July 11, 2019
9:00 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the June 6, 2019 Policy Committee Minutes (Pages 2 - 8)

3. Project Matrix (Page 9)

4. Project Presentations (Staff – Company Q&A)
   a) Buffalo High Technology Centre, Inc. (Pages 10 - 41)
   b) Derby Warehousing, LLC. (Pages 42 - 78)
   c) Fisher Price (Pages 79 - 109)

5. Recapture Discussion
   a) Shevlin Land & Cattle Company (Pages 110 – 128)
   b) Upstate Pharmacy (Pages 129 – 147)

6. Adjournment – Next Meeting August 1, 2019 at 9:00 a.m.
MINUTES OF A MEETING OF THE POLICY COMMITTEE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: June 6, 2019, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York


ABSENT: Hon. Johanna Coleman, Mr. Richard Cummings and Colleen DiPirro

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

GUESTS: Robert G. Murray, General Counsel; Andrew Federick, Erie County Senior Economic Development Specialist; Denise Juron-Borgese on behalf of 201 Michigan LLC, Mr. Tom Fox on behalf of 270 Michigan LLC, Mr. Eran Epstein on behalf of Fedder Lofts; Chuck Scothon and Greg Wilber on behalf of Fisher-Price

There being a quorum present at 9:03 a.m., the meeting of the Policy Committee was called to order by Mr. Lipsitz. Mr. Lipsitz then introduced Mr. Lavon Stephens to the committee as its newest member.

MINUTES

The minutes of the March 7, 2019 Policy Committee meeting were presented. Upon motion made by Mr. State, and seconded by Mr. Blue, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

201 Ellicott, LLC and Ellicott Green Acres, LLC (d/b/a Braymiller Market), 201-203 Ellicott Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a 21,510 sq. ft. fresh food market. The retail portion of the grocery store will encompass 9,280 sq.
ft. and the wholesale side of the business will occupy 9,580 sq. ft. A back office will take up the remaining space. The project is located in a census tract that is considered highly distressed.

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

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

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<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 = $6,901,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $5,866,615</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year PILOT</td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 45 FT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 38</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-year PILOT</td>
<td>Recapture of state and local sales tax, mortgage recording tax and real property taxes.</td>
</tr>
</tbody>
</table>

Mr. Lipsitz reminded Policy Committee members that the Policy Committee makes non-binding recommendations to the ECIDA board. Mr. Lipsitz confirmed that staff prepares project materials, a public hearing was then held on this project, the Policy Committee reviews the project as it will do today, and the full board of the ECIDA makes the ultimate determination on whether to grant financial assistance.

At this point in time, Ms. Baskin, Ms. Whyte and Ms. McDuffie joined the meeting.

Mr. Cappellino introduced Denise Juron-Borgese and Stewart Green who presented additional information on the project to the Policy Committee. It was noted that six of the seven census tracts within the City of Buffalo qualify as a food desert, and the applicant also stated its commitment to hiring 25% MWBE businesses for its workforce on the project, and to adhering to disabled veteran workforce commitments.

Mr. Brown spoke in favor of the project, noting the City has spent several years planning for this type of project and obtained significant amounts of public input to identify how to bring
a food market to downtown Buffalo. Mr. Brown noted the food in the grocery will be sourced locally, and that the project will support rural needs as well.

Ms. Whyte thanked the Mayor and the City for their efforts to bring locally sourced food to the downtown corridor. Ms. Whyte noted that the Erie County Executive will support the retail finding for the project because the project provides goods and services that are not available due to existence of the food desert and also because the project is located in a highly distressed area. Ms. Whyte also noted that the project is consistent with the County Executive’s “Initiatives for a Smart Economy 2.0” food policy initiative to get locally grown food onto the tables of all Erie County residents.

Ms. McDuffie spoke in favor of the project. Mr. State spoke in favor of the project.

Mr. Blue moved, and Mr. Brown seconded to approve of the project as proposed.

Mr. Lipsitz then noted that recent news reports on this project inaccurately described the ECIDA process for project review and consideration and confirmed that the ECIDA project review process is both rigorous and consistently applied.

Mr. Lipsitz called for the vote and the project was then unanimously approved.

270 Michigan, LLC, 270 Michigan Avenue, Buffalo, New York. Mr. Cappellino presented this proposed sales tax and mortgage recording tax benefits project involving the company’s adaptive reuse of an existing facility. The project for ECIDA consideration involves the renovation of 80,000 sq. ft. which will include office/back-office and warehouse space along with the addition of 6 market-rate apartments. Mr. Cappellino also confirmed that the project is located within a highly distressed area.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax 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>
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<tbody>
<tr>
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</tr>
<tr>
<td></td>
<td></td>
<td>Total Project Amount = $6,662,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $5,662,700</td>
</tr>
<tr>
<td>Employment</td>
<td>Same as recapture period</td>
<td>Maintain Base: 1 Create 85% of Retained &amp; Created = 35 FT &amp; 1 PT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 30 FTE</td>
</tr>
</tbody>
</table>
Mr. Cappellino introduced Tom Fox who spoke to members about the project.

Mr. Brown queried about the mix of affordable and market rate apartment units. Mr. Fox stated the project will have 6 apartment units. Three units will be affordable and 3 will be market-rate at the rate of $1,200-$2,400/month.

Mr. Fox then commented that the company has committed to securing 25% MBE and 5% WBE participation.

Ms. McDuffie spoke in favor of the project and its adaptive reuse components and spoke in favor of ensuring employment is created within the vacant commercial space.

Ms. Whyte queried as to the parking deck component of the project. Mr. Fox stated that the proposed parking deck will be a one level deck but will be constructed above the existing surface lot to allow for 100 new spots, and without a deck, there will be a parking deficit making use of its new commercial space difficult. Ms. Whyte queried if the parking deck can be used by tenants. Mr. Fox stated that 95% of the parking deck would be available for tenants of the building.

Mr. Blue queried if ECIDA will monitor MWBE participation. Mr. Cappellino stated that monitoring is undertaken depending on the source of funding, noting that some sources require MWBE as only a goal, and commented that the City only requires goals. Mr. Blue asked if the ECIDA is able to monitor MWBE goals. Mr. Cappellino stated that monitoring MWBE participation is a Policy Committee question. Mr. Lipsitz then responded that he will add this issue to the Policy Committee agenda to be discussed at its next meeting.

Mr. Mudie inquired as to how much of the work will be undertaken by union workers. Mr. Fox stated that they the company has not yet issued bids for the project.

Mr. Krebs spoke in favor of the project.

Mr. State spoke in favor of the project.

Mr. Brown then moved and Ms. McDuffie seconded to approve of the project as proposed. Mr. Lipsitz called for the vote and the project was then unanimously approved.
Buffalo Material Handling, 125 Taylor Drive, Depew, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the company’s construction of a 10,000 sq. ft. addition to the existing 12,000 sq. ft. space currently occupied by the applicant.

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

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<tr>
<td></td>
<td></td>
<td>Total Project Amount = $1,315,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $1,117,750</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year PILOT</td>
<td>Maintain Base: 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 32</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-year PILOT</td>
<td>Recapture of state and local sales tax, mortgage recording tax and real property taxes.</td>
</tr>
</tbody>
</table>

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

Fedder Lofts, LLC, 57 & 71 Tonawanda Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax and mortgage recording tax benefits project involving the historic renovation and brownfield cleanup project of this 130,000 sq. ft. structure to provide a mixed use project consisting of 85 affordable living units and 20,000 sq. ft. devoted to a mini storage complex. The company is proposing offering rents at approximately 80% of the average median income. Sixty-five parking spaces are included in the reuse plan along with bike storage and parking.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax 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:

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<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
</table>
| Total Investment  | At project completion       | Investment amount equal to or greater than 85% of project amount.  
|                   |                             | Total Project Amount = $25,725,000                        
|                   |                             | 85% = $21,866,250                                         |
| Employment        | Same as recapture period    | Create 85% of Projected                                  
|                   |                             | Projected = 2                                            
|                   |                             | 85% =                                                     
|                   |                             | Recapture Employment = 2                                 |
| Local Labor       | Construction Period         | Adherence to policy including quarterly reporting        |
| Pay Equity        | Same as recapture period    | Adherence to policy                                      |
| Unpaid Tax        | Same as recapture period    | Adherence to policy                                      |
| Recapture Period  | 2 years after project       | Recapture of state and local sales tax and mortgage      
|                   | completion                  | recording tax                                            |

Mr. Epstein then spoke to the committee on behalf of the applicant.

Mr. Brown asked if goals of 25% MBE and 5% WBE can be established for the project, and received confirmation of same. Mr. Brown, Ms. Smith, and Ms. McDuffie then all spoke in favor of the project.

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

### FISHER-PRICE PROJECT DISCUSSION

Mr. Cappellino reviewed the ECIDA’s June, 2014 sales tax benefit approval for the Fisher Price $568,000 equipment and building systems project, and confirmed the time period for sales tax benefit recapture and the material terms requiring Fisher Price to retain 750 employees. Mr. Cappellino noted Fisher Price was compliant with all employment requirements for 2014 through 2017, however, in 2018, Fisher Price had a four-quarter average of 667 employees, making it 11% below its employment requirements for 2018. Mr. Cappellino reviewed the three sales tax recapture options developed by staff, including option #1, being no recapture, option #2, being an 11% recapture amount related to the year of default, and option #3, being an outright 11% recapture related to total shortfall regardless of the fact that the default occurred only within a single year of the recapture monitoring period.
Mr. Scothon spoke on behalf of Fisher-Price, noting that in 2018, Toys-R-Us, being the biggest Fisher Price customer, went bankrupt, which lead to workforce reductions. However, Mr. Scothon noted that Fisher Price is considering relocating work done in another state to its East Aurora facility, and is also planning for a new multi-million dollar investment in its existing East Aurora facility as well.

Ms. Smith queried as to the anticipated job growth related to the proposed new investment. Mr. Scothon noted that there will be 25 new jobs coming here from other states, and noted that they have not confirmed any new jobs beyond that.

Mr. Stephens asked if baby boom generation retirements are affecting the company. Mr. Scothon responded in the affirmative and noted that Fisher Prices replaces those who retire.

Ms. Whyte commented and spoke in favor of recapture option 2. Ms. McDuffie spoke in favor of Option 2.

Mr. Brown asked Mr. Scothon if recapture option #2 would be acceptable. Mr. Scothon stated that he understands the ECIDA recapture policy and process and understands that Fisher Price must play by the ECIDA’s rules and stated that option #2 would be acceptable as it does not put an undue burden on the company. Mr. Brown noted that Fisher Price has been a good corporate citizen.

Ms. Whyte moved and Ms. McDuffie seconded to approve of recapture option #2. Mr. Lipsitz called for the vote recapture option #2 was then unanimously approved for recommendation to members of the Agency.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:26 a.m.

Dated: June 6, 2019

Karen M. Fiala, Secretary
<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>*Incentive Amount</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Roar Logistics</td>
<td>Jan-19</td>
<td>$3,425,000</td>
<td></td>
<td>49</td>
<td>85% New</td>
<td>12 jobs</td>
<td>YES</td>
<td>PILOT Sales Tax</td>
<td>Period of PILOT 7 Years</td>
<td>Amendatory</td>
<td>$298,000</td>
<td>YES</td>
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</tr>
<tr>
<td>1</td>
<td>Related Affordable</td>
<td>Feb-19</td>
<td>$23,595,613</td>
<td></td>
<td>5</td>
<td>85% New</td>
<td>2 jobs</td>
<td>YES</td>
<td>Mortgage Sales Tax</td>
<td>2 Years after Project Completion</td>
<td>Private Activity Bond $13,900,000</td>
<td>$480,835</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>McGuire/CAO</td>
<td>Feb-19</td>
<td>$8,416,936</td>
<td></td>
<td>36</td>
<td>85% New</td>
<td>2 jobs</td>
<td>YES</td>
<td>PILOT Mortgage Sales Tax</td>
<td>Period of PILOT 7 Years</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>McKesson</td>
<td>Mar-19</td>
<td>$18,200,000</td>
<td></td>
<td>62</td>
<td>85% New</td>
<td>13 jobs</td>
<td>YES</td>
<td>Sales Tax</td>
<td>2 Years after Project Completion</td>
<td>YES</td>
<td>$1,930,000</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Steuben Foods, Inc.</td>
<td>Mar-19</td>
<td>$16,954,183</td>
<td></td>
<td>555</td>
<td>85% New</td>
<td>23 jobs</td>
<td>YES</td>
<td>PILOT Sales Tax</td>
<td>Period of PILOT 10 Years</td>
<td>YES</td>
<td>$1,255,756</td>
<td>YES</td>
<td></td>
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<tr>
<td>1</td>
<td>Unifrax 3, LLC</td>
<td>Mar-19</td>
<td>$36,000,000</td>
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<td>27</td>
<td>85% New</td>
<td>8 jobs</td>
<td>YES</td>
<td>PILOT Mortgage Sales Tax</td>
<td>Period of PILOT 7 Years</td>
<td>YES</td>
<td>$2,603,750</td>
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</tr>
<tr>
<td>1</td>
<td>CPI Process Systems</td>
<td>May-19</td>
<td>$3,100,000</td>
<td></td>
<td>12</td>
<td>85% New</td>
<td>2 jobs</td>
<td>YES</td>
<td>PILOT Mortgage Sales Tax</td>
<td>Period of PILOT 10 Years</td>
<td>YES</td>
<td>$323,250</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Buffalo Material Handling</td>
<td>Jun-19</td>
<td>$1,315,000</td>
<td></td>
<td>30</td>
<td>85% New</td>
<td>2 jobs</td>
<td>YES</td>
<td>PILOT Mortgage Sales Tax</td>
<td>Period of PILOT 7 Years</td>
<td>YES</td>
<td>$191,000</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Fedder Lofts, LLC</td>
<td>Jun-19</td>
<td>$25,725,000</td>
<td></td>
<td>0</td>
<td>85% New</td>
<td>2 jobs</td>
<td>YES</td>
<td>Mortgage Sales Tax</td>
<td>2 Years after Project Completion</td>
<td>YES</td>
<td>$972,500</td>
<td>Adaptive Reuse</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Job Creation</th>
<th>Jobs Created</th>
<th>*Incentive Amount</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Sub Total</td>
<td></td>
<td>$25,725,000</td>
<td></td>
<td>0</td>
<td>2</td>
<td>$972,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$137,635,732</td>
<td>777</td>
<td>73</td>
<td></td>
<td></td>
<td>$8,417,341</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Buffalo High Technology Centre, Inc.
$7,877,447
INDUCEMENT RESOLUTION

Eligibility

- NAICS Section - 531110

Company Incentives

- Approximately $330,922 in sales tax savings
- Approximately $293,000 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at $48,426

Employment

- Projected New Jobs: 4
- Annual payroll: $163,000
- Estimated salary of jobs to be created: $40,750

Project History

- 07/01/2019 - Public hearing held. Transcript attached.
- 07/24/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 07/24/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Buffalo High Technology Centre, Inc.
Project Address: 505 Ellicott Street
Buffalo, New York 14203
(Buffalo City School District)

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the adaptive reuse of the former Frey Building.

Building Renovation $4,495,687
Infrastructure $ 89,374
Equipment $2,563,921
Soft Costs $ 728,465

Total Project Cost $7,877,447

85% $6,695,829

Company Description

Buffalo High Technology Centre, Inc. is a real estate holding company and is affiliated with Uniland Development Company. Uniland engages in real estate development, construction and management of various commercial and industrial properties in Western New York.

