



Erie County Industrial Development Agency
Meeting of the Membership
November 18, 2020
at 12:00 p.m.

Via Conference Call and Meeting is being Livestreamed

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of October 28, 2020, 2020 Meeting of the Membership (Action Item) (Pages 2-5)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 6-9)
- 3.2 2020 Tax Incentive Induced/Closing Schedule/ Estimated Real Property Tax Impact (Informational) (Pages 10-12)
- 3.3 Approval of COVID-19 Disaster Emergency Grant Applications (Action Item) (Separate Attachment)
- 3.4 Policy Committee Update (Informational) (Pages 13-18)

4.0 Inducement Resolutions:

		ECIDA Incentives	Private Investment	Municipality
4.1	Tight Holdings, LLC/Mean Guppy (Pages 19-69)	\$ 171,000	\$ 2,215,000	Buffalo
4.2	Tonawanda Pirson, LLC/Gear Motions (Pages 70-118)	\$1,099,366	\$ 5,032,540	Tonawanda

5.0 Management Team Reports:

5.1 COVID-19 Response Update (Informational)

6.0 Adjournment - Next Meeting December 16, 2020 @ 12:00 p.m.

**MINUTES OF THE MEETING
OF THE
MEMBERSHIP OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(ECIDA or AGENCY)**

- DATE AND PLACE:** October 28, 2020, held via telephone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA’s website at www.ecidany.com.
- PRESENT:** Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Howard Johnson, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, Kenneth A. Schoetz and Art Wingerter
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Hon. Joseph Emminger, Dottie Gallagher, Hon. Darius G. Pridgen and Renee Wilson
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Dawn Boudreau, Director of Compliance; Beth O’Keefe, Business Development Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Lori Szewczyk, Director of Grants; Robbie Ann McPherson, Director of Marketing and Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Deputy County Executive Maria Whyte; Greg Wilber on behalf of Fisher Price and Adam Pratt on Behalf of A. Pratt Holdings, LLC

There being a quorum present at 12:01 p.m., the meeting of the members of the ECIDA was called to order its Chair, Ms. McDuffie.

MINUTES

The minutes of the September 23, 2020 meeting of the members were presented. Mr. Johnson moved and Mr. Nellis seconded, to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the September 2020 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$28.2 million, which includes over \$7.5 million of unrestricted cash available for Agency operations. Net assets at the end of September were over \$21.0 million. The monthly income statement shows net income from operations of \$310,000. Operating revenue was above monthly budget by \$264,000, due to administrative fee receipts of \$396,000 in September. Operating expenses were \$205,000, under budget by \$26,000. After strategic initiatives and depreciation, there was net income of \$197,000 for the month. The year-to-date income statement shows revenue of approximately \$1.9 million, being \$221,000 below budget for the year, and expenses of \$1.9 million, being \$184,000 below budget. Combined with special project grants, the operational side/top half of the income statement shows a net loss of \$97,000 through September. After factoring in strategic initiatives and depreciation, there is currently an overall net loss of \$1.47 million for the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic gave a report to the members on the joint Finance & Audit Committee meeting held on October 16, 2020. The purpose of the meeting was audit planning, and our independent auditors, Freed Maxick, gave a presentation on the upcoming year end audits. There were no changes to the budget that required additional recommendation from the Committee. Ms. McDuffie directed that the report be received and filed.

2021 Proposed Budget. Ms. Profic reviewed the Agency's proposed budget for 2021 and explained the budget methodology and changes from the prior year budget. Operating revenues are budgeted at \$2.7 million, which includes \$1.8 million of administrative fees. Year end for 2020 is very close to the projected \$1.9 million administrative fee budget, and there is a decent pipeline looking into next year. Total operating expenses are budgeted at just under \$2.7 million. Budgeted operating income for 2021 is roughly \$70,000. The proposed use of funds are already on hand for special projects. Ms. Profic also reviewed the 3-year forecast required by the ABO and outlined the proposed 5 year capital budget covering the Agency's building at 143 Genesee Street, current offices and projected IT needs.

Mr. Lipsitz moved and Sister Denise seconded to approve of the 2021 ECIDA Proposed Budget. Ms. McDuffie called for the vote and the 2021 Proposed Budget was unanimously approved.

2020 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Mr. Lesswing presented this report. Ms. McDuffie directed that the report be received and filed.

Approval of COVID-19 Disaster Emergency Grant Application. Ms. McDuffie confirmed that no member of the Agency has expressed that he or she has a business or personal conflict/relationship with any of the applicants. Mr. Cappellino reviewed the grant committee's grant application review and approval process. Mr. Poloncarz moved and Mr. Lipsitz seconded to approve the following fifteen (15) grant applications. Ms. McDuffie called for the vote and the following fifteen (15) grant applications were unanimously approved:

1. Amy Lynn's Dance Studio
2. Beyond Boundaries Therapy For Kids.
3. Buffalo and Erie County Botanical Gardens Society.
4. Buffalo Center for Arts and Technology, Inc.
5. Buffalo String Works, Inc.
6. Children First Christian Childcare & Preschool.
7. Computer SOS, Inc.
8. Eclips Hair Salon, Inc.
9. Explore and More Children's Museum.
10. Martin House Restoration Corp.
11. Safe Mobility Service Rides, LLC.
12. Shell Fab.
13. Trace Assets Protection Service LLC.
14. USA Occupational Services.
15. West Side Community Services, Inc.
16. Western New York Book Arts Collaborative, Inc.

Policy Committee Update. Ms. Whyte provided members with an update on the Policy Committee's efforts to establish an MWBE policy framework. Ms. McDuffie directed that the report be received and filed.

AMENDATORY INDUCEMENT RESOLUTION

Fisher Price, 636 East Girard Avenue, East Aurora, New York. Mr. Lesswing reviewed the proposed sales tax benefit increase request submitted by the Company resulting from increased project and material costs associated with the global COVID-19 pandemic. As a result, the costs for renovating the Team Center, which focuses on Mattel's infant and pre-school toy development, have increased. Specifically, the equipment needed to support the Play Lab observation room requires the installation of new data cabling and employee workspaces need to be redesigned to allow for social-distancing.

