An independent, public-benefit corporation helping businesses invest in Erie County’s thriving economy
Letter from the President/CEO

In 2016 the ECIDA improved our outreach by strengthening relationships with our community partners and increasing our engagement with minority and women-owned business owners. We are very proud of the local and national recognition we received for our positive economic impact for successes like our Adaptive Reuse tax incentive program.

But our work is not just about the $738 million in economic impact that our development efforts generated in 2016. The ECIDA has also become an innovative leader in creating a more competitive business environment for Erie County’s future.

We took important steps forward in our exploration of developing a zero-net energy light manufacturing plant—the first of its kind in New York State. The future of advanced manufacturing construction must have a focus on sustainability and energy savings, and the ECIDA is leading the way with our Z7+ building concept. The building is now in the design development stage and we look forward in 2017 to the next step, which may lead the way in revitalizing the Bethlehem Steel campus.

Thanks to the leadership of County Executive Mark Poloncarz and U.S. Senator Charles Schumer, more than $5 million in previously sequestered Federal funds were released back into our loan portfolio that had been tied up for more than a decade in red tape. Our team is busy working to get these funds into the hands of business owners who can use it to grow and create jobs in Erie County.

On a bittersweet note, ECIDA Board member Frank Mesiah retired in 2016 from his position as President of the Buffalo Chapter of the NAACP, and subsequently stepped down from his ex-officio seat on our Board. Mr. Mesiah was an ECIDA Board member for 18 years and also brought an important perspective to discussions as a member of our Policy Committee. In December of 2016 we welcomed his successor at the NAACP, Rev. Mark Blue to our Board.

In 2016 the ECIDA Board also welcomed new members Paul Vukelic, Joseph Emminger, David Lowrey, Lou Panzica and Sister Denise Roche. We salute departing members Dennis Elsenbeck, Chris Johnston, Carol Nowak, County Leg. Betty Jean Grant, and David State for their valued commitment and leadership.

As 2017 unfolds, we will continue our efforts to both create and retain jobs, help the businesses of Erie County grow, and enrich the lives of our neighbors.

If you would like to learn more about the ECIDA, our lending products or economic development tools, I encourage you to visit our website at www.ecidany.com, or call my office at 716-856-6525.

Sincerely,
Steve Weathers
The 13 projects approved for tax incentives by the ECIDA in 2016 generated $134.6 million in private investment. The average annual salary of new jobs created on these projects is $47,965. The average annual salary of retained jobs, or jobs that may have been lost without the incentives, is $50,097. The overall economic impact in Erie County will be more than $737.8 million in goods and services, payroll, and other community economic benefits.

### ECIDA Tax Incentives

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<th>Projects Approved</th>
<th>New Private Investment Generated</th>
<th>Estimated Overall Economic Impact in Erie County</th>
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<td>13</td>
<td>$134.6M</td>
<td>$737.8M</td>
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#### RDC Loans

- **12 Loans Funded**: $4M total
- New private investment generated: $13M

For every dollar lent by the RDC, $3.30 in private investment was leveraged in Erie County.

#### ILDC Tax Exempt Bond Financing

- **1 Project Approved by ILDC**: New private investment generated: $53.5M
- **1 Project Approved by ECIDA**:

#### Total Jobs Created

- **Total PERMANENT JOBS created**: 316
- **Total JOBS RETAINED**: 1020

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1. One loan administered through ILDC
2. Refinanced Joint Schools Construction Board debt totaling $175 million
Tax Incentives encourage private investment and job creation in Erie County by allowing a business a reduction on future taxes—either sales tax savings on purchased construction materials or equipment, for example, or a seven to ten-year reduction in future property taxes based on assessed value (Payment In Lieu Of Taxes, or PILOT agreement). A business may also qualify for a one-time reduction of the County’s mortgage recording fee.

Tax incentives are not granted as forgiveness on past taxes, awarded as cash, or approved without a recapture provision requiring the applicant to meet investment targets, and job creation and/or retention requirements. The ECIDA’s Recapture Policy has been in effect since 2014 and is one of the strongest in New York State. Our Compliance Officer closely monitors each applicant’s submitted quarterly jobs reports to ensure the applicant is within the bounds of their agreement.

Compliance also monitors sales tax incentives ensuring that companies do not exceed Board-approved limits. If they fall short, the ECIDA Board may vote to initiate recapture due process, which includes testimony from the company and considering each case individually.

This minority-owned rebar and fabrication installation business wanted to expand its fabrication, warehouse and maintenance facility in Lackawanna with a 13,000 sq. ft. addition, while converting the existing shop space into offices. The $782,000 project was approved for sales tax savings, and property tax savings over seven years. Iroquois Bar also received a one-time reduction in the County mortgage recording fee. The new warehouse will create two new jobs and help Iroquois retain its current 65 employees. Over the abatement period, the project is estimated to generate approximately $33,000 of new tax revenue representing $3,000 to the County of Erie, $15,000 to the City of Lackawanna and $15,000 to the Lackawanna Central School District.
Great Lakes Orthodontics, Ltd.

