at Proposed Project Site
$1,298,800

Estimated average annual salary of jobs to be retained (Full Time)
$50,912

Estimated average annual salary of jobs to be retained (Part Time)
$26,000

Estimated average annual salary of jobs to be created (Full Time)
$40,000

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

Estimated salary range of jobs to be created
From (Full Time) $40,000 To (Full Time) $145,000
From (Part Time) $26,000 To (Part Time) $26,000

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

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

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

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

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

Do you anticipate applying for any other assistance for this project?
No

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

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

For Single Use Facility
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
Existing multi-tenant facility that provided lower than market rent for manufacturing, warehouse, and office space in a distressed area within the City of Buffalo Black Rock Community.

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

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

| Tenant Name | Current Address (city, state, zip) | # of sq ft and % of total to be occupied at new project site | SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co. |
Section IV: Tenant Information
PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name
Tomric Systems, Inc.

Property Address:
85 River Rock Drive

City/Town/Village
Buffalo

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)
45,030

What percentage of the building does this represent?
60%

Are terms of lease:
NET

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

Estimated date of occupancy
6/15/2018

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
Tomric Systems, Inc.

Local Contact Person:
Thomas Elsinghorst

Title:
President

Current Address:
85 River Rock Drive, Ste 202, Buffalo, NY 14207

Phone:
716-854-6050

Fax:
716-854-7363

E-Mail:
telsinghorst@tomric.com

Website:
www.tomric.com

Company President/General Manager:
Thomas Elsinghorst

Number of employees moving to new project location:

Full-Time:
25

Part-Time:
1

Total:
26

Do you anticipate increasing employment within the next two years? If yes, how many additional employees moving to new project location?

Full-Time:
2

Part-Time:
0

Total:
2
Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:
Manufacture of plastic chocolate molds and food packaging; distribution of chocolate handling equipment for sale throughout the USA and Canada

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)
The company was formed in 1962 under the name Tomric Plastics and focused on the manufacture of plastic chocolate molds. Our name was changed in 2001 to Tomric Systems to reflect the expanded scope of the products and services that we offer.

Please list the square footage which the proposed tenant will lease at the Project location
45,030

Please list the square footage which the proposed tenant leases at its present location(s)
30,149

Describe the economic reason for either the increase or decrease in leased space.
Tomric is establishing a Chocolate Innovation Center that will feature an entire range of chocolate handling equipment which will be available for demonstrations and classes to potential customers from across the USA and Canada. Additionally, this expansion will provide for increased production and warehousing capabilities needed to support growth in the food packaging segment of our business.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?
No

Where is company relocating from?

Address:

City/Town/Village:

State:

Zip:

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

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

If leased, when does lease expire?
3/31/2018

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

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

Is location necessary to:

Discourage your company from moving out of New York State
No

Maintain your company's competitiveness within the industry:

No

( If yes is checked on one or both please provide specific explanation as an attachment on company letterhead )
Will tenant/user’s use of the project involve the sales of goods OR services to customers who personally visit the facility?
No

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods?
Yes

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

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

If no, why not?
The current landlord was able to provide space to accommodate our expansion without requiring us to relocate

Will present location be your company’s headquarters?
Yes

If No, Where is the location of HQ:

City:

State:

Form Completed By:
Thomas Elsinghorst

Relationship to Company:
President
Section V: Environmental Questionnaire

General Background Information
Address of Premises 85 River Rock Drive Buffalo, NY 14207
Name and Address of Owner of Premises 85 River Rock Road, LLC 80 Curtwright Drive, Suite 5 Williamsville, NY 14221
Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
   Generally flat surrounding surface, no existing landscaping or bodies of water
Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried on or intended to be carried on at the Premises
   Manufacturing of chocolate molds, warehousing & distribution
Describe all known former uses of the Premises