Mr. Wingerter moved and Mr. Poloncarz seconded to approve of the sales tax benefit increase amendment. Mr. Lipsitz then called for the vote and the following resolution was unanimously approved:

AMENDATORY RESOLUTION OF THE ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY AUTHORIZING THE APPROVAL OF CERTAIN

MATERIAL TERMS AND CONDITIONS RELATED TO THE PROVISION
OF FINANCIAL ASSISTANCE WITH RESPECT TO THE FISHER-PRICE,
INC. PROJECT (AS MORE FULLY DESCRIBED BELOW)

MANAGEMENT TEAM REPORT

Compliance Meeting Update. Mr. Cappellino provided an update.

Mr. Cappellino noted Compliance Office Dawn Boudreau will be taking a new position outside of the Agency and thanked her for her excellent work. Ms. McDuffie also acknowledged and thanked Ms. Boudreau for her outstanding work. Mr. Lipsitz also thanked Ms. Boudreau for her excellent work.

COVID-19 Response Update. Mr. Cappellino updated members on ECIDA/RDC COVID-19 response.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:36 p.m.

Dated: October 28, 2020

Karen M. Fiala, Secretary

Erie County Industrial Development Agency
Financial Statements
As of October 31, 2020

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

October 31, 2020

	October 2020	September 2020	December 2019
ASSETS:			
Cash *	\$ 7,370,239	\$ 7,550,810	\$ 7,576,519
Restricted Cash & Investments *	16,888,689	17,227,252	19,385,789
Due from Affiliates	524,194	490,587	553,651
Due from Buffalo Urban Development Corp.	153,036	142,883	114,751
Other Receivables	60,314	66,870	144,311
Total Current Assets	<u>24,996,472</u>	<u>25,478,401</u>	<u>27,775,021</u>
Grants Receivable	831,498	831,498	331,434
Venture Capital Investments, net of reserves	610,011	610,011	634,061
Capital Assets	1,250,674	1,261,508	1,358,104
Total Long-Term Assets	<u>2,692,184</u>	<u>2,703,017</u>	<u>2,323,599</u>
TOTAL ASSETS	<u><u>\$ 27,688,656</u></u>	<u><u>\$ 28,181,418</u></u>	<u><u>\$ 30,098,620</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 193,964	\$ 221,170	\$ 390,971
Deferred Revenues	826,905	826,905	243,708
Other Payables	-	-	56,294
Funds Held on Behalf of Others	5,650,952	5,977,385	6,785,657
Total Liabilities	<u>6,671,821</u>	<u>7,025,460</u>	<u>7,476,629</u>
Net Assets	<u>21,016,835</u>	<u>21,155,958</u>	<u>22,621,991</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 27,688,656</u></u>	<u><u>\$ 28,181,418</u></u>	<u><u>\$ 30,098,620</u></u>

* Cash and restricted cash is invested in checking accounts at M&T Bank. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of October 2020

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 24,364	\$ 158,333	\$ (133,969)
Affiliate Management Fees	41,500	43,375	(1,875)
Interest Income - Cash & Investments	1,518	8,750	(7,232)
Rental Income	19,877	34,375	(14,498)
Other Income	4,000	1,333	2,667
Total Revenues	<u>91,259</u>	<u>246,167</u>	<u>(154,908)</u>
EXPENSES:			
Salaries & Benefits	\$ 156,146	\$ 170,137	\$ (13,991)
General Office Expenses	19,593	21,542	(1,949)
Building Operating Costs	17,357	19,380	(2,023)
Professional Services	6,178	8,042	(1,864)
Public Hearings & Marketing	266	6,250	(5,985)
Travel, Mileage & Meeting Expenses	552	5,250	(4,698)
Other Expenses	215	833	(618)
Total Expenses	<u>200,306</u>	<u>231,434</u>	<u>(31,128)</u>
SPECIAL PROJECT GRANTS:			
Revenues	\$ -	\$ 13,350	\$ (13,350)
Expenses	(19,243)	(10,417)	(8,827)
	<u>(19,243)</u>	<u>2,933</u>	<u>(22,177)</u>
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:			
	<u>(128,290)</u>	<u>17,666</u>	<u>(145,956)</u>
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Zero Net Energy costs (Z7+)	-	(52,160)	52,160
Angola Ag Park Grant	-	(100,000)	100,000
Other Strategic Initiatives	-	(5,000)	5,000
	<u>-</u>	<u>(157,160)</u>	<u>157,160</u>
NET INCOME/(LOSS) BEFORE DEPRECIATION:			
	<u>(128,290)</u>	<u>(139,494)</u>	<u>11,204</u>
Depreciation	(10,833)	(10,833)	0
NET INCOME/(LOSS):			
	<u>\$ (139,124)</u>	<u>\$ (150,327)</u>	<u>\$ 11,204</u>

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: October 31, 2020

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 1,252,304	\$ 1,583,333	\$ (331,030)	\$ 1,252,304	\$ 1,063,582	\$ 188,722
Affiliate Management Fees	425,500	433,750	(8,250)	425,500	402,900	22,600
Interest Income - Cash & Investments	34,470	87,500	(53,030)	34,470	21	34,449
Rental Income	248,617	213,250	35,367	248,617	91,911	156,706
Other Income	24,272	28,333	(4,061)	24,272	206,502	(182,230)
Interest Income - Loans	-	-	-	-	18,029	(18,029)
Total Revenues	1,985,164	2,346,167	(361,003)	1,985,164	1,782,946	202,218
EXPENSES:						
Salaries & Benefits	1,668,436	1,773,865	(105,429)	1,668,436	1,670,100	(1,664)
General Office Expenses	186,629	215,417	(28,788)	186,629	210,503	(23,874)
Building Operating Costs	186,287	193,800	(7,513)	186,287	186,666	(379)
Professional Services	61,773	84,833	(23,060)	61,773	81,507	(19,734)
Public Hearings & Marketing	52,926	62,500	(9,574)	52,926	44,289	8,636
Travel, Mileage & Meeting Expenses	17,907	52,500	(34,593)	17,907	46,785	(28,878)
Other Expenses	4,021	8,333	(4,312)	4,021	4,178	(156)
Total Expenses	2,177,980	2,391,249	(213,269)	2,177,980	2,244,028	(66,048)
SPECIAL PROJECT GRANTS:						
Revenues	9,937	133,500	(123,563)	9,937	460,673	(450,735)
Expenses	(42,401)	(104,167)	61,766	(42,401)	(429,008)	386,608
	(32,463)	29,333	(61,797)	(32,463)	31,664	(64,128)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ (225,279)	\$ (15,749)	\$ (209,531)	\$ (225,279)	\$ (429,418)	\$ 204,138
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (625,917)	\$ 625,917	\$ -	\$ (535)	\$ 535
Bethlehem Steel Industrial Park Grant	(165,000)	(200,000)	35,000	(165,000)	(220,000)	55,000
Angola Ag Park Grant	(860,494)	(100,000)	(760,494)	(860,494)	-	(860,494)
Bethlehem Steel Industrial Park Grant Reimb	-	-	-	-	1,390,000	(1,390,000)
Buffalo Building Reuse Project (BUDC)	(100,000)	(100,000)	-	(100,000)	(100,000)	-
Canadian Lead Generation (IBN)	(72,000)	(72,000)	-	(72,000)	(72,000)	-
Gain/(Loss) on Venture Investments	(24,050)	-	(24,050)	(24,050)	31,915	(55,965)
Other Strategic Initiatives	(50,000)	(160,000)	110,000	(50,000)	(100,000)	50,000
	(1,271,544)	(1,257,917)	(13,627)	(1,271,544)	929,380	(2,200,923)
NET INCOME/(LOSS) BEFORE DEPREC:	(1,496,823)	(1,273,665)	(223,158)	(1,496,823)	499,962	(1,996,785)
Depreciation	(108,333)	(108,333)	0	(108,333)	(108,000)	(333)
NET INCOME/(LOSS):	\$ (1,605,156)	\$ (1,381,998)	\$ (223,158)	\$ (1,605,156)	\$ 391,962	\$ (1,997,118)