Project Description

505 Ellicott is an existing 20,000 sq. ft. warehouse which was vacated by Frey Heavy Duty when they relocated approximately 5 years ago.

The proposed project consists on the adaptive reuse of the facility. The company will fully renovate the interior and exterior of the building and add a mezzanine component which will increase the total square footage of the building to 35,000 sq. ft.

The facility will include a commercial and residential component. One 880 sq. ft. apartment will rent between $1,000 and $1,100. The remainder of the space will be utilized as flexible office space offering both short and long term workspace options for end-users. The remaining space in the building is anticipated to house a café or similar retail offering.

The application indicates 4 full jobs associated with the development which will be created by the project operator of the flexible office space component and operator of the café. Any additional jobs associated with the facility are anticipated to come from the flexible office users.

Retail Determination

<table>
<thead>
<tr>
<th>Project Use</th>
<th>Sq. Ft.</th>
<th>Costs</th>
<th>% of Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Office</td>
<td>31,363</td>
<td>$7,562,349</td>
<td>96%</td>
</tr>
<tr>
<td>Retail Café</td>
<td>1,326</td>
<td>$ 157,548</td>
<td>2%</td>
</tr>
<tr>
<td>Residential</td>
<td>882</td>
<td>$ 157,548</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>33,571</td>
<td>$7,877,447</td>
<td>100%</td>
</tr>
</tbody>
</table>

7/8/2019 12:08 PM
Should the Board determine that the project is a retail project as it was located in a highly distressed area and in compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County will provide written confirmation confirming the financial assistance.

### New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over abatement period</th>
<th>Additional Local Revenue Over abatement period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$11,150</td>
<td>$1,500,000</td>
<td>$17,000</td>
<td>$64,000</td>
<td>$53,000</td>
</tr>
</tbody>
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Combined Tax Rate: $35.50

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<td>Investment amount equal to or greater than 85% of project amount. Total project amount: $7,877,447 85%: $6,695,829</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year PILOT</td>
<td>Create 85% of Projected Projected* 4 FTE 85%: Recapture Employment: 3</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-year PILOT</td>
<td>Recapture of Mortgage recording tax, state and local sales taxes and real property taxes</td>
</tr>
</tbody>
</table>

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

### Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has created 4 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

### PILOT Estimate Table Worksheet-Buffalo High Technology Centre, Inc.  505 Ellicott- 2019

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,585,000</td>
<td>$1,500,000</td>
<td>$7.33</td>
<td>$28.219</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>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$1,100</td>
<td>$4,233</td>
<td>$5,332</td>
<td>$53,324</td>
<td>$47,991</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$1,100</td>
<td>$4,233</td>
<td>$5,332</td>
<td>$53,324</td>
<td>$47,991</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>$2,199</td>
<td>$8,466</td>
<td>$10,665</td>
<td>$53,324</td>
<td>$42,659</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$2,199</td>
<td>$8,466</td>
<td>$10,665</td>
<td>$53,324</td>
<td>$42,659</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
<td>$3,299</td>
<td>$12,699</td>
<td>$15,997</td>
<td>$53,324</td>
<td>$37,326</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>$3,299</td>
<td>$12,699</td>
<td>$15,997</td>
<td>$53,324</td>
<td>$37,326</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$3,299</td>
<td>$12,699</td>
<td>$15,997</td>
<td>$53,324</td>
<td>$37,326</td>
</tr>
</tbody>
</table>

| Total     | $16,493   | $63,493           | $79,985        | $373,265    | $293,279                   |

** 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>$7,877,447</td>
<td>$293,279</td>
<td>$330,922</td>
<td>$48,426</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs:  8.5  %
<table>
<thead>
<tr>
<th><strong>Adaptive Reuse Report &amp; Evaluative Criteria</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buffalo High Technology Centre, Inc./505 Ellicott</strong></td>
</tr>
</tbody>
</table>

<p>| <strong>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</strong> | The buildings were constructed in the mid 1970's. |
| <strong>Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes the elimination of slum and blight.</strong> | The site is a former warehouse that has been vacant for the past 5 years and the reuse plan will provide an aesthetically pleasing within the central business district. |
| <strong>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)</strong> | No income is generated from the facility. |
| <strong>Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans</strong> | The project complies with the investment and growth criteria of the Framework for Regional Growth. The location of the project is in the Downtown Regional Center. |
| <strong>Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)</strong> | According to the developer, labor costs have been extremely high for the past several years and material prices have also experienced large inflation rates recently. Taken together, returns on development projects have dropped below acceptable risk/return levels. In addition, the investment of $2,500,000 in FF&amp;E is higher than in a traditional office. The developer has supplied an ROI which indicates a below average rate of return on the investment. |
| <strong>Demonstrated support of local government entities</strong> | The City of Buffalo Planning Board has approved the project. |</p>
<table>
<thead>
<tr>
<th>LEED/Renewable Resources</th>
<th>Not applicable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building or site has historic designation</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>Site or structure has delinquent property or other local taxes</td>
<td>Taxes are current.</td>
</tr>
<tr>
<td>MBE/WBE Utilization</td>
<td>Uniland is committed to diversity as evidenced by its effort to utilize M/WBE's within the scope of its projects and its continued participation in regional workforce development programs that seek to reinforce the inclusion of both minorities and women within the local construction and real estate development industry. They have instituted a subcontractor/vendor pre-qualification process that successfully prepares M/WBE's for bidding opportunities, have promoted diverse hiring practices among job site contractors and collaborates with the Associated Builders and Contractors to create training and workforce development programs for minorities and women.</td>
</tr>
<tr>
<td>Transit Oriented Development</td>
<td>The facility is within walking distance of Metro Rail.</td>
</tr>
</tbody>
</table>

**OTHER FACTORS TO CONSIDER:**

| Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs | A report prepared by LCS, Inc. Environmental and Real Estate Consultants does not indicate evidence of recognized environmental conditions in connection with the property except it is adjacent to property which may contain environmental concern. |
|-------------------------------------------------------------------------------------------------------------------------------|
| Site or structure is located in a distressed census tract | Property is located in Census Tract 165 which considered highly distressed under the State statute. |
| Structure presents significant costs associated w/ building code compliance. | Any code compliance since the original building was constructed will be followed |

Dated: July 24, 2019
Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value $219,450
- ECIDA Mortgage Recording Tax Abatement approximate value $35,000

ROI

Buffalo High Technology Centre, Inc. has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 3.6%

Stated ROI for the project without ECIDA assistance is 3.2%
Table 1: Basic Information

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>(531) Real Estate</td>
</tr>
<tr>
<td>Project Industry</td>
<td>Buffalo City</td>
</tr>
<tr>
<td>Municipality</td>
<td>Buffalo</td>
</tr>
<tr>
<td>School District</td>
<td></td>
</tr>
<tr>
<td>Project Cost</td>
<td>$7,877,447</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$4,495,687</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>4</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$124,838</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>33</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$1,727,803</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$1,852,641</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>$76,962</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$71,967</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$185,691</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$60,603</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$395,223</strong></td>
</tr>
</tbody>
</table>

Table 3: Estimated Project Incentives*

<table>
<thead>
<tr>
<th>Incentive</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$291,498</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$333,529</td>
</tr>
<tr>
<td>Mortgage Tax Savings</td>
<td>$48,426</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$673,453</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>4</td>
</tr>
<tr>
<td>Indirect***</td>
<td>5</td>
</tr>
<tr>
<td>Induced****</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>33</td>
</tr>
<tr>
<td>Indirect</td>
<td>12</td>
</tr>
</tbody>
</table>

### Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>0.6:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>8.6:1</td>
</tr>
</tbody>
</table>

* Figures over 7 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

Battle High Technology Centre, Inc., and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on July 1, 2019 at 10:00 a.m., at the Erie County Industrial Development Agency’s office located at 95 Perry Street, Suite 403, Buffalo, New York 14205

ATTENDANCE:

Peter Sayadoff – Uniland Development Company
Kellena Kane – Uniland Development Company
John Cappellino – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Buffalo High Technology Centre, Inc., and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, June 20, 2019.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a .51 +/- acre parcel of land located at 505 Ellicott Street in the City of Buffalo, Erie County, New York, (the “Land”) improved with an existing vacant warehouse building (the “Existing Improvements”), (ii) the construction of a mezzanine component and the renovation, upgrading and equipping of the Existing Improvements thereon into a mixed-use project consisting of 31,363 +/- SF of flexible commercial space, 1,326 +/- SF of retail space, and a 882 +/- SF apartment (the “Improvements”), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other
tangible personal property (the “Equipment”, and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”).

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on July 23, 2019. There are no limitations on written comments.

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

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

Kellena Kane – Uniland Development Company. I am here to make a brief statement about our project we applied for tax incentives through the ECIDA. It’s an adaptive reuse project. 505 Ellicott is currently a vacant former warehouse. The building will be fully renovated (interior and exterior), including a new brick facade on Ellicott Street that will be reflective of the historical buildings in the neighborhood. A mezzanine component will be added to the building and, post-renovation, the building will total approximately 35,000 square feet including commercial, retail, and residential components. We feel that this adaptive reuse is in an area of the City that is right for reinvestment. We think that the ECIDA’s support of the project will really help to transform the neighborhood. We are excited to bring this project to fruition.

6. ADJOURNMENT:

As there were no further comments, the Hearing Officer closed the public hearing at 10:15 a.m.
SIGN IN SHEET
PUBLIC HEARING

July 1, 2019 at 10:00 a.m.
at the Erie County Industrial Development Agency’s office
located at 95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

Buffalo High Technology Centre, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
</table>
| Peter Sayadoff      | Uniland
100 Corporate Parkway
Suite 500
Amherst, New York 14226 |                        |
| Kellena Kane        | Uniland
100 Corporate Parkway
Suite 500
Amherst, New York 14226 | X                      |
| John Cappellino     | ECIDA
95 Perry Street
Suite 403
Buffalo, New York 14203 |                        |
Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

<table>
<thead>
<tr>
<th>Project Name</th>
<th>505 Ellicott</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Name</td>
<td>Buffalo High Technology Centre, Inc. or another Uniland affiliate</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>100 Corporate Parkway</td>
</tr>
<tr>
<td>Applicant Address 2</td>
<td>Suite 500</td>
</tr>
<tr>
<td>Applicant City</td>
<td>Amherst</td>
</tr>
<tr>
<td>Applicant State</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14226-1295</td>
</tr>
<tr>
<td>Phone</td>
<td>7168345000</td>
</tr>
<tr>
<td>Fax</td>
<td>716.834.5034</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:psayadoff@uniland.com">psayadoff@uniland.com</a></td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.uniland.com">www.uniland.com</a></td>
</tr>
<tr>
<td>Federal ID#</td>
<td>16-1190432</td>
</tr>
</tbody>
</table>

NAICS Code

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: Buffalo High Technology Centre, Inc. or another Uniland affiliate

Federal ID#: 16-1190432

State and Year of Incorporation/Organization: New York, 1982

List of stockholders, members, or partners of Real Estate Holding Company: Univest II Corporation

Individual Completing Application

Name: Kevin Roe
Title: Sr. Portfolio Manager
Address: 100 Corporate Parkway
Address 2: Suite 500
City: Amherst
State: New York
Zip: 14226-1295

https://www.ecidany.com/app/tax-incentive-application-2014/print/870
Phone
716.512.6393

Fax
716.834.5034

E-Mail
kroe@uniland.com
**Company Contact (if different from individual completing application)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Peter Sayadoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Director, Capital Markets</td>
</tr>
<tr>
<td>Address</td>
<td>100 Corporate Parkway</td>
</tr>
<tr>
<td>Address 2</td>
<td>Suite 500</td>
</tr>
<tr>
<td>City</td>
<td>Amherst</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14226-1295</td>
</tr>
<tr>
<td>Phone</td>
<td>716.834.5000 ext 414</td>
</tr>
<tr>
<td>Fax</td>
<td>716.834.5034</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:psayadoff@uniland.com">psayadoff@uniland.com</a></td>
</tr>
</tbody>
</table>

**Company Counsel**

<table>
<thead>
<tr>
<th>Name of Attorney</th>
<th>Susan Hassinger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Name</td>
<td>Uniland (in-house)</td>
</tr>
<tr>
<td>Address</td>
<td>100 Corporate Parkway</td>
</tr>
<tr>
<td>Address 2</td>
<td>Suite 500</td>
</tr>
<tr>
<td>City</td>
<td>Amherst</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14226-1295</td>
</tr>
<tr>
<td>Phone</td>
<td>716.834.5000</td>
</tr>
<tr>
<td>Fax</td>
<td>716.834.5034</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:shassinger@uniland.com">shassinger@uniland.com</a></td>
</tr>
</tbody>
</table>

**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**

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Ownership</td>
<td></td>
</tr>
<tr>
<td>Year Established</td>
<td>1982</td>
</tr>
<tr>
<td>State of Organization</td>
<td>New York</td>
</tr>
</tbody>
</table>

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

Please include name and % of ownership.

Univest II Corporation- the Corporation is majority owned by a Montante family trust. Michael J. Montante and Carl J. Montante Jr. each have equal, controlling voting shares.
Applicant Business Description

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

Buffalo High Technology Centre, Inc. is a real estate holding company and an affiliate of Uniland Development. Uniland engages in real estate development, construction, and management of various commercial and industrial properties in Western New York.

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

75%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
n/a

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

No

In which Municipality will the proposed project be located

City of Buffalo

Address

505 Ellicott St., Buffalo, NY

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

#111.39-1-43.1

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

$11,150.35 total annual, all city, county, school, etc...

Assessed value of land

11,100

Assessed value of building(s)

288,900

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

City of Buffalo

School District of Project Site

Buffalo School District

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

Yes

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

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

No

Describe the present use of the Proposed Project site

Vacant former warehouse.
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)

505 Ellicott is currently a vacant former warehouse. The building will be fully renovated (interior and exterior), including a new brick facade on Ellicott Street that will be reflective of the historical buildings in the neighborhood. A mezzanine component will be added to the building and, post-renovation, the building will total approximately 35,000 square feet and include commercial, retail, and residential components. Approximately 32,000 square feet is anticipated to be occupied by flexible office space offering short and long-term workspace options for end-users. The remaining building areas are anticipated to be a cafe or similar retail of approximately 1,300 square feet and one residential unit. This application includes the generation of four full-time jobs. It is important to note that these jobs only represent the jobs created by the operator of the flexible office and the operator of the cafe. The additional job growth is anticipated to come from the flexible office users. Before / After Elevation renderings will be attached to this application.

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

n/a

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

Because of high labor and materials costs, the financial assistance is needed to make the proposed project feasible and to obtain financing. As mentioned above, four full-time jobs will be generated by the operators of the project and the cafe. However, it is expected that this new modern work offering will add a vital service to entrepreneurs and companies that will eventually add substantial job growth to the area economy.

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?

n/a

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

N-1C Mixed-Use Core

Describe required zoning/land use, if different

n/a

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

n/a

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

No

If yes, please explain

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

Yes

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

No

If yes, please provide copies of the study.

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

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.