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?
   Yes
If yes, please identify them and describe their use of the property
   City of Buffalo - Storage of City Clerk Records Aries Transportation - Vehicle Maintenance LS&S - Warehousing
Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?
   No
If yes, describe and attach any incident reports and the results of any investigations
Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?
   No
If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances
Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?
   No
If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances
Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?
   No
If yes, provide the Premises' applicable EPA (or State) identification number
Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?
   No
If yes, please provide copies of the permits.
Identify the transporter of any hazardous and/or solid wastes to or from the Premises
Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years
Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?
   <BLANK>
If yes, please identify the substance, the quantity and describe how it is stored

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

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

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

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

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

No

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

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

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

No

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

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

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

Are you applying for tax incentives under the Adaptive Reuse Program? No
What is the age of the structure (in years)? 0
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) <BLANK>
If vacant, number of years vacant. 0
If underutilized, number of years underutilized. 0
Describe the use of the building during the time it has been underutilized: <BLANK>
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) <BLANK>
If yes, please provide dollar amount of income being generated, if any $
If apartments are planned in the facility, please indicate the following:

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

Does the site have historical significance? <BLANK>
Are you applying for either State/Federal Historical Tax Credit Programs? 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. Provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

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

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

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

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

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

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located?
If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services?
If yes, please provide a market analysis supporting your response.

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

Is the project located in a Highly Distressed Area?
Group V Real Estate, Inc. (Athenex Pharma Solutions) 
Inducement Resolution 
$1,517,500

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

Company Incentives

- Approximately $53,000 in real property tax savings.
- Approximately $59,063 in sales tax savings.
- Up to $19,000 in mortgage tax savings

Project Benefits

- The project will generate approximately $14,000 of revenue to the local taxing jurisdictions over the abatement period representing $3,000 to the County of Erie, $1,000 to the Town of Newstead, $10,000 to the Clarence Central School District

Employment

- Current Jobs FT = 55
- Projected Jobs FT = 80

Project History

- 01/30/2018 - Public hearing held. Transcript attached.
- 02/21/2018 - ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA.
- 02/21/2018 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Group V Real Estate, Inc. 
(Athenex Pharma Solutions)

Project Address: 11342 Main Street 
Newstead, New York 14001 
(Clarence Central School District)

Agency Request

A real property tax abatement, sales tax and mortgage tax exemption in connection with the construction of an 8,000 sq. ft. expansion to an existing facility for lease to Athenex Pharma Solutions.

| New Building Addition | $ 600,000 |
| Infrastructure        | $ 250,000 |
| Renovation            | $ 500,000 |
| Soft Costs            | $ 167,500 |

Total Project Cost $ 1,517,500
85% $ 1,289,875

Company Description

Group V Real Estate, Inc. was founded in 1992 by the members of the Casilio family. The original PR Casilio company was founded in 1965 as a commercial, industrial and institutional construction management and real estate company. Today the Casilio group of companies are composed of professional construction estimators, project managers, real estate analysts, real estate brokers and financiers.

Project Description

The proposed project consists of the construction of the 8,000 sq. ft. expansion to an existing facility located in the Town of Newstead which facility will be leased to Athenex Pharma Solutions. Athenex currently operates out of 18,500 sq. ft. of space at the same location. The increased square footage is necessary for Athenex’ anticipated growth.

Athenex is a global specialty oncology pharmaceutical company focused on the development and commercialization of next generation therapies for cancer diseases and supportive therapies. Athenex began as a University of Buffalo startup, Kinex Pharmaceuticals, and has product manufacturing facilities both in the U.S. and China.

New York State is investing $200 million to construct a facility in the Dunkirk area which will create a High Pharmacy Oncology Manufacturing Facility. Athenex will manufacture sterile, high potency oncology drugs in a specialized, controlled environment.