Tax Incentives Closings - 2020

Project Name	Project Amount at Closing	FT Jobs at App	Projected Year 2 FT Jobs	PT Jobs at App	Projected Year 2 PT Jobs	Project City	Induced Date	Est. Project Completion Date
Jemal's Seneca, LLC	\$ 45,000,000	0	5	0	0	Buffalo	3/25/2020	4/3/2020
Moog, Inc.	\$ 44,300,000	288	357	0	0	Elma	3/22/2017	12/31/2020
Iskalo 6700 Transit Road, LLC	\$ 32,300,000	0	90	0	0	Cheektowaga	5/27/2020	
Time Release Properties/Time Release Sciences, Inc.	\$ 27,398,234	103	123	0	0	Lackawanna	8/28/2019	12/31/2022
570 Associates VI, LLC	\$ 20,745,000	0	124	0	0	Cheektowaga	2/22/2017	12/31/2020
McKesson Corporation	\$ 18,200,000	62	75	0	0	Cheektowaga	3/27/2019	6/30/2020
Steuben Foods, Inc.	\$ 16,457,951	564	582	19	19	Elma	3/27/2019	3/31/2020
637 Linwood, LLC/1275 Delaware, LLC	\$ 12,402,877	0	10	0	0	Buffalo	3/25/2020	12/31/2021
Buffalo High Technology Centre, Inc.	\$ 7,877,447	0	4	0	0	Buffalo	7/24/2019	12/31/2020
Nash Lofts/Michigan Broadway	\$ 6,767,172	3	6	0	2	Buffalo	8/22/2018	12/31/2021
Ebenezer Railcar Services, Inc	\$ 6,000,000	84	97	0	0	West Seneca	7/25/2018	12/31/2020
Hertel Pacific, LLC/Cypress North	\$ 999,568	16	18	1	1	Buffalo	8/28/2019	12/31/2020
	\$ 238,448,249	1,120	1,491	20	22			
12 Projects Closed								
371 FT Projected New Jobs								
2 PT Projected New Jobs								

**ESTIMATED TAX IMPACT (SUBJECT TO RESTRICTIONS OF NYS TAX CAP)
2020 CLOSINGS**

PROJECT NAME	EST. OR ACTUAL INCREASE IN ASSESSED VALUE DUE TO PROJECT	COUNTY TAX RATE	LOCAL TAX RATE	PROJECTED INCREASE IN COUNTY TAXES AS A RESULT OF THE PROJECT OVER ABATEMENT PERIOD	PROJECTED INCREASE IN LOCAL TAXES AS A RESULT OF THE PROJECT OVER ABATEMENT PERIOD
Moog	\$175,275	\$120.24	\$373.46	\$44,258	\$137,462
Steuben Foods	\$205,000	\$120.24	\$373.46	\$51,763	\$160,775
Hertel Pacific/Cypress North	\$210,000	\$7.33	\$28.22	\$2,300	\$8,900
570 Associates/Garden Village Plaza	\$10,000,000	\$5.27	\$26.76	\$79,000	\$401,000
637 Linwood, LLC*	\$3,000,000	\$7.33	\$28.22	\$263,000	\$169,000
Michigan Broadway, LLC/Nash Lofts*	\$2,000,000	\$7.33	\$26.75	\$171,000	\$107,000
Time Release Sciences	\$8,000,000	\$6.56	\$76.00	\$237,700	\$2,758,000
Ebenezer Railcar	\$1,500,000	\$12.98	\$64.00	\$29,000	\$144,000
*denotes company has or intends to file for City 485-a exemption	*The final assesment on each project is determined by the assessor of the respective municipality		Total	\$878,021	\$3,886,137

**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

- MEETING:** November 5, 2020, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** Hon. April Baskin, Rev. Mark E. Blue, Hon. William J. Krebs, Richard Lipsitz, Jr., Brenda McDuffie, Hon. Glenn R. Nellis, Laura Smith, David J. State and Lavon Stephens
- ABSENT:** Denise Abbott, Hon. Byron W. Brown, Hon. Johanna Coleman, Richard Cummings, Colleen DiPirro and Maria Whyte
- OTHERS PRESENT:** John Cappellino, President & CEO; Atiqa Abidi, Assistant Treasurer; Karen M. Fiala, Vice President/Secretary; Dawn Boudreau, Director of Compliance; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Assistant; Robbie Ann McPherson, Director of Marketing; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Alex Carducci on behalf of the City of Buffalo; Lisa Hicks on behalf of the City of Buffalo; Leo Schultz on behalf of Tight Holdings; Gregory Zaepfel on behalf of Zaepfel Development; Dean Burrows on behalf of Gear Motions and Joseph Deck on behalf of Hanna CRE

There being a quorum present at 9:03 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the September 3, 2020 Policy Committee meeting and September 30, 2020 Special Policy Committee meeting were presented. Upon motion made by Ms. McDuffie and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were then unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

At this point in time Mr. Blue joined the meeting.