<table>
<thead>
<tr>
<th>Retail Sales</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>No Manufacturing</th>
<th>Yes Multi-Tenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Acquisition of Existing Facility</td>
<td>Yes Commercial</td>
</tr>
<tr>
<td>Yes Housing</td>
<td>Yes Back Office</td>
</tr>
<tr>
<td>No Equipment Purchase</td>
<td>Yes Retail</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Yes Mixed Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Facility for the Aging</td>
</tr>
<tr>
<td>No Civic Facility (not for profit)</td>
</tr>
<tr>
<td>No Other</td>
</tr>
</tbody>
</table>
Project Information

Estimated costs in connection with project
Land and/or Building Acquisition
  $ 0  square feet  acres

New Building Construction
  $ 0  square feet

New Building addition(s)
  $ 0  square feet

Infrastructure Work
  $ 89,374

Renovation
  $ 4,495,687  35,097 square feet

Manufacturing Equipment
  $ 0

Non-Manufacturing Equipment: (furniture, fixtures, etc.)
  $ 2,563,921

Soft Costs: (professional services, etc.)
  $ 538,184

Other Cost
  $ 190,281

Explain Other Costs
  financing fees

Total Cost
  $ 7,877,447

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:
  Some design costs and some minor demolition.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):
  $ 1,420,595

Bank Financing:
  $ 6,456,852

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):

https://www.ecidany.com/app/tax-incentive-application-2014/print/870
$0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

$7,877,447

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.

$6,456,852

Lender Name, if Known

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

$48,426

Construction Cost Breakdown:

Total Cost of Construction

$7,877,447 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

$3,781,971

% 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

$3,781,971

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

$330,922

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:

An application is being submitted for a 485(a) benefit through the City of Buffalo. If this benefit is received, the PILOT through the IDA will not be further pursued.

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

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>31,363</td>
<td>96</td>
</tr>
<tr>
<td>Retail</td>
<td>1,326</td>
<td>2</td>
</tr>
<tr>
<td>Office</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

https://www.ecidany.com/app/tax-incentive-application-2014/print/870
Specify Other 882 square feet  $157,548  2

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates).

Start date: acquisition of equipment or construction of facilities

8/1/2019

End date: Estimated completion date of project

11/1/2019

Project occupancy: estimated starting date of operations

12/31/2019

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?

No

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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full time</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>4</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.

https://www.ecidany.com/app/tax-incentive-application-2014/print/870

11/21
By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>2</td>
<td>$50,000</td>
<td>$12,500</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>2</td>
<td>$31,500</td>
<td>$7,875</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Will any of the facilities described above be closed or subject to reduced activity?

No

**Payroll Information**

**Annual Payroll at Proposed Project Site**

$163,000

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

$0

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

$0

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

$40,750

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

$0

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

<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>$31,500</th>
<th>To (Full Time)</th>
<th>$50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>From (Part Time)</td>
<td>$0</td>
<td>To (Part Time)</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

No

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

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

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

Yes

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

Discussion regarding a 485(a) tax abatement with City of Buffalo Assessor’s Office.

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

Yes

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

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

For Single Use Facility

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

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility
Many growing companies seek flexibility. This facility will target these firms with various customizable options.

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

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

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

General Background Information

Address of Premises 505 Ellicott, Buffalo, NY

Name and Address of Owner Buffalo High Technology Centre, Inc. 100 Corporate Parkway, Ste 500 Amherst, New York

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

Please see environmental short-form assessment attached to this application. Vacant former warehouse in urban area.

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

Built in 1972.

Describe all known former uses of the Premises

Was formerly an auto parts warehouse.

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

No.

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

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

Yes.

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

Described in Phase 1 report provided.

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?
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
N/A
Is any waste discharged into or near surface water or groundwaters?
No
If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

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

**Storage Tanks**
List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks
Please refer to Phase 1 report provided.
Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?
Yes
If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved
Included in Phase 1

**Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos**
Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.
Have there been any PCB spills, discharges or other accidents at the Premises?
No
If yes, relate all the circumstances
Do the Premises have any asbestos containing materials?
Yes
If yes, please identify the materials
asbestos located behind electric panels, partially remedied. Will be fully remedied within 30 days of project start.
Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

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

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

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

<BLANK>

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

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

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

Are you applying for tax incentives under the Adaptive Reuse Program? Yes
What is the age of the structure (in years)? 45
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) Yes
If vacant, number of years vacant. 5
If underutilized, number of years underutilized. 0
Describe the use of the building during the time it has been underutilized:
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) No
If yes, please provide dollar amount of income being generated, if any $
If apartments are planned in the facility, please indicate the following:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Sq. Ft. Range Low to High</th>
<th>Rent Range Low to High</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>882</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,000 - 1,100 / month</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$</td>
</tr>
</tbody>
</table>

Does the site have historical significance? No
Are you applying for either State/Federal Historical Tax Credit Programs? No
If yes, provide estimated value of tax credits $1

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Labor costs have been extremely high for the past several years and materials prices have also experienced large inflation rates recently. Taken together, returns on development projects have dropped below acceptable risk/return levels. Any ECIDA benefit would be significant in helping incentivize the developer to move forward with the project.

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

485(a) tax abatement from City of Buffalo

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

This project, in addition to assisting and promoting the Buffalo region’s economy and adding employment, will replace a dated and obsolete building with a new Class A building. The project will also enhance the underdeveloped gap between the BNMC and the Theatre District.
Section VIII: Senior Citizen Rental Housing Projects

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

No

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

No

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<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?

No

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

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

If yes, complete the Retail Questionnaire Supplement below.

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

If the answer to this is less than 33% do not complete the remainder of the page and proceed to the next section (Section V: Intermunicipal 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?

Yes

98%

<BLANK>

<BLANK>

Yes
Derby Warehousing, LLC/KPM Exceptional
$1,332,000
INDUCEMENT RESOLUTION

Eligibility

- NAICS Section - 423120

Company Incentives

- Approximately $57,641 in sales tax savings
- Approximately $87,000 in real property tax savings

Employment

- Current Jobs - 6 FT
- Projected New Jobs - 1 FT
  1 FT
- Annual payroll: $430,000
- Estimated salary of jobs to be created: $35,000
- Estimated salary of jobs to be retained: $63,000

Project History

- 06/27/2019 - Public hearing held. Transcript attached.
- 07/24/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 07/24/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Derby Warehousing, LLC/KPM Exceptional

Project Address: 1393 Wisconsin Road
Derby, New York 14047
(Lakeshore Central School District)

Agency Request

A sales tax and real property tax exemption in connection with the construction of a 27,700 sq. ft. warehouse/distribution facility.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Building Construction</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$18,000</td>
</tr>
<tr>
<td>Non-Manufacturing Equipment</td>
<td>$49,500</td>
</tr>
<tr>
<td>Soft Costs/Other</td>
<td>$14,500</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$1,332,000</strong></td>
</tr>
<tr>
<td><strong>85%</strong></td>
<td><strong>$1,132,200</strong></td>
</tr>
</tbody>
</table>

Company Description

Derby Warehousing, LLC is 100% owned by Jeff Fierle and a distributor for KPM Exceptional. KPM is a wholesale/distributor of outdoor power lawn and garden, snow and ice removal equipment which is sold throughout the northeastern United States.

KPM has two distribution centers - one in Landing, New Jersey and the second in Derby. KPM supplies equipment to an established dealer network in excess of 600 active accounts. 74% of sales are to companies located outside of New York State.

Project Description

Faced with the decision to expand in New Jersey or Derby, KPM has decided to expand the Derby facility by constructing a 27,700 sq. ft. addition. There is currently an existing 28,000 sq. ft. building occupied by KPM and the expansion will represent a doubling of the company's footprint in the Town of Evans.

Compared to expanding in New Jersey, the Derby facility offers an experienced workforce, close proximity to suppliers, less traffic congestion and proximity to Canada for planned future territory expansion.

New Tax Revenue Estimated

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated New Assessed Value</th>
<th>Additional County Revenue over abatement period</th>
<th>Additional Local Revenue over abatement period</th>
<th>New Yearly Taxes Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$450,000</td>
<td>$3,900</td>
<td>$19,800</td>
<td>$15,800</td>
</tr>
</tbody>
</table>

Combined Tax Rate: $35.15
## 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 = $1,332,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $1,132,200</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with 7-year PILOT</td>
<td>Maintain base: 6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85%: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment: 7</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with 7-year PILOT</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7-year PILOT</td>
<td>Recapture of state and local sales taxes and real property tax.</td>
</tr>
</tbody>
</table>

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

### Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 6 FTE and created 1FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

<p>| PILOT Estimate Table Worksheet-Derby Warehousing LLC/KPM Exceptional - 2019 |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|</p>
<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>$1,250,000</td>
<td>$450,000</td>
<td>$5.81</td>
<td>$11.20</td>
<td>$18.14</td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>$261</td>
<td>$504</td>
<td>$816</td>
<td>$1,581</td>
<td>$15,817</td>
<td>$14,235</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>$261</td>
<td>$504</td>
<td>$816</td>
<td>$1,581</td>
<td>$15,817</td>
<td>$14,235</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>$523</td>
<td>$1,008</td>
<td>$1,632</td>
<td>$3,163</td>
<td>$15,817</td>
<td>$12,654</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>$523</td>
<td>$1,008</td>
<td>$1,632</td>
<td>$3,163</td>
<td>$15,817</td>
<td>$12,654</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
<td>$784</td>
<td>$1,512</td>
<td>$2,449</td>
<td>$4,745</td>
<td>$15,817</td>
<td>$11,072</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>$784</td>
<td>$1,512</td>
<td>$2,449</td>
<td>$4,745</td>
<td>$15,817</td>
<td>$11,072</td>
</tr>
<tr>
<td>7</td>
<td>30%</td>
<td>$784</td>
<td>$1,512</td>
<td>$2,449</td>
<td>$4,745</td>
<td>$15,817</td>
<td>$11,072</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,920</td>
<td>$7,560</td>
<td>$12,245</td>
<td>$23,725</td>
<td>$110,719</td>
<td>$86,994</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>$1,332,000</td>
<td>$86,994</td>
<td>$57,641</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs:  **10.8** %
ADDENDUM TO PROJECT LOG
EVALUATIVE CRITERA
DERBY WAREHOUSING, LLC/KPM EXCEPTIONAL

<table>
<thead>
<tr>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wage Rate (above median wage for area)</strong></td>
</tr>
<tr>
<td>Wage rates provided are for L&amp;W employees</td>
</tr>
<tr>
<td>Erie County per capita income: $31,889</td>
</tr>
<tr>
<td>Company estimated average salary of jobs to be retained: $63,000</td>
</tr>
<tr>
<td>Company estimated average salary of jobs to be created: $35,000</td>
</tr>
<tr>
<td><strong>Regional Wealth Creation (% sales/customers outside area)</strong></td>
</tr>
<tr>
<td>Sales:</td>
</tr>
<tr>
<td>Outside Erie County: 24%</td>
</tr>
<tr>
<td>Outside NYS: 74%</td>
</tr>
<tr>
<td><strong>In Region Purchases (% of overall purchases)</strong></td>
</tr>
<tr>
<td>Company is a distributor for KPM Exceptional and no purchases of goods are from Erie County companies</td>
</tr>
<tr>
<td><strong>Research &amp; Development Activities</strong></td>
</tr>
<tr>
<td>N/A</td>
</tr>
<tr>
<td><strong>Investment in Energy Efficiency</strong></td>
</tr>
<tr>
<td>N/A</td>
</tr>
<tr>
<td><strong>Locational Land Use Factors, Brownfields or Locally Designated Development Areas</strong></td>
</tr>
<tr>
<td>The land is zoned for light industrial uses.</td>
</tr>
<tr>
<td><strong>LEED/Renewable Resources</strong></td>
</tr>
<tr>
<td>NA</td>
</tr>
<tr>
<td><strong>Retention/Flight Risk</strong></td>
</tr>
<tr>
<td>KPM maintains a newly built (within the past 4 years) state of the art facility in Landing, New Jersey.</td>
</tr>
<tr>
<td><strong>MBE/WBE Utilization</strong></td>
</tr>
<tr>
<td>The company is a distributor for a national organization and does not discriminate in its hiring practices.</td>
</tr>
<tr>
<td><strong>Workforce Access – Proximity to Public Transportation</strong></td>
</tr>
<tr>
<td>Facility is on the Metro Bus 76 route.</td>
</tr>
</tbody>
</table>

July 24, 2019
Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>KPM Exceptional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Industry</td>
<td>(42) Wholesale Trade</td>
</tr>
<tr>
<td>Municipality</td>
<td>Evans Town</td>
</tr>
<tr>
<td>School District</td>
<td>Evans-Brant</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$1,331,500</td>
</tr>
<tr>
<td>Construction Budget</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Direct Employment Expected</td>
<td>7 (1 created and 6 retained)</td>
</tr>
<tr>
<td>Direct Labor Income</td>
<td>$444,194</td>
</tr>
<tr>
<td>Direct Construction Jobs</td>
<td>9</td>
</tr>
<tr>
<td>Direct Construction Labor Income</td>
<td>$480,406</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$924,600</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>$22,883</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$72,980</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$201,153</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$61,457</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$358,473</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>$86,671</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$58,975</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$145,646</strong></td>
</tr>
</tbody>
</table>
Table 4: Employment Breakdown

<table>
<thead>
<tr>
<th>Project</th>
<th>7 (1 created and 6 retained)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct**</td>
<td>7 (1 created and 6 retained)</td>
</tr>
<tr>
<td>Indirect***</td>
<td>3</td>
</tr>
<tr>
<td>Induced****</td>
<td>4</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>9</td>
</tr>
<tr>
<td>Indirect</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost Ratio</td>
<td>2.5:1</td>
</tr>
<tr>
<td>Overall ROI</td>
<td>40.1:1</td>
</tr>
</tbody>
</table>

*Figures over 7 years and discounted by 3.49%

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

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

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

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PUBLIC HEARING SCRIPT

Derby Warehousing LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf - Project

Public Hearing to be held on June 27, 2019 at 9:30 a.m., at the Town of Evans Town Hall, 8787 Erie Road (Conference Room), Angola, New York 14006

ATTENDANCE:
Jeffery Fierle – Derby Warehousing, LLC

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:30 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.

☐ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Derby Warehousing LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, June 14, 2019.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the construction and equipping of a 27,700 +/- SF addition to an existing warehouse facility located at 1393 Wisconsin Road, Town of Evans, Erie County, New York to be utilized for additional warehouse space (the “Improvements”), and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and collectively with the Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).
4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

_Hearing Officer:_ All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on July 23, 2019. There are no limitations on written comments.

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

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

Jeffery Fierle – I am the owner of Derby Warehousing, LLC. We currently are in the power equipment distribution business. We sell commercial lawn and garden equipment to the dealers and the dealers sell them to the commercial cutter. The people that come to cut your grass. We have 12 territory managers that cover the footprint from Northern Maine down to Northern Virginia. The company that is currently leasing Derby Warehousing is KPM Exceptional. KPM Exceptional has been in the business for almost 60 years. Their main headquarters is in Landing, New Jersey. Three years ago, KPM constructed a brand-new state of the art 100,000 sq. ft. facility in Landing, NJ. KPM also rents approximately 27,000 sq. ft. of warehouse space in Derby, New York. They rent this space from Derby Warehousing, LLC.