In addition, New York State has invested $25 million to expand and improve the 6th floor of the Conventus building on the Buffalo Niagara Medical Campus for Athenex’ s North American headquarters.
New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over 10-Year Abatement Period</th>
<th>Additional City Revenue over 10-Year Abatement Period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>$300,000</td>
<td>$3,400</td>
<td>$10,000</td>
<td>$6,700</td>
</tr>
<tr>
<td>Combined Tax Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Draft Recapature Material Terms

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
</table>
| Total Investment   | At project completion       | Investment amount equal to or greater than 85% of the project amount. Total Project Amount = $1,517,500
|                    |                             | 85% = $1,289,875                                                                     |
| Former Employment  | Coincides with 10-Year PILOT| Maintain Base = 55
|                    |                             | Create 85% of Projected Projected = 25
|                    |                             | 85% = 21
|                    |                             | Recapture Employment: 76                                                            |
| Local Labor        | Construction Period         | Adherence to Policy Including Quarterly Reporting                                     |
| Pay Equity         | Coincides with 10-Year PILOT| Adherence to Policy                                                                  |
| Unpaid Tax         | Coincides with 10-Year PILOT| Adherence to Policy                                                                  |
| Recapture Period   | Coincides with 10-Year PILOT| Recapture of Real Property Taxes, State and Local Sales Taxes                        |

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

Recapture

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

At completion of project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has maintained 55 employees at the facility and created an additional 25 jobs iii) adhere to local labor policy and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.
Internal Report: Group V Real Estate, Inc. - Athenex Pharma Solutions

### Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Athenex Pharma Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Municipality</td>
<td>Newstead Town</td>
</tr>
<tr>
<td>School District</td>
<td>Clarence</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$1,517,500</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>25</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$1,629,650</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>8</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$422,757</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$2,052,407</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>$13,675</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$453,530</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$1,247,566</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$381,920</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$2,096,691</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>$53,937</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$58,406</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$19,000</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$131,343</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>25</td>
</tr>
<tr>
<td>Indirect***</td>
<td>30</td>
</tr>
<tr>
<td>Induced****</td>
<td>16</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>8</td>
</tr>
<tr>
<td>Indirect</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost</td>
<td>16:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>275.6:1</td>
</tr>
</tbody>
</table>

* Figures over 10 years and discounted by 3.49%  
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. 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.

© Center for Governmental Research 2018. All rights reserved.
# Addendum to Project Log

**Group V Real Estate, Inc.**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Wage Rate (above median wage for area)                   | Erie County per capita income: $28,879  
Company estimated average salary of jobs to be retained: $60,000  
Company estimated average salary of jobs to be created: $60,000 |
| Wage rates provided are for Athenex employees            |                                                                                                                                       |
| Regional Wealth Creation (% sales/customers outside area)| Sales:  
Outside Erie County: 13%  
Outside NYS: 85%                                                                                                                     |
| In Region Purchases (% of overall purchases)             | Vendor services for Athenex are all from Erie County. Raw materials are from outside the U.S. with the exception of gases or lab supplies such as gloves, hairnets and gowns. |
| Research & Development Activities                        | R&D activities are performed at the Buffalo location.                                                                                   |
| Investment in Energy Efficiency                          | It is likely that the developer will construct the building in the most energy efficient manner.                                         |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The land is currently zoned I-2 or industrial district.                                                                                   |
| LEED/Renewable Resources                                 | NA                                                                                                                                     |
| Retention/Flight Risk                                    | The tenant (Athenex) headquarters are located in Buffalo at the Conventus Building in the Buffalo Medical Corridor. They are also in the process of constructing a 320,000 sq. ft. manufacturing facility in Dunkirk with substantial incentives from New York State. |
| MBE/WBE Utilization                                      | N/A                                                                                                                                     |
| Workforce Access – Proximity to Public Transportation    | There is no public transportation to the Town of Newstead.                                                                                     |

February 21, 2018
PUBLIC HEARING SCRIPT

Group V Real Estate, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on January 30, 2018 at 9:00 a.m., at the Town of Newstead, Town Hall, Courtroom, 5 Clarence Center Road, Akron, New York

ATTENDANCE

Nathan Neill – Town Attorney
Edmund Burke, Jr – Resident
Carl Klingenschmitt – National Engineer & Management Consultant
Hon. David Cummings – Supervisor, Town of Newstead
Paul J. Casilio – Group V Real Estate, Inc.
Carolyn Casilio Vinci – P.A.T. Construction Management