Tight Holdings, LLC, 2505 Main Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax and real property tax abatement benefits project involving the adaptive re-use of the former Ken-Ton Fabricators building on Main Street in the City of Buffalo. The facility is 26,000 sq. ft. and will provide offices for Mean Guppy LLC as well as five non-revenue producing apartments for Mean Guppy employees coming to Buffalo from outside the area, for convenience purposes. In addition, a café/dining room is planned.

Mr. Cappellino stated that in exchange for providing the sales and use 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

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$2,215,000 85% = \$1,882,750
Employment	Same as recapture period	Maintain 100% of retained jobs: 34 Recapture Employment: 34
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	Either 2 years after project completion or expiration of 7-year PILOT term	Recapture of state and local sales tax, real property taxes
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General discussion ensued. Ms. McDuffie moved and Mr. Stevens seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

Tonawanda Pirson/Gear Motions, North Youngmann Commerce Park, Pirson Parkway, Tonawanda, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax exemption and real property tax abatement benefits project consisting of the construction of an approximately 56,000 sq. ft. manufacturing facility that will be leased to Gear Motions. The company will be combining both the Niagara Street and Military Road operations into one facility within an industrial park.

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

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$4,299,040 85% = \$3,654,184
Employment	Coincides with 10-year PILOT	Maintain base: 35 Create 85% of Projected Projected = 2 85% = 2 Recapture Employment = 37
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales tax, mortgage recording tax and real property taxes

General discussion ensued. Ms. Smith moved and Mr. Krebs seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

WMBE UPDATE

Mr. Lipsitz provided an update to Committee members regarding WMBE policy discussions.

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

Dated: November 5, 2020

Karen M. Fiala, Secretary

**MINUTES OF A SPECIAL MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

- MEETING:** November 9, 2020, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
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- PRESENT:** Hon. April Baskin; Denise Abbott; Johanna Coleman; Colleen DiPirro; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Laura Smith; David State; Lavon Stephens and Maria Whyte
- EXCUSED:** Rev. Mark E. Blue; Hon. Bryon W. Brown; Richard Cummings and Glenn R. Nellis;
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Karen M. Fiala, Vice President/Secretary; Dawn Boudreau, Director of Compliance; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocienec, Administrative Coordinator; Robbie Ann McPherson, Director of Marketing and Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Alex Carducci on behalf of the City of Buffalo; Lisa Hicks on behalf of the City of Buffalo and Felicia Beard on behalf of Community Foundation for Greater Buffalo

There being a quorum present at 11:35 a.m., the Meeting of the Special Policy Committee was called to order by Mr. Lipsitz.

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

GUEST PRESENTATION

Mr. Lipsitz introduced guest speaker, Ms. Beard., who is the Senior Director of Racial Equity Initiatives Community Foundation for Greater Buffalo. Ms. Beard presented her report on Diversity Equity and Inclusion. General discussion ensued regarding the Business Purchasing Initiative.

Ms. Smith briefly reviewed the Buffalo Niagara Partnership results of its recent diversity, equity, and inclusion report findings.

Ms. Whyte reviewed the most recent iteration of the ECIDA draft MWBE Policy, with a focus on “usage goals” for MBWE utilization goals.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 12:50 p.m.

Dated: November 9, 2020

Karen M. Fiala, Secretary

Tight Holdings, LLC/Mean Guppy
\$2,215,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$105,000 in sales tax savings
- Approximately \$66,000 in real property tax savings

EMPLOYMENT

- Jobs Retained - 34
- Annual payroll: \$7,000,000
- Estimated salary of jobs to be retained - \$60,000

PROJECT HISTORY

- 10/29/2020 - Public hearing held.
- 11/18/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 11/18/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Tight Holdings, LLC/Mean Guppy

Project Address: 2505 Main Street
 Buffalo, New York 14214
 (Buffalo City School District)

A sales tax and a real property tax exemption in connection with the adaptive reuse of the former Ken-Ton Fabricators building.

Acquisition	\$ 375,000
Renovation	\$1,200,000
Equipment	\$ 500,000
Soft Costs/Other	\$ 140,000
Total Project Cost	\$2,215,000
85%	\$1,882,750

Company Description

The applicant - Tight Holdings, LLC is a real estate holding company fully owned by Leo Schultz. Mr. Schultz is also the owner of Mean Guppy an engineering and design firm that provides services to many large corporations as well as the United States government. In addition, Mr. Schultz is the co-founder of Burner Fitness which won the 43 North competition in 2017.

Project Description

The project entails the adaptive re-use of the former Ken-Ton Fabricators building on Main Street in in the City of Buffalo. The facility is 26,000 sq. ft., over 100 years old and has been vacant for approximately 8 years.

Mean Guppy will relocate its offices currently leased from 43 North on Ellicott Street and Washington Street. Five non-revenue producing apartments will be used by engineers coming from outside the area. In addition, a café/dining area is planned. The apartments will alleviate the company having to house people in other apartment buildings throughout the City. The project will retain the 34 existing jobs. No new jobs are being proposed and layoffs due to pandemic are not anticipated. However, the company is optimistic that there will be job creation in the future.

Retail Determination

Project Use	Sq. Ft.	Cost	% of Project Cost
Mean Guppy	23,000	\$1,580,000	93%
Retail Café	3,000	\$ 120,000	7%
Total	26,000	\$1,700,000	100%

Since the retail component of the project represents less than 33% of the project cost, no sign off by the County is required.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 7-year abatement period	Additional Local Revenue over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$6,500	\$500,000	\$5,500	\$12,500	\$12,000
Combined Tax Rate: \$24.00				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$2,215,000 85% = \$1,882,750
Employment	Same as recapture period	Maintain 100% of retained jobs: 34 Recapture Employment: 34
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	Either 2 years after project completion or expiration of 7-year PILOT term	State and Local Sales Taxes, Real Property Taxes

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

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 retained 34 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

ADAPTIVE REUSE REPORT AND EVALUATIVE CRITERIA
Tight Holdings, LLC/Mean Guppy

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 170 which is considered highly distressed under the State statute.
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	The building is over 100 years old as it was constructed in the 1920's
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 elimination of slum and blight	The facility has been vacant for approximately 8 years. It had previously been used as the Ken-Ton Fabricators showroom. It was originally built by the Ford Motor Company to showcase model T's in the 1920's. The project will serve to eliminate slum and blight as the property is located in a distressed census tract.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.	The facility is vacant with no income being generated.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth.
Environmental or Safety Issues.	The building is vacant and the roof is starting to cave in. The building contains lead based paint. Asbestos was remediated in the 1980's by the prior owner.
LEED/Renewable resources	Not applicable.
Building or site has historic designation	Not applicable.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	See attached company statement.