Our business has been growing substantially over the years. We finished this new building in Landing about 3 years ago and unfortunately, we are now out of space and we need to construct additional warehousing space. Originally this additional warehousing space was going to take place in Landing, NJ. With some discussions we wanted to investigate the possibility of doing this new construction at at the Derby, NY facility. We have approximately 8.5 acres of land. We would be looking to construct a 27,500 sq. ft. expansion on our warehousing facility. This facility would help us alleviate some of the storage problems that we are having. I am a little bit concerned and I have been told that if we are unable to construct this facility here in Derby, NY the expansion would happen at the Landing facility in NJ. My concerns are that if the expansion doesn't happen here, KPM will close the facility here and move to Landing, NY. The employees here at the Derby facility will be offered positions at the Landing facility. If that happens, I will be looking to put a new tenant in the Derby location. We have a very good tenant and working relationship with KPM. KPM’s business hours are Monday through Friday from 8:00 a.m. until 4:30 p.m. Any outcoming and incoming truck traffic is done between those hours. There is no overnight parking and no business conducted on the weekends. So, as far as the neighborhood goes there is no traffic when the residents get home from work.
We are moving forward with the Town and they are excited to have us. The Town is aware of the ramifications if we don’t build this facility in Derby, NY. And the project goes to Landing, NJ. So, I am here today looking to the ECIDA for assistance with some tax abatements with sales tax and real property tax exemption. The importance of this approval is significant. This will allow me to present the advantages to KPM of having the expansion here in Derby, NY versus Landing, NY. Upon presenting this to them with the possibilities of this happening they are very excited, and I have been given the go ahead to pursue this in the hopes of getting the tax breaks approved.

**, 6. ADJOURNMENT:**

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

June 27, 2019, at 9:30 a.m.
at the Town of Evans Town Hall, 8787 Erie Road (Conference Room), Angola, New York 14006
regarding:

**Derby Warehousing LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 1393 Wisconsin Road, Derby, New York 14047

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffery Fierle</td>
<td>Derby Warehousing, LLC&lt;br&gt;1393 Wisconsin Street&lt;br&gt;Derby, New York 14047</td>
<td>X</td>
</tr>
</tbody>
</table>
Derby, NY Expansion

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Derby Warehousing Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Name</td>
<td>Derby Warehousing LLC / KPM Exceptional LLC</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>1393 Wisconsin Rd</td>
</tr>
<tr>
<td>Applicant Address 2</td>
<td></td>
</tr>
<tr>
<td>Applicant City</td>
<td>Derby</td>
</tr>
<tr>
<td>Applicant State</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14047</td>
</tr>
<tr>
<td>Phone</td>
<td>1-800-388-9191 Ext 400</td>
</tr>
<tr>
<td>Fax</td>
<td>1-716-947-0429</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:jeff@kpmedi.com">jeff@kpmedi.com</a></td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.kpmedi.com">www.kpmedi.com</a></td>
</tr>
<tr>
<td>Federal ID#</td>
<td>020569956</td>
</tr>
<tr>
<td>NAICS Code</td>
<td></td>
</tr>
<tr>
<td>Will a Real Estate Holding Company be utilized to own the Project property/facility</td>
<td>No</td>
</tr>
<tr>
<td>What is the name of the Real Estate Holding Company</td>
<td></td>
</tr>
<tr>
<td>Federal ID#</td>
<td></td>
</tr>
<tr>
<td>State and Year of Incorporation/Organization</td>
<td>NY April 16, 2002</td>
</tr>
<tr>
<td>List of stockholders, members, or partners of Real Estate Holding Company</td>
<td>Jeffery Fierle,</td>
</tr>
</tbody>
</table>

Individual Completing Application

<table>
<thead>
<tr>
<th>Name</th>
<th>Jeffery S Fierle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>General Manager Derby, Facility</td>
</tr>
<tr>
<td>Address</td>
<td>1393 Wisconsin Rd</td>
</tr>
<tr>
<td>Address 2</td>
<td>Derby</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14047</td>
</tr>
</tbody>
</table>

The Erie County Industrial Development Agency (ECIDA)

Phone
800-388-9191 ext 400

Fax
716-947-0429

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

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

Company Counsel
Name of Attorney          Jerry Gorman
Firm Name                Gerald Gorman Atty Services
Address                  180 Main Street
Address 2
City                    Hamburg
State                   New York
Zip                      14075
Phone                   716-648-9611
Fax                     716-648-9614
E-Mail                   jerry@geraldpgorman.com

Identify the assistance being requested of the Agency
Exemption from Sales Tax     Yes
Exemption from Mortgage Tax   No
Exemption from Real Property Tax Yes
Tax Exempt Financing*        No
* (typically for not-for-profits & small qualified manufacturers)

Business Organization
Type of Business             Limited Liability Company
Type of Ownership
Year Established             2002
State of Organization        New York

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

Jeffery S. Fierle
Applicant Business Description

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

KPM Exceptional was founded in the 1950's. KPM is a wholesale distributor of outdoor power Lawn and Garden, and Snow and Ice removal Equipment. These product lines are represented throughout the entire Northeastern United States. We have 12 territory managers that cover the footprint from Northern Maine down to Northern Virginia. KPM’s Sales Administrative offices / Distribution centers are located in Landing New Jersey, and Derby New York. Employees total approximately 53 fulltime employees. Currently, 6 of those operate out of the Derby Facility. KPM supplies equipment to an established dealer network in excess of 600 active accounts. This equipment is stocked and shipped to our dealers from both the Landing, NJ location, and the Derby NY facility. With the growth of business increasing every year, KPM decided four years ago to build a new 100,000 sq ft facility in Landing, NJ. This is a state of the art facility, and one that KPM felt would handle future growth for the next decade. Fortunately or unfortunately, KPM has found itself once again outgrowing our current capacity. KPM’s original plan was to expand the Landing, NJ facility. Within the conversations regarding this expansion, it was suggested that KPM look into the possibility of expanding its Derby, NY facility. Several positive factors regarding the expansion of the Derby location vs the Landing, NJ location.

- Currently have several long term, experienced employees working from Derby
- Centrally located within our territory footprint
- Current Debry property has the room for expansion, and is within zoning requirements.
- Derby Facility is located closer to our factory suppliers. (Reduced in-coming freight costs)
- Reduced construction costs vs Landing, NJ
- Less traffic congestion
- Located close to Canada for planned future territory expansion

Estimated % of sales within Erie County 2%
Estimated % of sales outside Erie County but within New York State 24%
Estimated % of sales outside New York State but within the U.S. 74%
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

Currently no raw materials are purchased in Erie County.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
1393 Wisconsin Rd, Derby, NY 14047

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

In which Municipality will the proposed project be located
Derby, NY

Address
1393 Wisconsin Rd. Derby, Ny

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

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

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

SBL Number for Property upon which proposed Project will be located
206.00-4-9.1

What are the current real estate taxes on the proposed Project Site
Town/County $7877.93 School $6,984.60

Assessed value of land

Assessed value of building(s)

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Derby, NY

School District of Project Site
Lake Shore Central

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

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

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

Describe the present use of the Proposed Project site
1393 Wisconsin Road. Warehousing. New addition is going on open land on current property

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

The Derby office and warehouse facility is currently made up of three adjoining buildings totaling about 28,000 square feet. Currently, the facility is being 100% occupied by the tenant KPM Exceptional. KPM Exceptional is in need of additional warehouse space. It has been agreed that if Derby Warehousing constructed additional warehouse space, KPM would occupy that space and sign a 10 year lease with Derby Warehousing. The Derby facility sits on about 9 acres of property. The area in which the new building would be constructed is an open grassy area that is on the West Rear of the property. This area would be difficult to see from the road. It is our intention to remove one of the small buildings (2500 sq. ft.) and replace it with a 27,700 sq ft building. It was suggested that we not remove this small building, and construct the new building off of the smaller building. It is important to us that we maintain a professional look. In order to maintain the look of the property and not have it look "Hodge Podge", it is our decision to remove the smaller building. This new building would be adjoined to the main large building currently standing. This new building will be 150' wide x 250' long with a clear span ceiling height of 21'. The building will meet all codes required. The building will be fully insulated and heated. The new building will have access to the 4 existing loading docks from the main building. It will have one 14' x 14' overhead door located at the rear of the building, along with a man door in the front as well as the rear.

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:

This building addition is going to be built either at the main operation in Landing, NJ or here at the current site in Derby, NY.

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)

KPM supplies equipment to an established dealer network in excess of 600 active accounts. This equipment is stocked and shipped to our dealers from both the Landing, NJ location, and the Derby NY facility. With the growth of business increasing every year, KPM decided four years ago to build a new 100,000 sq ft facility in Landing, NJ. This is a state of the art facility, and one that KPM felt would handle future growth for the next decade. Fortunately or unfortunately, KPM has found itself once again outgrowing our current capacity. KPM’s original plan was to expand the Landing, NJ facility. Within the conversations regarding this expansion, it was suggested that KPM look into the possibility of expanding its Derby, NY facility vs NJ expansion. Several positive factors regarding the expansion of the Derby location vs the Landing, NJ location. • Currently have several long term, experienced employees working from Derby • Centrally located within our territory footprint • Current Derby property has the room for expansion, and is within zoning requirements. • Derby Facility is located closer to our factory suppliers. (Reduced incoming freight costs) • Reduced construction costs vs Landing, NJ • Less traffic congestion • Located close to Canada for planned future territory expansion • Possibilities of having the ECIDA abate the sales tax on the materials used for construction • Possibilities of having the ECIDA abate Property tax on a rolling scale for 7 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?

The new expansion will be done in Landing, NJ. With the expansion in NJ, there is a good likely hood that the Derby facility will be closed and operations moved to the main operation in NJ. Employees would be offered the opportunity to relocate to the NJ facility.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Possibly replacing the older LP Fork Trucks with new Green Electric Fork Trucks

Site Characteristics

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

Yes

Describe the present zoning/land use

Light Industrial

Describe required zoning/land use, if different

Light Industrial

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

None Required

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes, along with the new addition we would be upgrading the lighting to energy efficient LED. We will be installing high energy efficient heating for new addition. We will also be getting rid of our Propane Fork Trucks and replacing with Electric Fork Trucks.

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.

Yes, we have team members that are responsible for finding new products. KPM is always looking for additional products that fit our needs. This team attends many trade shows throughout the United States, Canada, as well as China. KPM has recently started a new business here at the Derby Facility. KPM ships out many packages on a daily basis. Many packages are shipped via FedEx, UPS, USPS and LTL Freight. Most items shipped are products that are represented by KPM. Lawn Mower Parts, Equipment and Accessories, Etc. Due to the seasonality of our business, we have many peaks and valleys in our daily shipments. To help level out those peaks and valleys, we have started another division within KPM here at the Derby facility. We have started a 3PL (Third Part Logistics) division. We at KPM are extremely efficient in providing next day service to many of our current accounts. We felt we could handle an additional volume of shipments. With that in mind, we have solicited other companies throughout the United States and Canada to have KPM handle their warehousing and shipping needs. (Pick and Pack) Many companies either are not very efficient with their logistics, or just do not want the hassles related to warehousing and shipping. The interest has been amazing. Through a little effort, we have developed relationships with 5 other companies that now have KPM doing their warehousing and shipping. The potential is enormous. We had to stop soliciting for this new business due to space requirements. Amazingly, much of this new business is coming from Canada. Canadian businesses who do most of their business in the US find great savings having KPM handle their logistics. KPM’s intention once the new building addition is complete, is to get more aggressive with this new division. If this business grows as we think it will, KPM will need to hire additional employees to maintain this growth.

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

We do have a budget for this. However, it is somewhat small compared to our overall budget. As I stated above, we have a team that attends several trade shows, classes, factories, etc throughout the year. Regarding our new 3PL business, we do not have the storage capacity to handle more. However, due to the success we have had, we will be aggressively seeking out more companies that require a 3PL partners once the new building is complete.

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.

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

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

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 0

New Building Construction

$ 0

New Building addition(s)

$ 1,250,000

Infrastructure Work

$ 18,000

Renovation

$ 0

Manufacturing Equipment

$ 0

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

$ 49,500

Soft Costs: (professional services, etc.)

$ 14,500

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 1,332,000

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:

Boundary / TOPO Survey: $2990 Soil Borings: $3060 Civil Engineering: $4500 ZBA Application: $500

Sources of Funds for Project Costs:

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

$ 1,332,000

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:
$1,332,000

Has a financing preapproval letter or loan commitment letter been obtained?
<BLANK>

Mortgage Recording Tax Exemption Benefit:
Estimated Mortgage Amount (Sum total of all financing – construction and bridge).
*Amount of mortgage, if any, that would be subject to mortgage recording tax.
$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
$1,317,500 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$658,750

% sourced in Erie County
100% (LBM Construction, OrchardPark, NY)%

% 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
$658,750

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$57,641

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

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

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$1,332,000</td>
<td>100</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates).

Start date: acquisition of equipment or construction of facilities

7/1/2019

End date: Estimated completion date of project

10/1/2019

Project occupancy: estimated starting date of operations

11/1/2019

Have construction contracts been signed?

No

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

Yes

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>6</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.


63
following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>2</td>
<td>$225,000</td>
<td>$22,500</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>1</td>
<td>$53,000</td>
<td>$4,210</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative</td>
<td>3</td>
<td>$35,000</td>
<td>$2,100</td>
<td>$32,000</td>
<td>$1,600</td>
</tr>
<tr>
<td>Production</td>
<td>2</td>
<td>$85,000</td>
<td>$5,100</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></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
$430,000

Estimated average annual salary of jobs to be retained (Full Time)
$63,000

Estimated average annual salary of jobs to be retained (Part Time)
$16,000

Estimated average annual salary of jobs to be created (Full Time)
$35,000

Estimated average annual salary of jobs to be created (Part Time)
$16,000

Estimated salary range of jobs to be created

<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>To (Full Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>From (Part Time)</th>
<th>To (Part Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,000</td>
<td>$16,000</td>
</tr>
</tbody>
</table>

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

If yes, please explain and identify out-of-state locations investigated
Expansion at the current facility located at KPM Exceptional, 1 Exceptional Way, Landing, NJ 07850

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?**

- Single Use Facility

### For Single Use Facility

<table>
<thead>
<tr>
<th>Occupant Name</th>
<th>KPM Exceptional LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>1393 Wisconsin Road</td>
</tr>
<tr>
<td>Contact Person</td>
<td>Jeff Fierle</td>
</tr>
<tr>
<td>Phone</td>
<td>800-388-9191 Ext 400</td>
</tr>
<tr>
<td>Fax</td>
<td>716-947-0429</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:jeff@kpmedi.com">jeff@kpmedi.com</a></td>
</tr>
<tr>
<td>Federal ID #</td>
<td>020569956</td>
</tr>
</tbody>
</table>

### 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
KPM Exceptional

Property Address:
1393 Wisconsin Rd

City/Town/Village
Derby, NY 14047

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)
55,000 sq ft

What percentage of the building does this represent?
100

Are terms of lease:
GROSS

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

Estimated date of occupancy
10/1/2019

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:
KPM Exceptional

Local Contact Person:
Jeff Fierle

Title:
General Manager (Derby Facility)

Current Address:
1393 Wisconsin Rd

Phone:
800-388-9191

Fax:
716-947-0429

E-Mail:
jeff@kpmedi.com

Website:
www.kpmedi.com

Company President/General Manager:
Glenn Beyerl

Number of employees moving to new project location:

Full-Time:
53

Part-Time:
4

Total:
57

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

Full-Time:
1

Part-Time:
1

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:
KPM supplies equipment to an established dealer network in excess of 600 active accounts. This equipment is stocked and shipped to our dealers from both the Landing, NJ location, and the Derby NY facility. With the growth of business increasing every year, KPM decided four years ago to build a new 100,000 sq ft facility in Landing, NJ. This is a state of the art facility, and one that KPM felt would handle future growth for the next decade. Fortunately or unfortunately, KPM has found itself once again outgrowing our current capacity. KPM's original plan was to expand the Landing, NJ facility. Within the conversations regarding this expansion, it was suggested that KPM look into the possibility of expanding its Derby, NY facility vs NJ expansion. Several positive factors regarding the expansion of the Derby location vs the Landing, NJ location. • Currently have several long term, experienced employees working from Derby • Centrally located within our territory footprint • Current Derby property has the room for expansion, and is within zoning requirements. • Derby Facility is located closer to our factory suppliers. (Reduced in-coming freight costs) • Reduced construction costs vs Landing, NJ • Less traffic congestion • Located close to Canada for planned future territory expansion • Possibilities of having the ECIDA abate the sales tax on the materials used for construction • Possibilities of having the ECIDA abate Property tax on a rolling scale for 7 years.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)
KPM was founded in 1957

Please list the square footage which the proposed tenant will lease at the Project location
55,000

Please list the square footage which the proposed tenant leases at its present location(s)
37,000

Describe the economic reason for either the increase or decrease in leased space.
KPM has shown continued growth the last 10 years in a row. New innovated products, and increase of market share are a couple of the reasons for this growth. A new 100,000 sq ft facility was built in Landing NJ 3 years ago. That facility, along with their Derby Facility are completely full. KPM has outgrown both facilities and are now looking to expand it Derby, NY facility.

