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FOR IMMEDIATE RELEASE

ECIDA Board approves revised Countywide Uniform Tax Exempt Policy

New IDA guidelines for incentivizing private investment in Erie County take effect April 1

Buffalo, NY— The Erie County Industrial Development Agency (**ECIDA**) Board of Directors unanimously approved a revised, rewritten Uniform Tax Exemption Policy (**UTEP**) on Wednesday. The UTEP establishes Countywide IDA guidelines for what projects are eligible to apply for incentives and defines the terms for those incentives in accordance with New York State General Municipal Law (**GML**).

The revisions approved by the ECIDA Board Wednesday were the result of a years-long group effort by representatives from all five Erie County IDAs: Amherst, Clarence, Erie County, Hamburg and Lancaster. The UTEP now goes to the regional town IDAs for approval, before taking effect on April 1.

“This revised UTEP demonstrates the high level of cooperation and coordination among all five of the IDAs in Erie County,” **said ECIDA President and CEO John Cappellino**. “Our working group took a careful look at our existing UTEP, and although it has been updated several times in the past twenty years, we decided as a group that it was time to actually redraft it, to better address today’s economic challenges,” Cappellino said.

Erie County Executive and ECIDA Board member Mark Poloncarz commented just before the vote, “I want to thank the staff. I know this was a very long process, and it’s a very tedious process, but the work to amend and restate the Countywide UTEP was certainly needed.”

The ECIDA Policy Committee, Chaired by ECIDA Board Vice Chair Richard Lipsitz, reviewed the revised UTEP draft in January, and forwarded a unanimous vote of recommendation to the ECIDA Board for Wednesday’s vote.

“The UTEP is taken very seriously by the ECIDA Policy Committee and Board. Having a uniform, Countywide baseline enables IDAs to maintain accountability and transparency to the public and to the businesses that apply for incentives,” **Lipsitz said**.

Changes in the 2022 UTEP include:

- Clarifying language to make the document more user-friendly and easier to implement.
- Adjusting the “Payment In Lieu of Taxes (**PILOT**) Worksheet,” which determines the amount and term length (5, 7 or 10 years) of future property tax reductions on qualified projects. For example, a project that scores the highest on the worksheet could be eligible for the longest PILOT term at ten years, and greater total abatement [See attached PILOT Schedule Table].

- PILOT Scoring Sheet Metrics include Local Labor Compliance, Location, Investment Amount, Type of Industry, Jobs Created and Construction Jobs created.
- The new UTEP eliminates the “10-year Enhanced PILOT schedule.” The 10-year “Enhanced” PILOT allowed 100% abatement for up to seven years, a greater incentive reserved for large companies with exceptional job creation numbers. A standard 10-year PILOT is still offered for qualifying projects.
- To incentivize more smaller, mixed-use developments, a five-year PILOT schedule was introduced.
- A special “Renewable Energy” PILOT policy was created to establish a baseline for incentivizing solar and other renewable energy projects.
- The Adaptive Reuse policy, which has been extremely successful in encouraging the redevelopment of large, abandoned buildings in urban areas, added language clarifying that IDAs can adopt additional Adaptive Reuse criteria as an addendum to the UTEP, which allows each IDA to address redevelopment issues unique to existing properties in their municipalities.
- The new UTEP changed its Eligible Applicants definition system from the former NAICS-based system of business categories, which assigned a number category to each applicant, to a more simplified business activities system. The NAICS system became outdated and confusing due to changes and updated language in the GML. The new UTEP also features a “Renewable Energy and electric energy storage” category, to conform with GML amendments that encourage IDAs to incentivize these types of projects, under New York renewable energy goals.
- Language was strengthened confirming the ineligibility of most retail businesses, citing section 862 of the General Municipal Code.
- To continue incentivizing adaptive reuse and senior housing development, a new “special projects” section was added to outline policy for mixed-use projects, also citing Section 862 of the GML.

Unchanged in the new UTEP is the practice of notifying affected communities when a business expansion requires a move from one municipality to another within the County. Having the UTEP as a baseline “Countywide Policy” adopted by all five Erie County IDAs prevents inter-municipal or inter-regional project competition, because the same benefits are available for projects across the entire County.

The revised UTEP will take effect April 1, 2022.

The Erie County Industrial Development Agency is a public benefit corporation sanctioned by the State of New York to offer tax incentives to qualified businesses, and is dedicated to furthering economic development, adaptive reuse of qualified properties, job creation and ensuring a thriving business environment in Erie County. The staff of the ECIDA are not employees of the City of Buffalo, the County of Erie, or the State of New York. The ECIDA does not receive operating funds from taxpayer revenues. The ECIDA receives its operating funds by collecting fees from businesses that enter into contracts with the Agency, from investments, and from loan fees.

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