Demonstrated support of local gov't.	Mayor Brown has supplied a letter of support for the project.
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project.	There is considerable risk associated with the project because the site currently contains a vacant and distressed building which will require over \$1,000,000 to renovate.
Transit Oriented Development	The facility is accessible on the Main Street route #8 and Metro.

November 18, 2020

Return on Investment – Tight Holdings, LLC/Mean Guppy

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 \$105,000
- ECIDA Mortgage Recording Tax Abatement approximate value \$66,000

ROI

The applicant has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 3.4%

Stated ROI for the project without ECIDA assistance is 2.9%

MBE/WBE Utilization



ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization:

We collect bids from a variety of suppliers and contractors. The bid includes MBE/WBE question in the process. We also have two contractors we engage by default as part of our projects because of pre-existing relationships. Both of these contractors are MBE/WBE businesses. The majority of our labor costs go to these contractors on all our projects.

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-Tight Holdings, LLC/Mean Guppy -2020

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$1,200,000	\$500,000	\$7.33	\$16.75	N/A

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$367	\$838	\$1,204	\$12,040	\$10,836
2	10%	\$367	\$838	\$1,204	\$12,040	\$10,836
3	20%	\$733	\$1,675	\$2,408	\$12,040	\$9,632
4	20%	\$733	\$1,675	\$2,408	\$12,040	\$9,632
5	30%	\$1,100	\$2,513	\$3,612	\$12,040	\$8,428
6	30%	\$1,100	\$2,513	\$3,612	\$12,040	\$8,428
7	30%	\$1,100	\$2,513	\$3,612	\$12,040	\$8,428
TOTAL		\$5,505	\$12,570	\$18,060	\$84,280	\$66,220

***** 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:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$2,215,000	\$66,220	\$105,000	\$0	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 7.7 %

Cost-Benefit Analysis for Tight Holdings, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Tight Holdings, LLC/Mean Guppy

TOTAL INVESTED
\$2.2 Million

LOCATION
2505 Main St, Buffalo, NY 14214

TIMELINE
7 Years

FIGURE 1

Discounted* Net Benefits for Tight Holdings, LLC by Year

Total Net Benefits: \$42,752,000

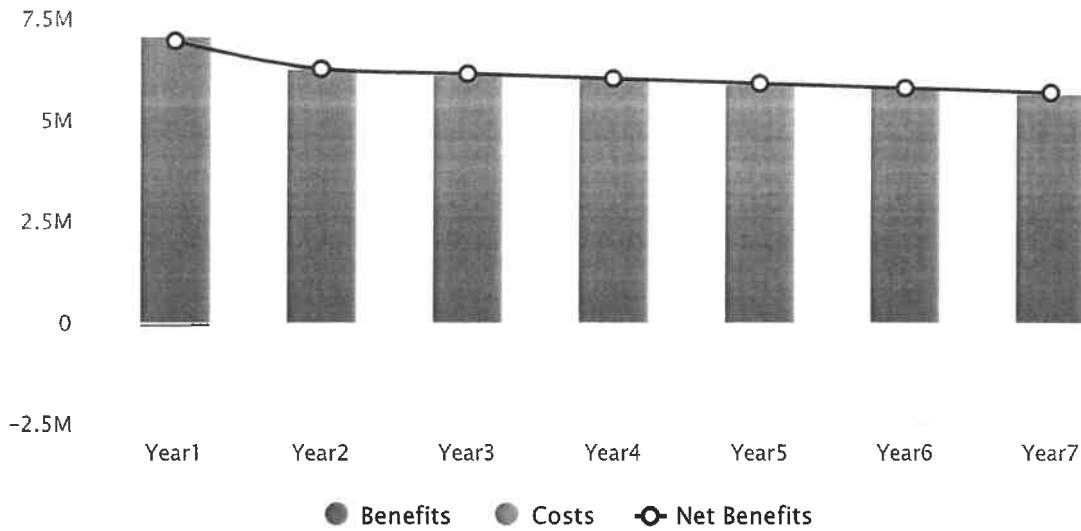


FIGURE 2

Total Jobs

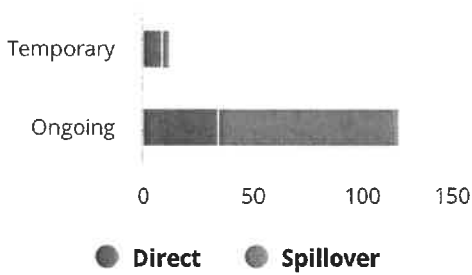
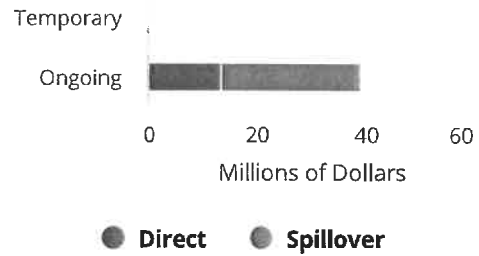


FIGURE 3

Total Payroll



Proposed Investment

Tight Holdings, LLC/Mean Guppy proposes to invest \$2.2 million at 2505 Main St, Buffalo, NY 14214 over 7 years.

TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$1,200,000
OTHER SPENDING	
Acquisition	\$375,000
Equipment	\$500,000
Soft Costs	\$140,000
Total Investments	\$2,215,000
Discounted Total (2%)	\$2,215,000

FIGURE 4

Location of Investment



May not sum to total due to rounding.

Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 7 years, with future returns discounted at a 2% rate.

TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for Tight Holdings, LLC/Mean Guppy.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$45,000	\$42,000
Sales Tax Exemption	\$105,000	\$105,000
Total Costs	\$150,000	\$148,000

May not sum to total due to rounding.