Dental appliance manufacturer Great Lakes Orthodontics sought tax incentives to expand their Tonawanda facility. The ECIDA Board approved property tax savings over ten years, and sales tax savings on non-manufacturing equipment for a $4.3 million, 25,000 sq. ft. expansion to accommodate new warehouse, office and manufacturing space. Without this expansion, Great Lakes reported that it may have to consider manufacturing in China, directly affecting 150 jobs in Erie County. The project will add nine new jobs at the Tonawanda location. Great Lakes currently employs 221 people. The project is estimated to generate approximately $184,000 of new tax revenue representing $25,000 to the County of Erie, $65,000 to the Town of Tonawanda and $94,000 to the Kenmore – Town of Tonawanda Union Free School District over the abatement period.

Calspan Corporation

World-renowned aerospace technology innovator Calspan Corporation, proposed the construction of a $7 million, 50,000 sq. ft. vehicle crash-testing facility at their Cheektowaga campus. The new project would allow Calspan to accelerate testing and research and development for its global customers, which include Mercedes-Benz, Audi, Ford, Kia, Honda, General Motors, and the United States Government.

Calspan was approved for property tax savings over ten years, and sales tax savings on equipment. The innovative transportation safety leader and inventor of the crash test dummy was also approved for a one-time reduction in the County’s mortgage recording fee, saving them an additional $50,000. The expansion will create 11 new jobs. The project is estimated to generate approximately $165,000 of new tax revenue over the abatement period representing $28,000 to the County of Erie, $50,000 to the Town of Cheektowaga and $87,000 to the Lancaster School District.
Teenaged proprietor Zandra Azariah Cunningham has been developing beauty soaps, sugar scrubs and lotions since she was nine years old. Zandra has become well-known in the entrepreneurial community, speaking to groups as a minority/women business owner and a young entrepreneur.

She and her mother, Tamara Lewis have built Azariah’s products into a wholesale business, with her products available at retailers in New York, New Jersey and California. The loan will be used for equipment, salaries to hire additional production employees and capital expenses.

The ECIDA offers loans to Erie County businesses through its lending affiliate, the Regional Development Corporation. The RDC offers small business loans from $5,000 to $50,000, and large business loans from $50,000 to $2 million. RDC often partners with traditional lenders and has the flexibility to take on riskier loans to help a growing business bridge a financing gap. The RDC shares a Board of Directors with the ECIDA; loans over $350,000 must be approved by the Board.

Azariah’s Innocence, LLC

Teenaged proprietor Zandra Azariah Cunningham has been developing beauty soaps, sugar scrubs and lotions since she was nine years old. Zandra has become well-known in the entrepreneurial community, speaking to groups as a minority/women business owner and a young entrepreneur.

She and her mother, Tamara Lewis have built Azariah’s products into a wholesale business, with her products available at retailers in New York, New Jersey and California. The loan will be used for equipment, salaries to hire additional production employees and capital expenses.
General Welding and Fabrication, Inc.

Family-owned General Welding and Fabricating are known for their signature welded art projects like the soaring animal sculptures that adorn the gate of the St. Louis Zoo, Canalside’s Ice Bikes, and specialized parts for the US Navy. Owner Mark Andol wanted to expand General Welding’s 48,000 sq. ft. Elma production facility to accommodate growing production demands.

With a $500,000 loan from RDC in conjunction with financing from Lakeshore Savings Bank, Andol was able to meet the project’s $1.9 million cost, including equipment purchase and working capital. The expansion added ten jobs to General Welding’s 26 part-time and 42 full-time workers.

Sherex/Disc Lock, LLC

Rivet nut designer and installer Sherex Fastening Solutions needed financing to purchase Culver City, California fastening company Disc Lock, Inc. Sherex planned to move Disc Lock’s staff and product specialties to their Tonawanda facility. The RDC loan committee approved a $325,000 loan, and with additional financing from Five Star Bank, Sherex completed the purchase under the name Disc Lock, LLC. Seven jobs were created in Erie County, adding to Sherex’ 45-person workforce.
The Industrial Land Development Corporation [ILDC] is the bond issuer and land development affiliate of the ECIDA. Nonprofit organizations can fund large capital projects, including acquisition, with tax exempt bond financing by using the ILDC.