☑ 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 Karen Fiala. I am the Manager, Tax Incentives 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 Group V Real Estate, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Wednesday, January 17, 2018.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in all or a portion of land located at 11342 Main Street, Town of Newstead, Erie County, New York (the ‘‘Land’’) improved thereon with an existing 18,500 +/- SF manufacturing building (the “Existing Improvements’’), (ii) the construction on the Land of an addition to the Existing Improvements totaling 8,000 +/- SF, and the renovation and installation and or/upgrade of
certain infrastructure improvements to the Existing Improvements (collectively, the "Improvements") to be utilized by Athenex Pharma Solutions, LLC (the "Tenant") for the manufacture of small batch pharmaceuticals, and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements, and the Improvements, the "Facility").

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on February 20, 2018. There are no limitations on written comments.

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

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

The Hearing Officer calls on those who raise their hand.

Nathan Neill – Town attorney. I just have a couple of questions. Will this be a 10-Year PILOT for the project?

Karen Fiala – My understanding is this will be a 10-Year PILOT because the company qualifies for it.

Nathan Neill – Do you have any idea what the average wage will be of the people working there?

Karen Fiala – I believe the application said the average wage rate would be $60,000 for the Athenex employees.
Nathan Neill – I think this is a great thing for the Town and I am very much in favor of it.

Edmund Burke – I have been a resident of Newstead since 1974. I rise to speak in favor of granting the request submitted. It’s a terrific benefit to the community and I applaud them for the efforts they are expending in this regard, especially hiring people to give them jobs. We need the economic benefits in our Town. Thank you.

Carl Klingenschmitt – I am a National Engineering and Management Consultant that lives just adjacent to the property. I speak in favor of the operation. Primarily for the reason that upper management and this type of industry is synergistic, and we need this core type of employment in our area to match up with MGA Research, Strippit and Greatbatch in Clarence. I am very much in favor of the project. Thank you.

Supervisor David Cummings – Good morning. I have been the Supervisor in the Town of Newstead for the last 12 years. I have watched this piece of property taken over by the current pharmaceutical company and have a great relationship with the staff. It is a great asset to our community and I wholeheartedly support the project in whatever the town can do to make this project work and make it a viable company in our town. 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

January 30, 2018, at 9:00 a.m.
at the Town of Newstead, Town Hall, Courtroom, 5 Clarence Center Road, Akron, New York
regarding:

**Group V Real Estate, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 11342 Main Street, Clarence, New York 14031

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nathan Neill</td>
<td>Town Attorney</td>
<td>X</td>
</tr>
<tr>
<td>Edmund Burke, Jr – Resident</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Carl Klingenschmitt</td>
<td>National Engineer &amp; Management Consultant</td>
<td>X</td>
</tr>
<tr>
<td>Hon. David Cummings</td>
<td>Supervisor, Town of Newstead</td>
<td>X</td>
</tr>
<tr>
<td>Paul J. Casilio</td>
<td>Group V Real Estate, Inc.</td>
<td></td>
</tr>
<tr>
<td>Carolyn Casilio Vinci</td>
<td>P.A.T. Construction Management</td>
<td></td>
</tr>
</tbody>
</table>
Short Environmental Assessment Form
Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information

Name of Action or Project:
Athenex Pharma Solutions - Proposed Manufacturing & Warehouse Addition

Project Location (describe, and attach a location map):
11842 Main Street, Newstead, NY

Brief Description of Proposed Action:
Site development will consist of a 8,000 square foot building addition to the existing facility along with site improvements. Site improvements include reconstruction/reconfiguration of the rear parking lot, a new loading dock, a stormwater injection well and detention facility, abandonment of the existing septic system, construction of a new septic system, site utilities and landscaping.