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?
1/1/2019

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

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

Is location necessary to:

Discourage your company from moving out of New York State
Yes

Maintain your company's competitiveness within the industry:
Yes

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

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

Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?
Yes

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

If no, why not?

Will present location be your company’s headquarters?
No

If No, Where is the location of HQ:

City:
Landing
State:
NJ

Form Completed By:
Jeff Fierle

Relationship to Company:
General Manager, Derby Facility
Section V: Environmental Questionnaire

General Background Information

Address of Premises 1393 Wisconsin Road Derby, NY 14047
Name and Address of Owner of Premises Derby Warehousing LLC Jeffery Fierle

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
Approx 9 Acres. Currently has a 4 bedroom residential home on front of property and a 27,000 sq ft office / warehouse on rear of property. Warehouse has 4 load dock doors and 3 ground level doors. Entire property has a 5'-6' slope to rear of property (Away from road)

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
Original wooden structure (Office / warehouse) built approx 1955. Measures 300' x 36'. Two additional attached buildings were added approx 1980. One metal building measures 158' x 60'. The other metal building measures 35' x 80'. We are planning on removing the 35' x 80' building and replacing it with a Butler Metal Building measuring 110' x 250'

Describe all known former uses of the Premises
The previous owner was a Ladds Dog Food Distributor.

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
Currently KPM Exceptional is leasing the entire facility

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?
<BLANK>

If yes, please provide copies of the permits.
Identify the transporter of any hazardous and/or solid wastes to or from the Premises
Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

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

No

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

Discharge Into Waterbodies

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

None

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

Only water discharged from facility is sanitary sewage from restrooms

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

None

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

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.)

Additional space of 27,700 Sq. Ft. Climate Controlled building

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?

Currently leasing the facility now. They would like to stay in this area due to employees not willing to relocate. New construction costs in Derby, NY vs Landing, NJ

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

Derby Warehousing LLC will not be building an additional 27,700 sq ft warehouse. Current occupant (KPM) will construct new building in Landing, NJ and close the Derby, NY facility. Owner of facility will advertise for new tenant.

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.

None other then Landing, NJ
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)?  
64

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)  
No

If vacant, number of years vacant.  
0

If underutilized, number of years underutilized.  
0

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

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

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

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

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

Does the site have historical significance?  
No

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

If yes, provide estimated value of tax credits  
$

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

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

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

None
Section VIII: Senior Citizen Rental Housing Projects

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

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

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

Is the project consistent with the applicable municipal master plan?
   Yes

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details
   Expansion of Existing Light Industrial zoning

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

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

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

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

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

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

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, 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?
   No

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

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

No
**Fisher Price**  
**$4,025,058**  
**INDUCEMENT RESOLUTION**

<table>
<thead>
<tr>
<th><strong>Eligibility</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Incentives</strong></td>
</tr>
<tr>
<td>NAICS Section - 339932</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
</tr>
<tr>
<td>Retained Jobs: 274</td>
</tr>
<tr>
<td>Projected New Jobs: 5</td>
</tr>
<tr>
<td>Total Jobs 2 Years After Project Completion: 279</td>
</tr>
<tr>
<td>Annual payroll: $28,300,000</td>
</tr>
<tr>
<td>Estimated salary of jobs to be created: $89,000</td>
</tr>
<tr>
<td>Estimated salary of jobs to be retained: $103,000</td>
</tr>
<tr>
<td><strong>Project History</strong></td>
</tr>
<tr>
<td>Public hearing held. Transcript attached.</td>
</tr>
<tr>
<td>07/24/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQUA.</td>
</tr>
<tr>
<td>07/24/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</td>
</tr>
</tbody>
</table>

**Project Title:** Fisher Price

<table>
<thead>
<tr>
<th><strong>Project Address:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>636 East Girard Avenue</td>
</tr>
<tr>
<td>East Aurora, New York 14052</td>
</tr>
<tr>
<td>(East Aurora Union Free School District)</td>
</tr>
</tbody>
</table>

**Agency Request**

A sales tax savings in connection with upgrades to the company’s Team Center operations.

<table>
<thead>
<tr>
<th>Renovation</th>
<th>$1,948,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$1,497,000</td>
</tr>
<tr>
<td>Soft Costs/Other</td>
<td>$579,658</td>
</tr>
</tbody>
</table>

**Total Project Cost** $4,025,058

85% $3,421,299

**Company Description**

Fisher Price, Inc. is a manufacturer of toys and children’s products which are sold worldwide. The company was established in East Aurora in 1930. This location is the corporate headquarters and research and development center for the world’s leading brand of infant and preschool toys that enhance early childhood development. Fisher Price’s Play Lab was the first child research center of its kind in the toy industry. Fisher price is also a leading developer of baby gear products (nursery monitors, infant swings, high chairs) and character-based toys.

Although diminished in size, Fisher Price remains among the top non-govermental employers in Western New York with approximately 650 people working at the East Aurora plant. In 1997, the company was acquired by Mattel, Inc., a publicly traded company headquartered in El Segundo, California.

Toy assembly is conducted in plants located in China and Mexico.

**Project Description**

The proposed project consists of renovations to the Team Center which focuses on Mattel’s infant and preschool toy development. The Play Lab space will be renovated into a Center of Early Childhood Development research. The project is intended to upgrade the functionality and branded-look of the Team Center.

While Fisher Price employs approximately 650 employees in East Aurora, this project focuses solely on the employees associated with the Team Center.

In addition, the Team Center solidifies the existing workforce and helps provide state of the art facilities for research & development.
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 = $4,025,058</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = $3,421,299</td>
</tr>
<tr>
<td>Employment</td>
<td>Coincides with Recapture Period</td>
<td>Maintain Base: 274</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected: 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% : 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment: 278</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Coincides with Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Coincides with Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>State and Local Sales Taxes</td>
</tr>
</tbody>
</table>

Recapture applies to:
State and Local Sales Taxes

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained 274 FTE and created 5 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.
PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits*** and Percentage of Project Costs financed from Public Sector sources

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

PILOT Estimate Table Worksheet-Fisher Price - 2019

<table>
<thead>
<tr>
<th>Dollar Value of New Construction and Renovation Costs</th>
<th>Estimated New Assessed Value of Property Subject to IDA*</th>
<th>County Tax Rate/1000</th>
<th>Local Tax Rate (Town/City/Village)/1000</th>
<th>School Tax Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,948,400</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Apply equalization rate to value

<table>
<thead>
<tr>
<th>PILOT Year</th>
<th>% Payment</th>
<th>County PILOT Amount</th>
<th>Local PILOT Amount</th>
<th>School PILOT Amount</th>
<th>Total PILOT</th>
<th>Full Tax Payment w/o PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</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>$4,025,058</td>
<td>N/A</td>
<td>$260,572</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 6.4 %
## ADDENDUM TO PROJECT LOG

**FISHER PRICE - 2019**

<table>
<thead>
<tr>
<th>Evaluative Criteria</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage Rate (above median wage for area)</td>
<td>Erie County per capita income: $31,083</td>
</tr>
<tr>
<td></td>
<td>Company estimated average salary of jobs to be retained: $103,000</td>
</tr>
<tr>
<td></td>
<td>Company estimated average salary of jobs to be created: $88,000</td>
</tr>
<tr>
<td>Regional Wealth Creation (% sales/customers outside area)</td>
<td>Sales:</td>
</tr>
<tr>
<td></td>
<td>Outside NYS and within U.S. – 55%</td>
</tr>
<tr>
<td></td>
<td>Outside the U.S. – 43%</td>
</tr>
<tr>
<td>In Region Purchases (% of overall purchases)</td>
<td>16% of total supplies and vendor services are from firms in Erie County.</td>
</tr>
<tr>
<td>Supports Local Business or Cluster</td>
<td>N/A</td>
</tr>
<tr>
<td>Retention/Flight Risk</td>
<td>Fisher Price is a division of Mattel which is an American multinational manufacturing company with headquarters located in El Segundo, California. Given Mattel’s global scale and the number of locations and facilities throughout the world, one consideration for investment will always be the effectiveness and efficiency of capital being deployed.</td>
</tr>
<tr>
<td>LEED/Renewable Resources</td>
<td>N/A</td>
</tr>
<tr>
<td>MBE/WBE Utilization</td>
<td>Fisher Price has a history of utilizing M/WBE businesses in the role of general contractor and for furniture procurement.</td>
</tr>
<tr>
<td>Workforce Access – Proximity to Public Transportation</td>
<td>Bus route 70 provides transportation to the facility</td>
</tr>
</tbody>
</table>

**July 24, 2019**
## Table 1: Basic Information

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Fisher Price</th>
<th>Project Industry</th>
<th>(339) Miscellaneous Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality</td>
<td>East Aurora Village</td>
<td>School District</td>
<td>East Aurora</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$4,025,058</td>
<td>Construction Budget</td>
<td>$1,948,400</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>300</td>
<td>Direct Labor Income</td>
<td>$24,948,296</td>
</tr>
<tr>
<td>Direct Construction</td>
<td>14</td>
<td>Direct Construction Labor Income</td>
<td>$748,818</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$25,697,114</td>
<td></td>
<td></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>$235,393</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$4,772,483</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Income Tax Revenue</td>
<td>$13,792,730</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>$4,018,933</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Revenue</strong></td>
<td><strong>$22,819,539</strong></td>
</tr>
</tbody>
</table>

## Table 3: Estimated Project Incentives*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Savings</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax Savings</td>
<td>$260,243</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Incentives</strong></td>
<td><strong>$260,243</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>300</td>
</tr>
<tr>
<td>Indirect***</td>
<td>131</td>
</tr>
<tr>
<td>Induced****</td>
<td>226</td>
</tr>
</tbody>
</table>

Construction

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>14</td>
</tr>
<tr>
<td>Indirect</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 5: Ratios

<table>
<thead>
<tr>
<th>Benefits to Cost Ratio</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>**</td>
<td>87.7:1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall ROI</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>**</td>
<td>1466.5:1</td>
</tr>
</tbody>
</table>

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

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PUBLIC HEARING SCRIPT

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

Public Hearing to be held on July 8, 2019 at 10:00 a.m.,
at the Town of Aurora Town Hall, 300 Gleed Avenue (Auditorium)
East Aurora, NY 14052

ATTENDANCE:

Roger Piscun, Town of Aurora
Greg Wilber, Fisher-Price, Inc.

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Fisher-Price, 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 Friday, June 28, 2019.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the renovation and updating of the Team Center building's first floor, which includes the Play Lab space into a Center of Early Childhood Development Research and to office and meeting spaces (the “Improvements”); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and collectively with the Improvements, the “Facility”).

85
The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits (in compliance with Agency's uniform tax exemption policy).

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on July 23, 2019. There are no limitations on written comments.

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

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

Hello. My name is Greg Wilber. I am with Fisher-Price, Inc. and I am the director of the facilities. The project that we are discussing today is renovating the first floor of our team center which houses a lot of our teams that are focused on early childhood development for Mattel’s infant and preschool business and we’re going to be renovating the first floor to bring it up to 2019 standards. We are also going to renovate our play lab space that is used for early childhood development.

6. ADJOURNMENT:

As there were no further comments, the Hearing Officer closed the public hearing at 10:15 a.m.
SIGN IN SHEET
PUBLIC HEARING

July 8, 2019 at 10:00 a.m.
at the Town of Aurora Town Hall, 300 Gleed Avenue (Auditorium)
East Aurora, NY 14052
regarding:

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

Project Location: 636 Girard Avenue, East Aurora, New York 14052

<table>
<thead>
<tr>
<th>Name</th>
<th>Company and/or Address</th>
<th>X box to speak/comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Piscun</td>
<td>Town of Aurora</td>
<td></td>
</tr>
<tr>
<td>Greg Wilber</td>
<td>Fisher-Price, Inc.</td>
<td>X</td>
</tr>
</tbody>
</table>

87
## 2019 Fisher-Price TC Renovations

### 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>2019 Fisher-Price Team Center Renovations</td>
</tr>
<tr>
<td>Applicant Name</td>
<td>Fisher-Price, Inc.</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>636 Girard Avenue</td>
</tr>
<tr>
<td>Applicant City</td>
<td>East Aurora</td>
</tr>
<tr>
<td>Applicant State</td>
<td>New York</td>
</tr>
<tr>
<td>Applicant Zip</td>
<td>14052</td>
</tr>
<tr>
<td>Phone</td>
<td>716-687-3000</td>
</tr>
<tr>
<td>Fax</td>
<td>716-687-3150</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:Greg.Wilber@Fisher-Price.com">Greg.Wilber@Fisher-Price.com</a></td>
</tr>
<tr>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>Federal ID#</td>
<td>95-4506271</td>
</tr>
<tr>
<td>NAICS Code</td>
<td>5092</td>
</tr>
</tbody>
</table>

**Will a Real Estate Holding Company be utilized to own the Project property/facility**

- Yes
- No [No selected]

**What is the name of the Real Estate Holding Company**

- [ ]

**Individual Completing Application**

<table>
<thead>
<tr>
<th>Field</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Fran Abrams</td>
</tr>
<tr>
<td>Title</td>
<td>Administrative Assistant</td>
</tr>
<tr>
<td>Address</td>
<td>Fisher-Price, Inc.</td>
</tr>
<tr>
<td>Address 2</td>
<td>636 Girard Avenue</td>
</tr>
<tr>
<td>City</td>
<td>East Aurora</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14052</td>
</tr>
</tbody>
</table>

Phone 716-687-3384
Fax 716-687-3150
E-Mail Fran.Abrams@Fisher-Price.com
**Company Contact (if different from individual completing application)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Greg Wilber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Director Facilities</td>
</tr>
<tr>
<td>Address</td>
<td>Fisher-Price, Inc.</td>
</tr>
<tr>
<td>Address 2</td>
<td>636 Girard Avenue</td>
</tr>
<tr>
<td>City</td>
<td>East Aurora</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
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</tr>
<tr>
<td>Phone</td>
<td>716-687-3395</td>
</tr>
<tr>
<td>Fax</td>
<td>716-687-3150</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:Greg.Wilber@Fisher-Price.com">Greg.Wilber@Fisher-Price.com</a></td>
</tr>
</tbody>
</table>

**Company Counsel**

<table>
<thead>
<tr>
<th>Name of Attorney</th>
<th>Martin J. Clifford</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Name</td>
<td>Martin J. Clifford, Esq.</td>
</tr>
<tr>
<td>Address</td>
<td>716 Brisbane Bldg.</td>
</tr>
<tr>
<td>Address 2</td>
<td>403 Main Street</td>
</tr>
<tr>
<td>City</td>
<td>Buffalo</td>
</tr>
<tr>
<td>State</td>
<td>New York</td>
</tr>
<tr>
<td>Zip</td>
<td>14203</td>
</tr>
<tr>
<td>Phone</td>
<td>716-845-0333</td>
</tr>
<tr>
<td>Fax</td>
<td>716-853-2892</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:mclifford@cliff-law.com">mclifford@cliff-law.com</a></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Exemption from Sales Tax</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption from Mortgage Tax</td>
<td>No</td>
</tr>
<tr>
<td>Exemption from Real Property Tax</td>
<td>No</td>
</tr>
<tr>
<td>Tax Exempt Financing*</td>
<td>No</td>
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</tbody>
</table>

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

**Business Organization**

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Ownership</td>
<td></td>
</tr>
<tr>
<td>Year Established</td>
<td>1930</td>
</tr>
<tr>
<td>State of Organization</td>
<td>Delaware</td>
</tr>
</tbody>
</table>

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

Mattel, Inc., 100%
Applicant Business Description

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

Fisher-Price, Inc. is a major manufacturer of toys and children’s products sold worldwide. Established in East Aurora, New York, in 1930, Fisher-Price’s customers are major U.S. retailers including Wal-Mart, Target, and Kohls.