* Discounted at 2%

TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$14,994,000	\$27,898,000	\$42,891,000
To Private Individuals	\$14,741,000	\$27,450,000	\$42,191,000
Temporary Payroll	\$461,000	\$160,000	\$621,000
Ongoing Payroll	\$14,280,000	\$27,290,000	\$41,570,000
To the Public	\$253,000	\$448,000	\$700,000
Property Tax Revenue	\$12,000	N/A	\$12,000
Temporary Sales Tax Revenue	\$8,000	\$3,000	\$10,000
Ongoing Sales Tax Revenue	\$233,000	\$445,000	\$678,000
STATE BENEFITS	\$955,000	\$1,602,000	\$2,557,000
To the Public	\$955,000	\$1,602,000	\$2,557,000
Temporary Income Tax Revenue	\$23,000	\$8,000	\$30,000
Ongoing Income Tax Revenue	\$725,000	\$1,206,000	\$1,931,000
Temporary Sales Tax Revenue	\$7,000	\$2,000	\$9,000
Ongoing Sales Tax Revenue	\$202,000	\$385,000	\$587,000
Total Benefits to State & Region	\$15,949,000	\$29,499,000	\$45,448,000
Discounted Total Benefits (2%)	\$15,070,000	\$27,829,000	\$42,899,000

May not sum to total due to rounding.

TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$40,486,000	\$99,000	410:1
State	\$2,414,000	\$49,000	49:1
Grand Total	\$42,899,000	\$148,000	291:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.



CITY OF BUFFALO
OFFICE OF THE MAYOR

BYRON W. BROWN
MAYOR

October 29, 2020

Mr. John Cappellino
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo NY 14203

RE: Mean Guppy
Tight Holdings LLC

Dear Mr. Cappellino:

The City of Buffalo supports Mean Guppy's application to the Erie County Industrial Development Agency to redevelop the former Ken-Ton Fabricators building at 2505 Main Street in the City of Buffalo. We believe that this mixed-use redevelopment project will strengthen the City of Buffalo and its appeal to new businesses and residents.

Buffalo is a great place to do business, and is a city that values its historic structures. The adaptive reuse of the Ken-Ton Fabricators building will bring approximately 26,000 square feet of office and residential space to good use with Mean Guppy, a successful 43North graduate who we are thankful is committed to grow and expand their business in the City of Buffalo.

This project will see the redevelopment of an important piece of Buffalo's commercial history, and will enhance the vitality of the surrounding neighborhood by bringing the building into full and productive use. The adaptive reuse of this historic structure is a welcome addition to the impressive revitalization efforts that continue to propel Buffalo into a new era of development.

Sincerely,

A handwritten signature in black ink that reads "Byron W. Brown".

Byron W. Brown
Mayor, City of Buffalo

VIRTUAL PUBLIC HEARING SCRIPT

**Tight Holdings 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 October 29, 2020 at 11:30 a.m.
via Virtual Conference Software

ATTENDANCE:

Leo Schultz, Tight Holdings, LLC
Karen Fiala, ECIDA
Carrie Hocienec, ECIDA
Brian Krygier, ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 11:32 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 virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Tight Holdings 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 Monday, October 19, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 0.47+/- acre parcel of land located at 2505 Main Street, City of Buffalo, Erie County, New York (the "Land") improved with the existing 26,000+/- SF, one (1) story building formerly known as the Ken-Ton Fabricators building (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements thereon for design and engineering space and for 5 non-revenue producing housing units for temporary employee housing, as well as a café and dining area for staff (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, 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 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 who have joined this conference call were required to pre-register through our website (www.ecidany.com). Everyone who has pre-registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, please submit it on the Agency’s website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on November 17, 2020. There are no limitations on written statements or comments.

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

Hearing Officer: Those interested in making a statement or comment will be called upon by Brian in the order that they registered for this meeting. Please begin by stating your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

The Hearing Moderator introduces each participant in the order they registered for this meeting.

Leo Schultz – I am the representative and owner of Tight Holdings, LLC. I will be investing in an adaptive reuse project at 2505 Main Street to convert it into high-end office space and some corporate housing units that will house an engineering design firm. Plans are to complete the project in the next 24-36 months. We are excited to invest further in the community and grow in an area in an opportunity zone right across the street from Tri Main. The building was originally part of the Tri Main complex which was built as one of the first Ford manufacturing plants in the world. Some history dates back to say that this may have been the third major assembly line manufacturing facility and this particular building itself was the showroom where they would drive Model T’s in. It has some interesting architectural elements such as ramps for cars that you could drive to the second story. It is approximately 24,000 sq. ft. that hopefully will be a landmark to the area.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 11:36 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on October 29, 2020 at 11:30 a.m.
via Virtual Conference Software

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

Project Location: 2505 Main Street, City of Buffalo, New York 14214

Name	Company and/or Address	X box to speak/ comment
Leo Schultz	Tight Holdings, LLC 240 Cumberland Avenue Buffalo, New York 14220	X
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

617.20
Appendix B
Short Environmental Assessment Form

Instructions for Completing

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

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

Part 1 - Project and Sponsor Information			
2505 Main St by Tight Holdings			
Name of Action or Project: 2505 Main St			
Project Location (describe, and attach a location map): 2505 Main St, Buffalo, NY 14203			
Brief Description of Proposed Action: Renovating the property into a class A office space with an ecosystem of amenities for the companies housed in the building.			
Name of Applicant or Sponsor: Leo Schultz		Telephone: 716-969-0945	
		E-Mail: leo@tightholdings.com	
Address: 1312 Fort Lawn Loop			
City/PO: The Villages		State: FL	Zip Code: 14214
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation?			NO
If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			YES
			<input checked="" type="checkbox"/>
			<input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency?			NO
If Yes, list agency(s) name and permit or approval:			YES
			<input checked="" type="checkbox"/>
			<input type="checkbox"/>
3.a. Total acreage of the site of the proposed action		.6 acres	
b. Total acreage to be physically disturbed		0 acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor		.6 acres	
4. Check all land uses that occur on, adjoining and near the proposed action			
<input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____			
<input type="checkbox"/> Parkland			