Name of Applicant or Sponsor:
Group V Real Estate Inc. (contact: Peter Casillo)

Address:
2467 Wehitie Drive

City/PO:
Williamsville

State:
NY

Zip Code:
14221

Telephone: 716-833-7716
E-Mail: peterc@casillcoc.com

1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? YES

If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.

2. Does the proposed action require a permit, approval or funding from any other governmental Agency? NO

If Yes, list agency(s) name and permit or approval:
Town of Newstead - Site Plan Approval

3a. Total acreage of the site of the proposed action? 2.39 acres

b. Total acreage to be physically disturbed? 1.60 acres

c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 19.54 acres

4. Check all land uses that occur on, adjoining and near the proposed action.

[ ] Urban [ ] Rural (non-agriculture) [ ] Industrial [ ] Commercial [ ] Residential (suburban)
[ ] Forest [ ] Agriculture [ ] Aquatic [ ] Other (specify):
[ ] Parkland

Page 1 of 3
5. Is the proposed action,
   a. A permitted use under the zoning regulations?  Yes
   b. Consistent with the adopted comprehensive plan?  Yes

6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?  Yes

7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify:

8. a. Will the proposed action result in a substantial increase in traffic above present levels?  Yes
   b. Are public transportation service(s) available at or near the site of the proposed action?  Yes
   c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?  Yes

9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies:

10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water:

11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment:

12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?  Yes
   b. Is the proposed action located in an archeological sensitive area?  Yes

13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?  Yes
   b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres:

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:

   - Shoreline
   - Forest
   - Agricultural/grasslands
   - Wetland
   - Urban
   - Suburban

   Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?

15. Is the project site located in the 100 year flood plain?

16. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes,
   a. Will storm water discharges flow to adjacent properties? No
   b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? Yes

   Stormwater runoff from the proposed addition is detained on-site in an underground detention system. Discharge from the detention system ties into an existing storm sewer system at the north end of the property then is conveyed to a nearby drainage ditch.
18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste leach, dam)?
   If Yes, explain purpose and size:  
   
<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?
   If Yes, describe:  
   
<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?
   If Yes, describe:  
   
<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: JASON LUTZIG, P.E. (ON BEHALF OF APPLICANT)  
Date: 8/24/17  
Signature:  

**Short Environmental Assessment Form**  
*Part 2 - Impact Assessment*

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

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

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

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

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

ERIE COUNTY IDA

KAREN M. FIALA

Print or Type Name of Responsible Officer in Lead Agency

Signature of Responsible Officer in Lead Agency

Date

ASSISTANT TREASURER

Title of Responsible Officer

Signature of Preparer (if different from Responsible Officer)
### APS Manufacturing & Warehouse

#### Section I: Applicant Background Information

**Applicant Information - Company Receiving Benefit**

<table>
<thead>
<tr>
<th>Field</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Athenex Pharma Solutions</td>
</tr>
<tr>
<td>Applicant Name</td>
<td>Group V Real Estate, Inc.</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>2457 Wehrle Drive</td>
</tr>
<tr>
<td>Applicant Address 2</td>
<td></td>
</tr>
<tr>
<td>Applicant City</td>
<td>Williamsville</td>
</tr>
<tr>
<td>Applicant State</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14221</td>
</tr>
<tr>
<td>Phone</td>
<td>716-633-9933</td>
</tr>
<tr>
<td>Fax</td>
<td>716-633-9933</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:maryp@casilioco.com">maryp@casilioco.com</a></td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.casilioco.com">www.casilioco.com</a></td>
</tr>
<tr>
<td>Federal ID#</td>
<td></td>
</tr>
<tr>
<td>NAICS Code</td>
<td>Yes</td>
</tr>
<tr>
<td>Will a Real Estate Holding Company be utilized to own the Project property/facility</td>
<td>Yes</td>
</tr>
<tr>
<td>What Is the name of the Real Estate Holding Company</td>
<td>Group V Real Estate, Inc.</td>
</tr>
<tr>
<td>Federal ID#</td>
<td></td>
</tr>
<tr>
<td>State and Year of Incorporation/Organization</td>
<td>New York</td>
</tr>
<tr>
<td>List of stockholders, members, or partners of Real Estate Holding Company</td>
<td>Mary Powell, Pat Casillo, Peter Casillo, Paul J Casillo, Phil Casillo</td>
</tr>
</tbody>
</table>