Estimated % of sales within Erie County 1
Estimated % of sales outside Erie County but within New York State 1
Estimated % of sales outside New York State but within the U.S. 55
Estimated % of sales outside the U.S. 43
(*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.

16%
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
East Aurora, NY 14052

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

In which Municipality will the proposed project be located
East Aurora, NY 14052

Address
636 Girard Avenue

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

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

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

SBL Number for Property upon which proposed Project will be located
165.13-1-1.12

What are the current real estate taxes on the proposed Project Site
EA Union Free School: $149,554.86; Town/County: $71,098.84; Village of East Aurora: $63,776.47

Assessed value of land
N/A

Assessed value of building(s)
N/A

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Town of Aurora

School District of Project Site
East Aurora Union Free

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 Team Center was built in 1996 and houses the Play Lab, a center for child observation and applied research, on the first floor.

The research is used to design and redesign toys, provide age grading, and approve content and products for infants to preschool-age children. Research and development support and design teams are also located on the first floor.

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

(This information is critical in determining project eligibility)

The Project consists of renovations to 160,000 SF of the Team Center to focus all of Mattel's infant and Preschool toy development here in WNY. To establish Fisher-Price as the leading child development brand in the toy industry, as a culture of child observation and applied research, it is proposed to renovate the Play Lab space into a Center of Early Childhood Development Research, in addition to first floor office and meeting spaces. Improvements include equipping the facilities with observational research technology; a modular design to create naturalistic, child-friendly research environments; and an inspirational, quality atmosphere that encourages children to play. And, to cultivate inspiration for ideation and intuitive design decisions for future toys and experiences that are engaging, fun, built with layers of play and learning opportunities, and designed for our Early Childhood Development Learning Curriculum for birth to 5-year-olds, which embodies the foundation for school readiness and the life skills needed to help prepare children to succeed in the 21st century, based on educational experts and latest research. The first floor will be renovated to provide a creative workspace with new workstations in an open floor plan modeled after the second floor which was renovated in 2015. An open floor plan with collaborative workspaces nestled into the team areas will allow teams to communicate and work together effectively and productively. Updates will also include a large meeting space to accommodate Town Hall GBT (Global Brand Teams) capacity and planogram functionality. A glass-enclosed maker space will provide visibility to different stages of design, sewing room, or even packaging, activity. This project will upgrade the functionality and brand-look of the Team Center and provide a creative workspace for teams on the first floor. While Fisher-Price employs 659 people, this project only impacts the Team Center which accounts for 274 of those employees. It is our belief that the financial assistance virtually assures the investment is made in East Aurora, solidifying our existing workforce and helping to attract top talent as we bring key businesses and categories onto the East Aurora campus that were previously located in El Segundo, CA.

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:

Financial assistance is necessary as described below.

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

Fisher-Price, Inc. is a division of Mattel, one that is critically important to Mattel. Given the global scale of Mattel and the number of locations and facilities around the world, one consideration for investment is always going to be the effectiveness and efficiency of the capital being deployed. Mattel has tentatively agreed to commit the necessary capital to the East Aurora campus as part of a re-organization to focus all Infant & Preschool toy development here in Western New York. However, these commitments are constantly under evaluation and reallocation across the globe is always a possibility. The participation of the ECIDA via the Sales Tax Exemption will drive further evidence of the most effective use of capital as well as the commitment of the Western New York community and separate Fisher-Price from other Mattel locations requesting investment and support.

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 impact is hard to predict, but it would raise the potential for the reallocation of funds to another Mattel facility who can demonstrate a better return on capital. If this were to happen, Fisher Price's ability to attract and retain top talent in WNY would suffer significantly - a creative and world-class work environment is now the cost of entry for the type of skills needed for such an innovative company. It is our belief that the financial assistance virtually assures the investment is made in East Aurora, solidifying our existing workforce and helping to attract top talent as we bring key businesses and categories onto the East Aurora campus that were previously located in El Segundo, CA.

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
Commercial

Describe required zoning/land use, if different
N/A

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

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

If yes, please explain

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

Fisher-Price was a pioneer in the area of child research, using observation as a design and development tool. The Play Lab on the first floor of the Team Center is a dedicated space for early childhood development research, providing specialized testing through observation to evaluate toys and products. The research is used to design and redesign toys, provide age grading, and approve content and products for infants to preschool-age children.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
100% Team Center project.

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.

Manufacturing No Multi-Tenant No Mixed Use


8/22
<table>
<thead>
<tr>
<th>Acquisition of Existing Facility</th>
<th>Commercial</th>
<th>Facility for the Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Housing</td>
<td>Back Office</td>
<td>Civic Facility (not for profit)</td>
</tr>
<tr>
<td>Yes Equipment Purchase</td>
<td>Retail</td>
<td>Other</td>
</tr>
</tbody>
</table>

Project Information

Estimated costs in connection with project
Land and/or Building Acquisition

$ 0  square feet  acres

New Building Construction

$ 0  square feet

New Building addition(s)

$ 0  square feet

Infrastructure Work

$ 0

Renovation

$ 1,948,400  160,000 square feet

Manufacturing Equipment

$ 0

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

$ 1,497,000

Soft Costs: (professional services, etc.)

$ 267,725

Other Cost

$ 311,933

Explain Other Costs

Technology, i.e., computer software & hardware.

Total Cost

$ 4,025,058

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:

Soft costs, i.e., architect fees of $25,300.

Sources of Funds for Project Costs:

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

$ 4,025,058

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):

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:
$4,025,058

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.
$ N/A

Lender Name, if Known
N/A

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

Construction Cost Breakdown:

Total Cost of Construction
$3,445,400 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$2,977,973

% 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
$2,977,973

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):
$260,572

Real Property Tax Benefit:

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

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

<table>
<thead>
<tr>
<th>Use</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>160,000 square feet</td>
<td>$4,025,058</td>
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<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
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<tr>
<td>Retail</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>$0</td>
<td>0</td>
</tr>
</tbody>
</table>


11/22
Specify Other

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

No

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

<BLANK>

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

N/A

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

8/1/2019

End date: Estimated completion date of project

12/31/2019

Project occupancy: estimated starting date of operations

1/1/2020

Have construction contracts been signed?

No

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

No

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

No

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>274</td>
<td>274</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>274</td>
<td>274</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

https://www.ecidsny.com/app/tax-incentive-application-2014/print/873
filed, 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>
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<tbody>
<tr>
<td>Management</td>
<td>88</td>
<td>$144,377</td>
<td>$37,538</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional</td>
<td>163</td>
<td>$88,885</td>
<td>$23,110</td>
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<td>$0</td>
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<tr>
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<td>$93,678</td>
<td>$13,956</td>
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<td>Independent Contractor</td>
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<td>$0</td>
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<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>N/A</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Part time</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<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

$28,323,333

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

$103,370

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

$0

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

$88,885

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

$0

Estimated salary range of jobs to be created

From (Full Time) $70,000 To (Full Time) $106,000

From (Part Time) $0 To (Part Time) $0

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

No

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

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

N/A

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

No

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

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

No

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

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

Single Use Facility

For Single Use Facility

Occupant Name: Fisher-Price, Inc.
Address: 636 Girard Avenue
Contact Person: Greg Wilber
Phone: 716-687-3395
Fax: 716-687-3150
E-Mail: Greg.Wilber@Fisher-Price.com
Federal ID #: 95-450-6271
SIC/NAICS Code: 5092

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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SIC or NAICS also briefly describe type of business, products/services, % of sales in Erie Co.
Section IV: Tenant Information
Section V: Environmental Questionnaire

General Background Information

Address of Premises  Fisher-Price, Inc., 636 Girard Avenue East Aurora, NY 14052
Name and Address of Owner of Premises  Mattel, Inc. 333 Continental Blvd. El Segundo, CA 90245

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

Commercial property located within the Village of East Aurora, non-flood zone.

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

Two-story building with basement built in 1996 as a Team Center for research and development, design, and marketing.

Describe all known former uses of the Premises

N/A

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

Environmental Service Group, Inc., 177 Wales Avenue, Tonawanda, NY 14150

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

Solid Waste: Allied Waste/Republic Services, 2321 Kenmore Avenue, Buffalo, NY 14207; Hazardous Waste: Environmental Service Group, 177 Wales Avenue, Tonawanda, NY 14150


17/22
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

N/A

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

No

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

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

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

1 - Underground tank - #2 Fuel Oil - 2,000 gallons 1 - Aboveground tank - Diesel Fuel - 275 gallons 1 - Aboveground tank - Diesel Fuel - 190 gallons

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.) N/A

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

<BLANK>

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

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

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

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

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

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

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

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

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

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

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

Does the site have historical significance? <BLANK>

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

If yes, provide estimated value of tax credits $  

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

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

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

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>
To: ECIDA Policy Committee  
From: John Cappellino  
Date: July 11, 2019  
Re: Shevlin Recapture Options

In September 2015, the ECIDA Board approved a sales tax benefit in the amount of $65,625 and a PILOT to Shevlin Land & Cattle Company in connection with the construction of a 15,000 sq. ft. facility for lease to Upstate Pharmacy. Shevlin utilized $59,792 in sales tax benefits from 11/12/15 through 6/30/16.


<table>
<thead>
<tr>
<th>Year</th>
<th>Municipality</th>
<th>AIO Amount</th>
<th>PILOT</th>
<th>Net Exemption (AIO – PILOT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>County</td>
<td>$7,788</td>
<td>$1,250</td>
<td>$6,538</td>
</tr>
<tr>
<td>2018</td>
<td>Town of West Seneca</td>
<td>$12,283</td>
<td>$1,971</td>
<td>$10,312</td>
</tr>
<tr>
<td>2018</td>
<td>West Seneca School District</td>
<td>$26,507</td>
<td>$4,253</td>
<td>$22,254</td>
</tr>
</tbody>
</table>

Since Shevlin is leasing the facility to Upstate Pharmacy, Shevlin is responsible for Upstate’s employment requirements. As part of its material terms, Upstate was required to retain 70 employees. In September 2018, the ECIDA Board approved a two-tiered retention goal of 90 or 95 percent (depending on the number of employees a company has). Accordingly, Upstate was required to maintain at least 63 employees. Upstate was also required to create eight new positions on or before 11/30/18. As of 11/30/18, Upstate was required to have a total of 71 employees (63 + 8).

Upstate was compliant with its retention requirements throughout its reporting and recapture period. However, Upstate did not create its required eight positions by November 30, 2018. In 2018, Upstate had a four-quarter average of 63 employees. Accordingly, Upstate was 11 percent below its employment requirements (63/71).

**Recapture Options**

**Option #1** – Upstate was compliant with its employment requirements until the fourth quarter of 2018, so no recapture.

**Option #2** - This option recaptures one year of PILOT benefits based on Upstate’s 11 percent employment shortfall.

<table>
<thead>
<tr>
<th>Year</th>
<th>Municipality</th>
<th>Improved Value of Property</th>
<th>Tax Rate</th>
<th>PILOT payment made</th>
<th>Shortfall percentage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>County</td>
<td>$559,700</td>
<td>12.979549</td>
<td>$1,250</td>
<td>11</td>
<td>$661.61</td>
</tr>
<tr>
<td>2018</td>
<td>Town of West Seneca</td>
<td>$559,700</td>
<td>20.472354</td>
<td>$1,971</td>
<td>11</td>
<td>$1,043.61</td>
</tr>
<tr>
<td>2018</td>
<td>West Seneca School District</td>
<td>$559,700</td>
<td>44.178495</td>
<td>$4,253</td>
<td>11</td>
<td>$2,252.11</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,957.33</td>
</tr>
</tbody>
</table>

**Option #3** – This option recaptures one year of PILOT benefits without considering Upstate’s 11 percent employment shortfall.

<table>
<thead>
<tr>
<th>Year</th>
<th>Municipality</th>
<th>Improved Value of Property</th>
<th>Tax Rate</th>
<th>PILOT payment made</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>County</td>
<td>$559,700</td>
<td>12.979549</td>
<td>$1,250</td>
<td>$6,014.65</td>
</tr>
<tr>
<td>2018</td>
<td>Town of West Seneca</td>
<td>$559,700</td>
<td>20.472354</td>
<td>$1,971</td>
<td>$9,487.38</td>
</tr>
<tr>
<td>2018</td>
<td>West Seneca School District</td>
<td>$559,700</td>
<td>44.178495</td>
<td>$4,253</td>
<td>$20,473.70</td>
</tr>
</tbody>
</table>

|      |                        |                           |              |                    | $35,975.73         |
Shevin Land and Cattle Co.
$1,700,000
INDUCEMENT RESOLUTION

Project Title: Shevin Land and Cattle Company
Project Address: 1900 North America Drive
West Seneca, New York 14224
West Seneca Center School District

Agency Request

A sales tax and real property tax abatement in connection with construction of a 15,000 sq.
ft. facility for lease to Upstate Pharmacy.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$100,000</td>
</tr>
<tr>
<td>New Building Construction</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$100,000</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$1,700,000</td>
</tr>
<tr>
<td>85%</td>
<td>$1,445,000</td>
</tr>
</tbody>
</table>

Company Description

Shevin Land and Cattle Co. ("Shevin") is a limited liability corporation formed by Concept
Construction for the purpose of the proposed project. Concept Construction is a WNY gen-
eral contractor specializing in general construction, construction management and design
and build services. The company has been in business since 1974 and has focused on hospi-
tals, health care facilities, office buildings, hospitality and lodging, restaurants, schools, ho-
tels and retail development.

Project Description

The developer, Shevin, is proposing to construct a 15,000 sq. ft. regional dispensary facil-
ity for lease to Upstate Pharmacy ("Upstate").

Upstate provides pharmacy services to residential group homes for people with develop-
mental disabilities and emotional challenges and pharmacy services to cancer patients
referred to them by their oncologist or cancer care system like Roswell Park Cancer Insti-
tute. They are not a retail, walk-in pharmacy for consumers.