5. Is the proposed action,	NO	YES	N/A
a. <u>A permitted use under the zoning regulations?</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. <u>Consistent with the adopted comprehensive plan?</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. <u>Is the proposed action consistent with the predominant character of the existing built or natural landscape?</u>	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. <u>Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area?</u> If Yes, identify: _____	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. <u>Will the proposed action result in a substantial increase in traffic above present levels?</u>	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Are public transportation service(s) available at or near the site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9. <u>Does the proposed action meet or exceed the state energy code requirements?</u> If the proposed action will exceed requirements, describe design features and technologies: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. <u>Will the proposed action connect to an existing public/private water supply?</u> If No, describe method for providing potable water: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. <u>Will the proposed action connect to existing wastewater utilities?</u> If No, describe method for providing wastewater treatment: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. a. <u>Does the site contain a structure that is listed on either the State or National Register of Historic Places?</u>	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Is the proposed action located in an archeological sensitive area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. <u>Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?</u>	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14. <u>Identify the typical habitat types that occur on, or are likely to be found on the project site.</u> Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input type="checkbox"/> Suburban			
15. <u>Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?</u>	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
16. <u>Is the project site located in the 100 year flood plain?</u>	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
17. <u>Will the proposed action create storm water discharge, either from point or non-point sources?</u> If Yes, a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES We are not modifying any grading of the property, this is an existing structure. _____	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____ _____ _____	NO	YES
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____ _____	NO	YES
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____ _____	NO	YES
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: Leo Schultz	Date: 9/1/2020	
Signature: <i>Leo Schultz</i>		

Project: Tight Holdings LLC
 Date: November 18, 2020

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

Part 2 is to be completed by the Lead Agency.

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

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

PRINT FORM

Project: Trialt Holdings LLC
 Date: November 18, 2020

**Short Environmental Assessment Form
 Part 3 Determination of Significance**

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

<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.	
<input checked="" type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.	
ERIE COUNTY IDA <small>Name of Lead Agency</small>	November 18, 2020 <small>Date</small>
KAREN M. FIALA <small>Print or Type Name of Responsible Officer in Lead Agency</small>	Vice President <small>Title of Responsible Officer</small>
Karen M. Fiala <small>Signature of Responsible Officer in Lead Agency</small>	_____ <small>Signature of Preparer (if different from Responsible Officer)</small>

PRINT FORM

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**TIGHT HOLDINGS LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, November 18, 2020 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF TIGHT HOLDINGS LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, the Company has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) a 0.47+/- acre parcel of land located at 2505 Main Street, City of Buffalo, Erie County, New York (the "Land") improved with the existing 26,000+/- SF, one (1) story building

formerly known as the Ken-Ton Fabricators building (the “Existing Improvements”); (ii) the renovation, upgrading and equipping of the Existing Improvements thereon for design and engineering space and for 5 non-revenue producing housing units for temporary employee housing, as well as a café and dining area for staff (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, Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, and pursuant to Governor Cuomo’s Executive Order 202.15 issued on April 9, 2020, and as amended from time to time, authorizing the conduct of public hearings through the use of telephone conference, video conference and/or other similar service, the Agency, on October 29, 2020, at 11:30 a.m., held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) via live stream web broadcast at www.ecidany.com/streaming, at which the Agency provided interested parties a reasonable opportunity to provide oral comments and/or their views on the Project, and further instructed interested parties on the process to submit written comments with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, and (b) a partial abatement from real property taxes benefit through a seven (7) year term PILOT Agreement for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act (“SEQR”), the Company has submitted to the Agency a Short Environmental Assessment Form (the “EAF”) with respect to the Project; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review and recommendations of the Project and its November 5, 2020 resolution to approve the project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions of the Act; and

(I) Mean Guppy LLC (the "Tenant") will occupy the Facility. The Agency hereby approves the subleasing of space in the Project to the Tenant and authorizes the Company to proceed with the Project as herein authorized; and

(J) Based upon a review of the Application and representations made by the Company to the Agency and the EAF, the Agency finds and determines that: (i) the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (iv) construction related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; and (vi) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action. The Agency thus issues a Negative Declaration pursuant to 6 N.Y.C.R.R. § 617.7 of the SEQR regulations, which concludes the Agency's uncoordinated review of the Project.

(K) The Project is compliant with the Countywide IDA Eligibility Policy, constitutes a commercial facility as defined in the General Municipal Law and will promote employment opportunities and prevent economic deterioration in the City of Buffalo. The Agency has reviewed the opinion of the State Comptroller (OSC Op. 85-51) and hereby specifically finds that the Project will create temporary construction jobs and retain thirty-four (34) full-time jobs and, by adaptively reusing a vacant, declining and aged structure and rehabilitating it for limited and partial residential use, will be a physical and economic improvement to this sensitive area of the City of Buffalo; and

(L) The Project qualifies for Agency Financial Assistance as it is compliant with the Agency's Adaptive Reuse Project Policy and meets the Agency's evaluative criteria for adaptive reuse projects, said criteria established by the Agency as required under General Municipal Law Section 859-a(5) as evidenced by the following:

- (i) the building is approximately 101 years old and functional issues related to its age present challenges to its reuse;
- (ii) the building has been vacant for 8 years;;
- (iii) the building is not generating any rental income;
- (iv) the Project is in compliance with the investment and growth criteria of the Framework for Regional Growth;
- (v) the Applicant has demonstrated evidence of financial obstacles and impediments to conventionally financing the project without otherwise obtaining Agency or other public assistance;
- (vi) the Project has received the support of local governmental entities;
- (vii) the building is located within a highly distressed census tract;

- (viii) the structure requires significant costs to comply with building codes;
- (ix) the facility is on several bus routes thus meeting transit oriented development criteria;
- (x) the Project's stated return on investment is below what investors and developers seek to achieve for such investments in urban high-risk areas; and
- (xi) the Project is in compliance with MBE/WBE Utilization.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the appointment of the Company as agent of the Agency, if utilized, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

(A) Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$1,200,000, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed \$105,000, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

(ii) authorizes and approves that the real property tax abatement benefits to be provided over the term of the PILOT Agreement are estimated to be approximately \$66,220, resulting in estimated total PILOT payments of \$18,060 over the term of the PILOT Agreement.

(B) Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

(C) Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the conclusion of the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$1,882,750 (which represents the product of 85% multiplied by \$2,215,000, being the total project cost as stated in the Company's application for Financial Assistance).