**Individual Completing Application**

<table>
<thead>
<tr>
<th>Field</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Mary Powell</td>
</tr>
<tr>
<td>Title</td>
<td>President</td>
</tr>
<tr>
<td>Address</td>
<td>2457 Wehrle Drive</td>
</tr>
<tr>
<td>Address 2</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Williamsville</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14221</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>------------------</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>716-633-9933</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td>716-633-9937</td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:maryp@casilioco.com">maryp@casilioco.com</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

Name: Mary Powell
Title: President
Address: 2457 Wehrle Drive
City: Williamsville
State: New York
Zip: 14221
Phone: 1-716-633-9933
Fax: 1-716-633-9937
E-Mail: maryp@casilioco.com

Company Counsel

Name of Attorney: Paul J Casilio, Esq.
Firm Name: 2457 Wehrle Drive
City: Williamsville
State: New York
Zip: 14221
Phone: 1-716-633-9933
Fax: 1-716-633-9937
E-Mail: paulc@casilioco.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business: Corporation
Type of Ownership:
Year Established: 1992

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

There are five stockholders all with equal ownership interest of 20%.
Applicant Business Description

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

Group V Real Estate, Inc. ("Group V") founded in 1992 by the Casilios is a real estate development and holding company. The company origin dates back to 1965 when founded by the late Pat Casilio as a commercial, industrial and institutional construction management and real estate company. Today the Casilio group of companies are composed of professional construction estimators, project managers, real estate analysts, real estate brokers and financiers. Group V's tenant is Athenex Pharma Solutions, Inc. a division of Athenex, Inc. ("Tenant"). The information presented below was supplied by Athenex Pharma Solutions, Inc., Tenant.

Estimated % of sales within Erie County: 2%
Estimated % of sales outside Erie County but within New York State: 13%
Estimated % of sales outside New York State but within the U.S.: 85%
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.

Vendor services for Athenex Pharma Solutions are all from Erie County. Raw materials are from outside US with the exception of gases or lab supplies such as gloves, hairnets, gowns, bottles (plastic).
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
Newstead, New York

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

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

Address
11342 Main Street, Town of Newstead, New York 14001

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
60.00-1-13.3

What are the current real estate taxes on the proposed Project Site
County and Town Tax 2017 - $6,731.41, Clarence Central School District, Town of Newstead Taxes 2017-2018 - $12,417.91

Assessed value of land
$58,200

Assessed value of building(s)
$733,800

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Town of Newstead

School District of Project Site
Clarence Central School District

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

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

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

Describe the present use of the Proposed Project site
The proposed project site, 18,500 square feet at 11342 Main Street, Newstead, NY, has been occupied by Athenex Pharma
Solutions f/k/a QuaDPharma ("Tenant") since 2011. Athenex Pharma Solutions manufactures small batch pharmaceuticals.

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)

Group V Real Estate, Inc. ("Landlord") is seeking assistance for its Tenant, Athenex Pharma Solutions a division of Athenex, Inc. The proposed project is an 8,000 square foot addition on to an existing 18,500 square foot facility at 11342 Main Street, Newstead, New York ("Athenex Pharma Project")

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 Athenex Pharma Project is a necessary expansion for Athenex, Inc. and Athenex Pharma Solutions to continue the manufacturing of small batch pharmaceuticals. The Athenex Pharma Project will serve to retain 55 FTE with anticipated growth of an additional 25 FTE. The assistance is Important as the Athenex Pharma Project is subject to a contingent agreement between Landlord and Tenant based on final project cost. Project savings assist in the aforementioned objective.