Since 1988, Upstate has provided pharmacy services and supplies to 230 residential group
homes in the following counties: Chautauqua, Cattaraugus, Allegheny, Erie, Wyoming,
Livingston, Niagara, Genesee, Orleans and Monroe. The company also services 1100
cancer patients in these counties referred to by local physicians and the Roswell Park Can-
cer Institute.
PILOT Table

The project will generate approximately $47,000 of revenue to the local taxing jurisdictions over the abatement period representing $8,000 to the County of Erie, $12,000 to the Town of West Seneca and $27,000 to the West Seneca Central School District.

<table>
<thead>
<tr>
<th>Year</th>
<th>% payment under PILOT</th>
<th>Est. County PILOT</th>
<th>Est. Town PILOT</th>
<th>Est. School PILOT</th>
<th>Est. Total PILOT</th>
<th>Full Taxes without PILOT</th>
<th>Net Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.1%</td>
<td>$550</td>
<td>$814</td>
<td>$1,800</td>
<td>$3,164</td>
<td>$31,640</td>
<td>$28,476</td>
</tr>
<tr>
<td>2</td>
<td>0.3%</td>
<td>$550</td>
<td>$814</td>
<td>$1,800</td>
<td>$3,164</td>
<td>$31,640</td>
<td>$28,476</td>
</tr>
<tr>
<td>3</td>
<td>0.2%</td>
<td>$1,101</td>
<td>$1,627</td>
<td>$3,600</td>
<td>$6,328</td>
<td>$31,640</td>
<td>$25,312</td>
</tr>
<tr>
<td>4</td>
<td>0.2%</td>
<td>$1,101</td>
<td>$1,627</td>
<td>$3,600</td>
<td>$6,328</td>
<td>$31,640</td>
<td>$25,312</td>
</tr>
<tr>
<td>5</td>
<td>0.3%</td>
<td>$1,651</td>
<td>$2,441</td>
<td>$5,400</td>
<td>$9,492</td>
<td>$31,640</td>
<td>$22,148</td>
</tr>
<tr>
<td>6</td>
<td>0.3%</td>
<td>$1,651</td>
<td>$2,441</td>
<td>$5,400</td>
<td>$9,492</td>
<td>$31,640</td>
<td>$22,148</td>
</tr>
<tr>
<td>7</td>
<td>0.3%</td>
<td>$1,651</td>
<td>$2,441</td>
<td>$5,400</td>
<td>$9,492</td>
<td>$31,640</td>
<td>$22,148</td>
</tr>
<tr>
<td>TOTAL PAYMENTS</td>
<td></td>
<td>$8,255</td>
<td>$12,205</td>
<td>$27,000</td>
<td>$47,461</td>
<td>$221,483</td>
<td>$174,022</td>
</tr>
</tbody>
</table>

Draft Recaputre 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 = $1,700,000 85% = $1,445,000</td>
</tr>
<tr>
<td>Employment</td>
<td>To coincide with PILOT period</td>
<td>Maintain base: 70 Create 85% of projected: 10 85%: 8 Recapture Employment: 78</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>See recapture period</td>
<td>Adherence to pay equity policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>Coincides with 7 year PILOT term</td>
<td>Recapture of state and local sales taxes and real property taxes</td>
</tr>
</tbody>
</table>

Recapture applies to:
State and Local Sales Taxes
Payment in Lieu of Taxes

Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales tax and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA’s Policy Committee to recapture the local share of sales tax and real property taxes.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company has maintained base employment of 70 and created 8 additional jobs iii) adherence to local labor policy.
**Section I: Applicant Background Information**

### Applicant Information - Company Receiving Benefit

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Applicant Name</strong></td>
<td>SHEVLIN LAND AND CATTLE CO</td>
</tr>
<tr>
<td><strong>Applicant Address</strong></td>
<td>2555 TRANSIT RD - Elma, NY 14059</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>716-675-9171</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td></td>
</tr>
<tr>
<td><strong>E-mail</strong></td>
<td><a href="mailto:MSHEVLIN@CONCEPTCONSTRUCTION.COM">MSHEVLIN@CONCEPTCONSTRUCTION.COM</a></td>
</tr>
<tr>
<td><strong>Website</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
<td></td>
</tr>
<tr>
<td><strong>NAICS Code</strong></td>
<td>446110</td>
</tr>
<tr>
<td><strong>Will a Real Estate Holding</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Company be utilized to own</strong></td>
<td></td>
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<tr>
<td><strong>the Project property/facility</strong></td>
<td></td>
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<tr>
<td><strong>What is the name of the Real</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Estate Holding Company</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Federal ID#</strong></td>
<td></td>
</tr>
<tr>
<td><strong>State and Year of</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Incorporation/Organization</strong></td>
<td></td>
</tr>
<tr>
<td><strong>List of stockholders,</strong></td>
<td></td>
</tr>
<tr>
<td><strong>members, or partners of Real</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Estate Holding Company</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Individual Completing Application

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td>MIKE SHEVLIN</td>
</tr>
<tr>
<td><strong>Title</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>2555 TRANSIT RD, ELMA NY 14059</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>716-675-9171</td>
</tr>
<tr>
<td><strong>Fax</strong></td>
<td>716-675-6609</td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:MSHEVLIN@CONCEPTCONSTRUCTION.COM">MSHEVLIN@CONCEPTCONSTRUCTION.COM</a></td>
</tr>
</tbody>
</table>
Company Contact (if different from individual completing application)

Name
Title
Address
Phone
Fax
E-Mail

Company Counsel
Name of Attorney
JAMES GRESSENS
Firm Name
DUKE HOLZMAN PHOTIADIS & GRESSENS LLP
Address
701 SENECA ST, BUFFALO NY 14210
Phone
716-855-1111
Fax

E-Mail
JWGRESSENS@DHPGLAW.COM

Identify the assistance being requested of the Agency
Exemption from Sales Tax
Yes
Exemption from Mortgage Tax
No
Exemption from Real Property Tax
Yes
Tax Exempt Financing*
No
* (typically for not-for-profits & small qualified manufacturers)

Business Organization
Type of Business
Limited Liability Company
Type of Ownership
Year Established
2015
State of Organization
New York

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

Please include name and % of ownership.

MATT SHEVLIN - 31% STEVE SHEVLIN - 23% ROBERT SHEVLIN - 23% DAVID SHEVLIN - 23%
Applicant Business Description

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

Concept Construction Corporation is a self-performing, fourth generation, Western New York commercial general contractor, specializing in general construction, construction management and design build services. Established in 1974 by company CEO B. Michael Shevlin, the business, located in Elma, NY has approximately 50 full time employees. As the company grew, a strong emphasis was placed on developing, planning and strategically positioning itself to meet the unique needs of today's construction demands. With a diverse gallery of completed projects, Concept Construction has an impressive business portfolio which includes hospitals and health care facilities, office buildings, hospitality and lodging, restaurants, schools, hotels, retail and more. The Roadway Trucking facility in West Seneca, Wyndham Hotel in Williamsville, Camp Rd. Medical Building in Hamburg and Salvatore's - The Delavan Hotel in Lancaster are just a few examples of the same. The company continues to grow and diversify, creating the Shevlin Land and Cattle Company, formed to be a development holding company for this particular project for the benefit of Upstate Pharmacy. Concentrating primarily in Western New York, both Concept Construction Corp. and Shevlin Land and Cattle Company plan to continue to invest in our region’s economic prosperity.

Estimated % of sales within Erie County 95
Estimated % of sales outside Erie County but within New York State 5
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% UPSTATE PHARMACY, Unknown at this time. ALL LOCAL CONSTRUCTION
Section II: Eligibility Questionnaire - Project Description & Details

Project Location
Municipality or Municipalities of current operations
West Seneca, NY

Will the Proposed Project be located within the Municipality, or within a Municipality, identified above?
No

In which Municipality will the proposed project be located
WEST SENECA NY

Address
1900 NORTH AMERICA DR. WEST SENECA NY 14224

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 Section V of this Application)

SBL Number for Property upon which proposed Project will be located
Unknown at this time

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

Assessed value of land
$100,000.00

Assessed value of building(s)

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
WEST SENECA

School District of Project Site
WEST SENECA

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

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

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

Describe the present use of the Proposed Project site
VACANT LAND

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

The project includes the development of 2.5 acres of (presently vacant) land in West Seneca, NY. The structure required for the business operation is an expandable new building and the tenant (which is rapidly growing, has future expansion plans already in
its sights. Since 1998, Upstate Pharmacy Ltd. has provided pharmacy services to 230 residential group homes for people with developmental disabilities and emotional challenges in Chautauqua, Cattaraugus, Allegheny, Erie, Wyoming, Livingston, Niagara, Genesee, Orleans, and Monroe counties. The company also serves 1,100 cancer patients in these counties referred by physicians and the Roswell Park Cancer Institute. Upstate Pharmacy is the largest supplier of oncology drugs in Western New York. The company is not a retail, walk-in pharmacy for consumers. Services include 24-hour access for 365 days per year for delivery of medications. The company currently employs 75 pharmacists and technicians. Upstate Pharmacy is currently located on North America Drive, but its 10,000 square foot rented space cannot accommodate the company's significant growth. While the company expands its reach into the Rochester area, Upstate Pharmacy has committed to growing its central operations in West Seneca. Concept Construction Corporation was founded in 1974. The company has a rich history of success in constructing cost-effective, high-quality commercial buildings through Upstate NY. The company's reputation is built upon its philosophy of superior workmanship, professionalism, and outstanding performance. Concept Construction is proposing to build a 15,000 square foot facility to serve the growing business of Upstate Pharmacy. Both companies have selected a site at 1900 North America Drive. The state-of-the-art corporate headquarters and pharmacy operation will be built to accommodate the increased needs of patients who need medications and supplies delivered directly to their homes in a timely and effective manner. With the new facility, Upstate Pharmacy will add another 12 positions over the next three years. The cost of constructing the building will be approximately $1.7 million. Upstate Pharmacy will spend over $440,000 in the move with substantial new equipment. The Financial Assistance program, offered by the ECIDA, is what makes this project possible. The land purchase, Site work expense, and overall construction costs would exceed the feasibility of a sound business investment where finances necessary to sustain a workable business plan on its own would simply not work. It only becomes possible when you factor in the ECIDA program, which, when implemented, will allow for a reasonable lease term structure to be passed on to the long-term tenant, making the lease structure work. Without it, this home grown, successful WN Y business would be forced to leave the area to maintain its competitiveness, taking 70 employees and 10 new hires with it. This program will ensure that UPSTATE PHARMACY will remain in Erie County and WN Y serving the needs and good work of dozens of pharmacies all throughout our region, including Roswell Park for a long time. In addition, these inducements etc. will insure the retention of all those existing employees new hires mentioned earlier.

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)

VACANT LAND, NEW BUILD, PREPARE PRESCRIPTION DRUGS FOR distribution in WESTERN and Central NY. Without the ECIDA financial Assistance program, our tenant would likely be forced to leave the county. This program will ensure that UPSTATE PHARMACY will remain competitive in their market place ensuring the retention of all existing employees while adding a number of new hires.

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

COMMERCIAL DEVELOPMENT

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes
If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

NO

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

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

No

If yes, please explain.

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

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

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

Please check any and all end uses as identified below.

Retail Sales No Services No

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

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

PHARMACEUTICAL DISTRIBUTION L

Jun 9, 2015
Project Information

Estimated costs in connection with project
Land and/or Building Acquisition
$ 100,000

New Building Construction
$ 1,500,000

New Building addition(s)
$ 0

Infrastructure Work
$ 0

Renovation
$ 0

Manufacturing Equipment
$ 0

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

Soft Costs: (professional services, etc.)
$ 100,000

Other Cost
$ 0

Total Cost
$ 1,700,000

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

Sources of Funds for Project Costs:

Estimated Mortgage Amount
$

Lender Name, if Known

Equity
1,700,000

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

If Yes, describe particulars:

Construction Cost Breakdown:

Total Cost of Construction
$ 1,500,000

Cost for materials

Jun 9, 2015
$ 900,000

% 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

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

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>11,250 square feet $ 1,275,000</td>
<td>75</td>
</tr>
<tr>
<td>Warehouse</td>
<td>750 square feet $ 85,000</td>
<td>5</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>square feet $ 0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>square feet $ 0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>square feet $ 0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>3,000 square feet $ 340,000</td>
<td>20</td>
</tr>
<tr>
<td>Specify Other</td>
<td>square feet $ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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

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

Will project result in significant utility infrastructure cost or uses
No

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities
7/1/2015

End date : Estimated completion date of project
1/1/2016

Project occupancy : estimated starting date of operations
2/1/2016

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 project is to retain jobs, number of jobs to be retained</th>
<th>Total # of jobs 2 years after project completion</th>
<th>Net total new jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>70</td>
<td>70</td>
<td>80</td>
<td>10</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>70</td>
<td>70</td>
<td>80</td>
<td></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>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</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
$ 4,160,000

Estimated average annual salary of jobs to be retained
$ 59,000

Estimated average annual salary of jobs to be created
$ 50,000

Estimated salary range of jobs to be created
From $30,000 To $120,000

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: Adaptive Reuse Projects

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

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

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

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

SHEILA WALSH MEGAN, TOWN OF WEST SENeca SUPERVISor

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

Jun 9, 2015
Section IV: 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?

No

0%

<BLANK>

<BLANK>

<BLANK>

Yes

Existing employees will remain as well as the addition of new hires

No
Section V: 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.

Batavia, NY - Preference was to remain in WNY. Elm, NY - Transit Rd. site - traffic flow issues /building not suitable for expansion in the right direction Hamburg, NY - Driver familiarity issues / employee retention issues / proximity to interstate 90

Section VI: 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 UPSTATE PHARMACY
Address 1900 NORTH AMERICA DR, WEST SENECA NY
Contact Person Ted Kuzniarek
Phone (716) 675-3784
Fax
E-Mail upstaterx@aol.com

Jun 9, 2015
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>

Jun 9, 2015
Section VII: Environmental Questionnaire

General Background Information

Address of Premises 1900 NORTH AMERICA DR, WEST SENECTA NY
Name and Address of Owner of Premises SHEVLIN LAND AND CATTLE CO. 2555 TRANSIT RD,ELMA NY 14059
Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.) FLAT VACANT FIELD
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 VACANT LAND TO BUILD AN OFFICE PROCESSING BUILDING
Describe all known former uses of the Premises NONE
Does any person, firm or corporation other than the owner occupy the Premises or any part of it? No
If yes, please identify them and describe their use of the property

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

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

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

Solid And Hazardous Wastes And Hazardous Substances

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

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

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

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

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?
No

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

**Discharge Into Waterbodies**

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

NONE

Identify all sources of discharges of water, including discharges of waste water, process water, contact or non-contact cooling water, and storm water. 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?

<BLANK>

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

NO

**Air Pollution**

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

**Storage Tanks**

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

NONE

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials
To: ECIDA Policy Committee  
From: John Cappellino  
Date: July 11, 2019  
Re: Upstate Pharmacy Recapture Options

Background

In March 2016, the ECIDA Board approved a sales tax benefit to Upstate Pharmacy in the amount of $27,125 to assist in connection with the equipping of a newly constructed 15,000 sq. ft. facility.

Upstate received its sales tax benefit from 6/13/16 through 11/30/16. Upstate Pharmacy utilized $4,769.68 in sales tax benefits in those months. Upstate’s recapture period was in effect from 6/13/16 through 11/30/18 (two years after project completion).