Buffalo Niagara Medical Campus
Buffalo, NY

In 2016, the ILDC served as the bond issuer to allow Buffalo Niagara Medical Campus, Inc. to finance $53,500,000 for a parking garage proposed for the Buffalo Niagara Medical Campus. The demolition of an existing 900-car structure, which had deteriorated and was not handicapped accessible, will be replaced by an 1,800-space parking garage serving the Oshei Children’s Hospital and the Jacobs School of Medical & Biomedical Sciences. The ECIDA also provided $535,000 in a mortgage recording fee abatement.

Special Projects: Z7+

Lackawanna, NY

The ECIDA has taken a lead role in the cutting-edge field of net-zero manufacturing in Western New York. An advanced manufacturing facility that creates as much or more energy than it uses—producing zero utility bills—has never been built in this region. ECIDA staff have partnered with the University of Buffalo, Erie County, several architectural firms, planners and environmental technology groups to develop Z7+, which will be Erie County’s first net-zero manufacturing facility. Current plans are to locate Z7+ on the Bethlehem Steel campus, spurring the future development of an energy-efficient manufacturing business park. Z7+ is currently in the design development stages.
The Erie County Industrial Development Agency Board of Directors is a 19-member, all-volunteer board made up of 14 ex-officio seats, and five seats appointed jointly by the County Executive and the Chair of the County Legislature. The Board meets monthly, and minutes can be viewed/downloaded at www.ecidany.com.

**MISSION STATEMENT**

The mission of the Erie County IDA is to provide the resources that encourage investment, innovation and international trade - creating a successful business climate that improves the quality of life for the residents of the region.

**Our Staff**

The ECIDA is not part of Erie County government, and ECIDA staff are not County, State or City employees. The ECIDA is a public benefit corporation, and does not receive any operating funds from any tax revenue source. Its operating funds are derived from fees charged to the private for-profit businesses who enter into contracts with the ECIDA.

**Michael Alexander**
LOAN MANAGER

**Laurie Hendrix**
ADMINISTRATIVE ASSISTANT

**Robbie-Ann McPherson**
MARKETING & COMMUNICATIONS MANAGER

**Patricia Smith**
BOOKKEEPER

**Bradley Bach**
SENIOR ACCOUNTANT

**Carrie Hociejnic**
ADMINISTRATIVE ASSISTANT

**Lori Szewczyk**
DIRECTOR OF GRANTS

**Dawn Boudreau**
COMPLIANCE OFFICER

**Brian Krygier**
SYSTEMS ANALYST

**Steve Weathers**
PRESIDENT & CEO

**John Cappellino**
EXECUTIVE VICE PRESIDENT

**Grant Lesswing**
BUSINESS DEVELOPMENT OFFICER

**Mollie Profic**
CONTROLLER

**Karen Fiala**
MANAGER, TAX INCENTIVE PRODUCTS

**Jerry Manhard**
CHIEF LENDING OFFICER

**Phillip Riggs**
FACILITIES SITE MANAGER

**2016 YEAR IN REVIEW**

as of December 2016
The ECIDA increased our efforts in 2016 to reach out to minority-owned and women-owned businesses, volunteering in the community and spreading the word about our resources for growing businesses in Erie County. Staff also participated in the annual Western New York United Way Day of Caring event in August, serving as Big Brothers and Big Sisters for a day in the City of Buffalo.

The ECIDA also sponsored a M/WBE workshop with New York State’s Excelsior Growth Fund that informed business owners in various stages about financing and other challenges.

The ECIDA partnered with 43North to sponsor The Pitch, a contest for minority-owned and women-owned (M/WBE) businesses offering a $10,000 prize to the winner, and two $5,000 prizes.

Our Business Development Team, Loan Division and Executive Team presented throughout the year to Chambers of Commerce, community groups, business networking events and one-on-one meetings to educate Erie County businesses about how the ECIDA might help their business thrive and create jobs.
Community Outreach

Community stakeholders, ECIDA Board members and planners from the City of Buffalo and Erie County participated in a bus tour to four Adaptive Reuse project sites in June. The ECIDA hosted the half-day event, which educated visitors on the complex issues developers face when rehabilitating older, vacant buildings in different parts of Buffalo.

Recognition

The ECIDA’s Adaptive Reuse Tax Incentive program received national recognition in September from the International Economic Development Council at their annual conference in Cleveland, Ohio. The ECIDA was the Bronze Award recipient for “Multi-Year Economic Development, Population greater than 500,000” in recognition for the Adaptive Reuse Program’s positive impact on the City of Buffalo and Erie County.

ECIDA Executive Vice President John Cappellino was recognized by the New York State Association of Realtors (NYSCAR), and awarded the prestigious 2016 Meritorious Service Award at NYSCAR’s annual banquet in February.

ECIDA Loan Manager Michael Alexander completed the Leadership Buffalo 2016 Rising Leaders Class.
For more details about these and other ECIDA projects, access the ECIDA project lists at www.ecidany.com

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