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)

Project cost and operating expenses are important to the success of any business. The Athenex Pharma Project is subject to an agreement between Landlord and Tenant (the "Parties" or "Party") with said agreement being contingent upon the acceptance of final project cost by both Parties. The ECIDA's assistance will provide the opportunity to achieve the Athenex Pharma Project's goals within the agreement.

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

Yes

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

The assistance is important as the Athenex Pharma Project is subject to a contingent cost acceptance and financing agreement between Landlord and Tenant. The Parties have agreed to an upside cost and expense which if not achieved either Party may terminate the agreement to expand at the Project site.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

I-2 Industrial District

Describe required zoning/land use, if different

Same

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

None, all approvals have been granted by the Town of Newstead.

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?

When possible.

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

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

No

If yes, please explain.

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

N/A

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

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

Please check any and all end uses as identified below.

Retail Sales No Services No

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 0

New Building Construction

$ 0

New Building addition(s)

$ 600,000

Infrastructure Work

$ 250,000

Renovation

$ 500,000

Manufacturing Equipment

$ 0

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

$ 0

Soft Costs: (professional services, etc.)

$ 167,500

Other Cost

$ 0

Explain Other Costs

Financing cost, architectural fees.

Total Cost

$ 1,517,500

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

$ 385,000

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

Yes

If Yes, describe particulars:

8.) Soft Costs, Architectural and Engineering - $49,500

Sources of Funds for Project Costs:

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

$ 0

Bank Financing:

$ 1,902,500

Tax Exempt Bond Issuance (if applicable):

$ 0

Taxable Bond Issuance (if applicable):

$ 0

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

$ 0
Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:
$1,902,500

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

Mortgage Recording Tax Exemption Benefit:
Estimated Mortgage Amount (Sum total of all financing – construction and bridge).
*Amount of mortgage, if any, that would be subject to mortgage recording tax.
$1,902,500

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):
$19,025

Construction Cost Breakdown:

Total Cost of Construction
$1,350,000

Cost for materials
$675,000

% sourced in Erie County
100%

% 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
$675,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$59,063

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>Category</th>
<th>Sq Ft</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>8,000</td>
<td>$850,000</td>
<td>100</td>
</tr>
<tr>
<td>Warehouse</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td></td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>18,500</td>
<td>$500,000</td>
<td>100</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

3/1/2018

End date: Estimated completion date of project

12/31/2018

Project occupancy: estimated starting date of operations

1/1/2019

Have construction contracts been signed?

No

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th></th>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
<th>Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>0</td>
<td>55</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>55</td>
<td>25</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>11</td>
<td>$98,124</td>
<td>$24,531</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>17</td>
<td>$76,651</td>
<td>$19,163</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>12</td>
<td>$40,850</td>
<td>$10,213</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>32</td>
<td>$45,119</td>
<td>$11,280</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>$42,797</td>
<td>$10,700</td>
<td>$24,960</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></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conventus 1001</td>
<td>Main St. Suite 600</td>
<td>Buffalo, NY 14203</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full time</td>
<td>24</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part time</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>0</td>
<td>0</td>
<td></td>
<td></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

$ 3,500,000

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

$ 60,633

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

$ 0

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

$ 65,186

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

$ 24,960

Estimated salary range of jobs to be created

From (Full Time) $ 60,633 To (Full Time) $ 65,186
From (Part Time) $ 0 To (Part Time) $ 24,960

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

No

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

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

N/A

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

No

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

N/A

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

No

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

N/A
Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name: Athenex Pharma Solutions
Address: 11342 Main Street, Newstead, New York 14001
Contact Person: Rob Keem
Phone: 1-716-417-6606
Fax
E-Mail: rkeem@athenex.com
Federal ID #
SIC/NAICS Code

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

<BLANK>

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

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Current Address (city, state, zip)</th>
<th># of sq ft and % of total to be occupied at new project site</th>
<th>SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.</th>
</tr>
</thead>
</table>
Section IV: Tenant Information
PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name
Athenex Pharma Solutions, LLC