As part of its material terms, Upstate was required to retain 70 employees. In September 2018, the ECIDA Board approved a two-tiered retention goal of 90 or 95 percent (depending on the number of employees a company has). Accordingly, Upstate was required to maintain at least 63 employees. Upstate was also required to create eight new positions on or before 11/30/18. As of 11/30/18, Upstate was required to have a total of 71 employees (63 + 8).

Upstate was compliant with its retention requirements throughout its reporting and recapture period. However, Upstate did not create its required eight positions by November 30, 2018. In 2018, Upstate had a four-quarter average of 63 employees. Accordingly, Upstate was 11 percent below its employment requirements (63/71).

Recapture Options

ECIDA staff offers the following recapture options for discussion with the Policy Committee.

Option #1 – Since Upstate was compliant with its employment requirements until the fourth quarter of 2018, no recapture.

Option #2- This option recaptures one year of sales tax benefits based on Upstate’s 11 percent employment shortfall.

<table>
<thead>
<tr>
<th>Sales Tax Benefit Utilized</th>
<th>Required Employment</th>
<th>Upstate’s average 2018 employment (over the 4 quarters of 2018)</th>
<th>Percent shortfall for 2018 (63/71)</th>
<th>Recapture Amount ($4,770/ 2 years (approximate length of benefit + two-year recapture period x 11% shortfall))</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,770</td>
<td>71</td>
<td>63</td>
<td>11%</td>
<td>$262</td>
</tr>
</tbody>
</table>

Option #3 – This option recaptures one year of sales tax benefits without considering Upstate’s 11 percent employment shortfall.

<table>
<thead>
<tr>
<th>Sales Tax Benefit Utilized</th>
<th>Required Employment</th>
<th>Upstate’s average 2018 employment (over the 4 quarters of 2018)</th>
<th>Recapture Amount ($4,770/2 years (length of benefit + two-year recapture period))</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,770</td>
<td>71</td>
<td>63</td>
<td>$2,385</td>
</tr>
</tbody>
</table>
May 30, 2019  
ECIDA Recapture and Termination Policy Committee  
95 Perry St.  
Suite 403  
Buffalo, NY 14203  

Re: Upstate Pharmacy  

Dear Committee Members:  

First off on behalf of Upstate Pharmacy I would like to thank the ECIDA for all the help and support they have shown to Upstate Pharmacy in the construction of our facility and related equipment.  

Why Upstate did not completely meet our employment goals  

In April of 2015, Upstate Pharmacy was awarded the bid from Roswell Park Comprehensive Cancer Center to start up, staff and manage an outpatient retail oncology pharmacy. It was a 5 year contract. We were able to grow revenue for Roswell at the expense of Upstate Pharmacy. We were essentially competing against ourselves. Upstate Pharmacy would receive referrals from Roswell for patients in need of our services in specialty oncology and supportive medications. Since Upstate was staffing and managing the Roswell pharmacy, referrals that would have gone to Upstate, were now going to the Roswell entity. This was not unexpected, but was unknown was the financial impact that this would have on Upstate.  

By 2017 revenues at the Roswell pharmacy grew to 14 million, while revenue decreased at Upstate by 9 million. We trained Roswell staff to take over and run the pharmacy and Upstate no longer had personnel working there by the end of September 2017. Upstate essentially did too good a job at their own expense. Also if we completed the 5 year contract, employment numbers at Upstate would be improved.
Positive news for the future

In May 2019 – Upstate Pharmacy received URAC accreditation for Specialty Pharmacy. Only 131 pharmacies in the country have this accreditation. Many payers and manufacturers recognize the URAC Specialty Pharmacy Accreditation as a key differentiator and independent validation of quality - often including this accreditation as a requirement to participate in their network.

This will allow Upstate Pharmacy to compete both locally and nationally in the area of specialty pharmacy and provide patient centered quality of care.

In May 2019 – Upstate Pharmacy will be doing pharmacy services for the ARC of Ontario and the ARC of Yates.

For 21 years Upstate Pharmacy has provided quality pharmacy care to the patients and groups we service here in Western New York and beyond. Upstate Pharmacy has also been a good corporate partner supporting the agencies we serve philanthropically. We will always look to continue to grow and hire quality people that are invented in our mission.

Respectfully submitted,

Ted Kuzniarek RPh
Vice-president/owner
Upstate Pharmacy
VIA U.S. Mail and Email:
Email: tedk@upstatepharmacy.com

May 17, 2019

Ted Kuzniarek
Pharmacist and Owner
Upstate Pharmacy, Ltd.
1900 North America Drive
West Seneca, NY 14224

Re: Accreditation Committee Decision for Application # SPP006324

Dear Ted Kuzniarek,

Congratulations! The URAC Accreditation Committee (AC) met on May 14, 2019 and reviewed your application for accreditation. The Accreditation Committee voted to grant Upstate Pharmacy, Ltd. FULL Accreditation pursuant to Specialty Pharmacy, Version 3.0 Program. This award is effective from June 1, 2019 to June 1, 2022.

Your organization is commended for its commitment to promoting quality health services by obtaining URAC accreditation. You will receive your Accreditation Certificate(s) via U.S. mail within fifteen (15) business days.

Several resources, described below, are available for download through your AccredNet 2.0 log-in (https://accredinet2.urac.org/uracportal) to aid in understanding and properly promoting your Accreditation Award.

1. Found within the Specialty Pharmacy, Version 3.0 Program listing under the "AC Determinations" tab:
   - An Application Scoring Summary Report (ASR) is available now and contains details regarding application scoring and the Accreditation Committee determination.
   - URAC Certification Seals will be available as of the award effective date for posting to your website and print materials are optimized in multiple file formats for ease of use.
   - An electronic URAC Accreditation Certificate will be available as of the award effective date to download.

2. Found within the "Resources" tab:
   - URAC Marketing Guidelines provide directives for the appropriate and acceptable display of URAC Accreditation Seals and Accreditation Certificates.
Upstate Pharmacy, Ltd.
$310,000
INDUCEMENT RESOLUTION

<table>
<thead>
<tr>
<th>ELIGIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• NAICS Section - 446110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY INCENTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Approximately $27,125 in sales tax savings.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Retained Jobs: 70</td>
</tr>
<tr>
<td>• New Jobs Projected - 10</td>
</tr>
<tr>
<td>• Total Jobs after 2 Years - 80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT HISTORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 9/16/2015 - ECIDA board approves Shevlin Land &amp; Cattle project which consists of the construction of a 15,000 sq. ft., facility for lease to Upstate Pharmacy</td>
</tr>
<tr>
<td>• No public hearing required since estimated benefit amount is less than $100,000</td>
</tr>
<tr>
<td>• 3/30/2016 - ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA.</td>
</tr>
<tr>
<td>• 03/30/2016 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</td>
</tr>
</tbody>
</table>

**Project Title:** Upstate Pharmacy, Ltd.

**Project Address:**
- 1900 North America Drive
- West Seneca, New York 14224
- (West Seneca Central School District)

**Agency Request**

A sales tax exemption in connection with the equipping of a newly constructed 15,000 sq. ft. facility.

- Equipment $310,000
- Total Project Cost $310,000
- 85% $263,000

**Company Description**

Upstate provides pharmacy services to residential group homes for people with development disabilities and emotional challenges and pharmacy services to cancer patients referred to them by their oncologist or cancer care system like Roswell Park Cancer Institute. They are not a retail, walk-in pharmacy for consumers.

Since 1988, Upstate has provided pharmacy services and supplies to 230 residential group homes in the following counties: Chautauqua, Cattaraugus, Allegheny, Erie, Wyoming, Livingston, Niagara, Genesee, Orleans and Monroe. The company also services 1100 cancer patients in these counties referred to by local, physicians and the Roswell Park cancer Institute.

**Project Description**

This project represents the companion piece to the previously approved project for Shevlin Land and Cattle. In September, 2015 the ECIDA board unanimously approved incentives for the developer to construct the facility that Upstate would be occupying. That project is constructed and Upstate is in the process of moving into the facility. Shevlin is investing $1,700,000 in the construction of that facility.

Upstate is relocating from 10,000 sq. ft. of leased space--also in West Seneca--into this newly constructed facility. ECIDA assistance is being requested to allow the company a sales tax exemption in connection with the equipping of the facility.
## 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 = $310,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% of total project amount = $263,500</td>
</tr>
<tr>
<td>Employment</td>
<td>See Recapture Terms</td>
<td>Maintain Base = 70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of projected jobs = 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment = 78</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>See Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>See Recapture Period</td>
<td>Adherence to Policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 Years After Project com-</td>
<td>Recapture of State and Local Sales Taxes</td>
</tr>
<tr>
<td></td>
<td>pletion</td>
<td></td>
</tr>
</tbody>
</table>

Recapture applies to:
- State and local sales taxes

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA’s Policy Committee to recapture the local portion of the sales tax.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create an additional 10 jobs (85% = 8) iii) confirm adherence to ECIDA local labor hiring policy iv) adherence to Pay Equity Policy and v) adherence to unpaid tax policy.
Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name: upstate pharmacy ltd
Applicant Address: 40 north america drive
Phone: 716-675-3784
Fax: 716-675-7777
E-mail: tedk@upstatepharmacy.com
Website: www.upstatepharmacy.com

Federal ID#:
NAICS Code: 446110

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

What is the name of the Real Estate Holding Company:

Individual Completing Application

Name: ted kuzniarek
Title: vice-president/owner
Address: 11 countryside lane, depew NY 14043
Phone: 716-316-8972
Fax: 716-375-7777
E-Mail: tedk@upstatepharmacy.com
Company Contact (if different from individual completing application)

Name
Title
Address
Phone
Fax
E-Mail

Company Counsel
Name of Attorney  terry flynn
Firm Name  harris beach
Address  716 exchange st buffalo ny 14210
Phone  716-200-5120
Fax  716-200-5215
E-Mail  tflynn@harrisbeach.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business  Corporation
Type of Ownership
Year Established  1998
State of Organization  New York

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

Please include name and % of ownership.

ted kuzniarek 50% phil Petonia 50%
Applicant Business Description

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

Since 1998, Upstate Pharmacy Ltd. has provided pharmacy services to 230 residential group homes for people with developmental disabilities and emotional challenges in Chautauqua, Cattaraugus, Allegheny, Erie, Wyoming, Livingston, Niagara, Genesee, Orleans, and Monroe counties. The company also services 1100 cancer patients in these counties referred by physicians and the Roswell Park Cancer Institute. Upstate Pharmacy is the largest supplier of oncology drugs in Western New York. The company is not a retail, walk-in pharmacy for consumers. Services include 24-hour access for 365 days per year for delivery of medications. The Company currently employs 70 pharmacists and technicians.

**Estimated % of sales within Erie County** 75

**Estimated % of sales outside Erie County but within New York State** 25

**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% - EVOLVE TECHNOLOGY $46,772 (AMHERST 14228), EASTERN STATES ALARM - $14,325 (WEST SENeca 14224) BGI MILLWORK - $178,000 (LACKAWANNA 14218) MILLINGTON LOCKWOOD FURNITURE - $15,000 (BUFFALO 14225) WINDSTREAM PHONE SYSTEM $29,000 (WILLIAMSVILLE 14221) COOK MOVING $9,000 (BUFFALO 14225)
Section II: Eligibility Questionnaire - Project Description & Details

Project Location
Municipality or Municipalities of current operations
west seneca

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

In which Municipality will the proposed project be located
west seneca

Address
1900 north america drive, west seneca ny 14224

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 Section V of this Application

SBL Number for Property upon which proposed Project will be located
n/a

What are the current real estate taxes on the proposed Project Site
n/a

Assessed value of land
n/a

Assessed value of building(s)
n/a

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
west seneca

School District of Project Site
west seneca

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

If No, indicate name of present owner of the Project Site
shevelin land and cattle

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

Describe the present use of the Proposed Project site

Please provide narrative of 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)
NEW BUILD FOR UPSTATE PHARMACY TO GROW BUSINESS LONG TERM CARE SPECIALTY PHARMACY

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 Financial Assistance program, offered by the ECIDA is what makes this project possible. The land purchase, Site work expense and overall construction costs would exceed the feasibility of a sound business investment where finances necessary to sustain a workable business plan on its own would simply not work. It only becomes possible when you factor in the ECIDA program, which, when implemented will allow for a reasonable lease term structure to be passed on to the long-term tenant, making the lease structure work. Without it, this home grown, successful WNY business would be forced to leave the area to maintain its competitiveness, taking 70 employees and 10 new hires with it. This program will ensure that UPSTATE PHARMACY will remain in Erie County and WNY serving the needs and good work of dozens of pharmacies all throughout our region, including Roswell Park for a long time. In addition, these inducements etc. will insure the retention of all those existing employees new hires mentioned earlier.

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

business park

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

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?

New packing sealers give off less heat. Project has a grant from NYSERTA and National Fuel

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

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

No

If yes, please explain.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?
Select Project Type for all end users at project site (you may check more than one)

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

Please check any and all end uses as identified below.

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

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(1) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

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

Estimated costs in connection with project

Land and/or Building Acquisition

$ 0  
square feet  
acres

New Building Construction

$ 0  
square feet

New Building addition(s)

$ 0  
square feet

Infrastructure Work

$ 0

Renovation

$ 0  
square feet

Manufacturing Equipment

$ 0

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

$ 275,000

Soft Costs: (professional services, etc.)

$ 35,000

Other Cost

$ 0

Explain Other Costs

Total Cost

$ 310,000

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

$ 0

Sources of Funds for Project Costs:

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

$  

Lender Name, If Known

Equity

1,700,000

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

No

If Yes, describe particulars:

Construction Cost Breakdown:

Total Cost of Construction

$ 0  
(sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials
$ 0

% 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

$ 310,000

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

$ 27,125

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost (sq feet)</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Retail</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Office</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Specify Other</td>
<td>Pharmacy $310,000</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

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

2/1/2016

End date: Estimated completion date of project

4/1/2016

Project occupancy: estimated starting date of operations

4/1/2016

Have construction contracts been signed?

Yes

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

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

Is project necessary to expand project employment?
Yes

Is project necessary to retain existing employment?
Yes

Employment Plan (Specific to the proposed project location):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>If project is to retain jobs, number of jobs to be retained</th>
<th>Total # of jobs 2 years after project completion</th>
<th>Net total new jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>70</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>70</td>
<td>80</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

$ 3,600,000

Estimated average annual salary of jobs to be retained

$ 49,000

Estimated average annual salary of jobs to be created

$ 49,000

Estimated salary range of jobs to be created

From $ 27,000 To $ 103,000

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?

Yes

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

spoke to workforce development of Erie County
Section III: Adaptive Reuse Projects

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

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

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 Yes

Is the project located in a Highly Distressed Area? No

PROJECT WILL INCREASE PRIVATE SECTOR JOBS
Section V: 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? No

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

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

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

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

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

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

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

Section VI: 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 Upstate Pharmacy Ltd
Address 1900 North America Dr.
Contact Person Ted Kuzniarek
Phone 7166753784
Fax 7166757777
E-Mail tedk@upstatepharmacy.com

Federal ID #
Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

<BLANK>

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

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

General Background Information

Address of Premises 1900 NORTH AMERICA DRIVE
Name and Address of Owner of Premises SHEVLIN LAND AND CATTLE

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

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

Describe all known former uses of the Premises

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

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

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

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

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

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

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

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

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

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

If yes, please provide copies of the permits.

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

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

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?
   No

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

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

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

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

No.

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

Air Pollution

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

No.

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

Are any of the air emission sources permitted?

No.

If yes, attach a copy of each permit.

Storage Tanks

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

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

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.