Property Address:
11342 Main Street
City/Town/Village
Newstead, New York 14001

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)
26,500

What percentage of the building does this represent?
100

Are terms of lease:
NET

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

Estimated date of occupancy
1/1/2019

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
Athenex Pharma Solutions, LLC

Local Contact Person:
Rob Keen

Title:
Plant Manager

Current Address:
11342 Main Street, Newstead, NY

Phone:
(716) 417-6606

Fax:

E-Mail:
rkeem@athenex.com

Website:
www.athenexsolutions.com

Company President/General Manager:
Jeffrey Yordon

Number of employees moving to new project location:

Full-Time:
0

Part-Time:
0

Total:

Do you anticipate increasing employment within the next two years?
If yes, how many additional employees moving to new project location?
Full-Time:
25
Part-Time:
0
Total:
25
Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:
Athenex Pharma Solutions serves the pharmaceutical industry that relates to small-scale, pre-commercial, and commercial manufacturing. Athenex Pharma Solutions services developers of innovative technology, sponsors of personalized and orphans medicines and smaller-market but important drug therapies. A global bio-pharmaceutical dedicated to the discovery, development and commercialization of novel therapies for the treatment of cancer.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)
Founded in 2010, Athenex Pharma Solutions formerly QuaDPharma, LLC was acquired by one of its early customers, Kinex Pharmaceuticals. The company was later acquired by Athenex, Inc. and re-branded Athenex Pharma Solutions in 2016. Athenex, Inc. is a publicly traded company (NASDAQ: ATNX).

Please list the square footage which the proposed tenant will lease at the Project location
26,500 square feet upon project completion.

Please list the square footage which the proposed tenant leases at its present location(s)
Athenex Pharma Solutions currently leases 18,500 square feet and the project location.

Describe the economic reason for either the increase or decrease in leased space.
The increase in square footage (8,000 square foot addition) is necessary for Athenex Pharma Solutions to continue its growth and operation at the Project location.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?
No

Where is company relocating from?

Address:
N/A Athenex Pharma Solutions is not relocating

City/Town/Village:

State:

Zip:

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

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

If leased, when does lease expire?
1/1/2013

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

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

Is location necessary to:

Discourage your company from moving out of New York State
Yes

Maintain your company's competitiveness within the industry:
Yes
(If yes is checked on one or both please provide specific explanation as an attachment on company letterhead)
Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility
No

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

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

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

If no, why not?
The Project is an expansion to an existing location.

Will present location be your company's headquarters?
Yes

If No, Where is the location of HQ:

City:
State:

Form Completed By:
Rich Nassar

Relationship to Company:
VP of Operations
Section V: Environmental Questionnaire

General Background Information

Address of Premises 11342 Main Street, Newstead, New York 14001
Name and Address of Owner of Premises Group V Real Estate, Inc., 2457 Wehrle Drive, Williamsville, New York 14221

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

The Project site is a level terrain and is not located near a wetlands, coastline, river, stream or major body of water.

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

The original building (18,500 square feet) was constructed in 1991.

Describe all known former uses of the Premises

Current use is the manufacturing of small batch pharmaceuticals. Prior to 2011, the Project site was used for offices.

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

Yes

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

Athenex Pharma Solutions, tenant.

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

Yes

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
Hazardous/Non-Haz Pharmaceutical Wastes-Clean Harbors Environmental Services owned facilities Solid Wastes-Waste Management Services owned facility.

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

No

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

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

N/A

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

Sanitary waste is the only discharge at the Project site. Said waste is discharged into the properties septic system.

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.

Sanitary waste only to the septic tank.

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

No

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

N/A

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

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

N/A

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

No

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

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

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

No

If yes, relate all the circumstances

N/A

Do the Premises have any asbestos containing materials?
No

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

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

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

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

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

N/A

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

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

N/A

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

N/A

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

<BLANK>

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

N/A

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

N/A Current facility is not to be abandoned.

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

N/A
Section VII: Adaptive Reuse Projects

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

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

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

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

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

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

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

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

Does the site have historical significance? <BLANK>

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>