- (ii) Employment Commitment – that there are at least 34 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance; and
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency’s Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the “Lender”) up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the “Agency Documents”); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency’s interest in the Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: November 18, 2020



2505 Main Application

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	2505 Main St
Project Summary	I will be restoring an old Ford showroom building; an extension of the Tri-Main complex. It will become a mixed use development. Housing Class A office space, cafes and corporate, non-revenue producing apartments. The building is on the corner of Main St and Rodney, has been Ken-Ton Fabricators for the last 40+ years.
Applicant Name	Tight Holdings, LLC
Applicant Address	240 Cumberland Ave
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14220
Phone	(716) 969-0945
Fax	
E-mail	leo@tightholdings.com
Website	www.tightventures.com
NAICS Code	531312

Business Organization

Type of Business	Limited Liability Company
Year Established	2019
State in which Organization is established	Florida

Individual Completing Application

Name	Leo Schultz
Title	Owner
Address	240 Cumberland Ave
Address 2	
City	Buffalo
State	New York

Zip 14220
Phone (716) 969-0945
Fax
E-Mail leo@tightholdings.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 Steve Bengart
Firm Name Bengart & DeMarco
Address 2655 Sheridan Dr
Address 2
City Tonawanda
State New York
Zip 14150
Phone
Fax
E-Mail

Benefits Requested (select all that apply)

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)

Applicant Business Description

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

Tight Holdings, LLC was formed for the purpose of undertaking the proposed project and is owned by Leo Schultz. Leo Schultz is also the owner of Mean Guppy. Mean Guppy is an engineering and design firm which had its start in California's Silicon Valley. Our customers include large corporations as well as the U.S. government. The engineering firm has been relocating staff from the California area over the last several years and currently employ approximately 34 full time engineers and 30 contract engineers. I also own a 25% share in Burner Fitness a 43 North recipient. Mean Guppy has been located in 43-North designated space over the last several years however due the extensive growth, we are in need of additional office space.

Estimated % of sales within Erie County	0 %
Estimated % of sales outside Erie County but within New York State	30 %
Estimated % of sales outside New York State but within the U.S.	70 %
Estimated % of sales outside the U.S.	0 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

100

Describe vendors within Erie County for major purchases

I will be using local contractors, purchasing materials from companies like ABC supply and Lenco Lumber. I highly doubt many materials or labor will be sourced from outside the area.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

2505 Main St

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

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

\$6500

If amount of current taxes is not available, provide assessed value for each.

Land

\$

Building(s)

\$ 375,000.00

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase 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, existing building, etc.)

Vacant Building of Old Cabinet Manufacturing Company. Ken-Ton Fabricators. Went out of business 3 years ago, building was vacant for 8 years.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated 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 proposed project consists of the adaptive reuse of the former Ken-Ton Fabricators building located at 2505 Main Street in the City of Buffalo. The facility is approximately 26,000 sq. ft. and has been vacant for 8 years. The property will be home to Mean Guppy, a design and engineering firm which will occupy approximately 18,000 sq. ft. In addition, we will construct 5 non-revenue producing housing units which will act as temporary housing as we relocate engineers to Buffalo; primarily from the California area. The facility will include a cafe and dining area for the engineering staff and may at some point be open to the public. We plan to retain our current 34 employees and do not plan any layoffs as part of the current economic crisis. The site on Main Street was chosen based on factors including community impact that we hope will help out the neighborhood for social good. Not just profits.

Municipality or Municipalities of current operations

Buffalo

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

Yes

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 within New York State 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 Intermunicipal Move Determination section of this application)

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, type of assistance offered and provide supporting documentation available

The main purpose for the project is to act as the office for an engineering firm that has slowly been relocating to Erie County from the Bay Area in California as part of the 43 North initiatives. They have approximately 34 employees in Buffalo area. We are being removed from 43 North space as we have outgrown the "free office" incentive. Mean Guppy is a flight risk from the area because they have troubles operating in Buffalo. Mean Guppy will be occupying the majority of the building.

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

North Tonawanda would love to locate us the company on their water front. Company is not very interested, but liked the incentives.

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

The project will not happen without freezing the tax basis for years and providing some sales tax relief on materials. The organization doesn't need loans, but needs to operate within budget. Also the operating cost on the other end need to make sense. Otherwise, the project will not happen.

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

It is important to maintain a reasonable tax basis for the building and to save tax dollars on the renovations to be able to get the building project completed within budget and make the building operations sustainable once completed. If the costs go higher, it very quickly doesn't make financial sense. Then instead of renovating the building, it will simply become a storage site for equipment and the county will lose all the jobs to NJ and Florida; two places the potential tenant has been looking at locating to.

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 site will sit vacant. Project will not happen.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

We are one block from NFTA metro. 30% of the main tenants employees take the metro to work currently at the medical campus from UB south station.

Has a project related site plan approval application been submitted to the appropriate planning department?

No

If Yes, include the applicable municipality's and/or planning department's approval resolution, the related State Environmental Quality Review Act ("SEQR") "negative declaration" resolution, if applicable, and the related Environmental Assessment Form (EAF), if applicable.

If No, list the ECIDA as an "Involved Agency" on the related EAF that will be submitted to the appropriate municipality and/or planning department for site plan approval.

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

Yes

Describe the present zoning/land use

It is zoned for mixed use, commercial and light weight industrial.

Describe required zoning/land use, if different

No zoning changes required.

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

None.

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?

Yes

If yes, describe the efficiencies achieved

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, include percentage of operating expenses attributed to R&D activities and provide details.

Site was chosen based on factors, including community impact that will help out the neighborhood for social good. Not just profits.

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

For purposes of the following, 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.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales Yes

Services Yes

Please check any and all end uses as identified below.

- No Acquisition of Existing Facility
 - No Assisted Living
 - No Back Office
 - No Civic Facility (not for profit)
 - Yes Commercial
 - No Equipment Purchase
 - No Facility for the Aging
 - No Industrial
 - No Life Care Facility (CCRC)
 - No Market Rate Housing
 - Yes Mixed Use
 - Yes Multi-Tenant
 - Yes Retail
 - No Senior Housing
 - No Manufacturing
 - Yes Other
- temporary housing

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	square feet	\$	0	0%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	23,000 square feet	\$	1,580,000	93%
Retail	3,000 square feet	\$	120,000	7%
Office	square feet	\$	0	0%
Specify Other	square feet	\$	0	0%

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)

Standard

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

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

11/30/2020

End date : Estimated completion date of project

12/31/2022

Project occupancy : estimated starting date of occupancy

1/1/2021

Project Information

Estimated costs in connection with Project

Land and/or Building Acquisition

\$ 375,000

26,000 square feet

1 acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 0 square feet

Reconstruction/Renovation

\$ 1,200,000 26,000 square feet

Manufacturing Equipment

\$ 0

Infrastructure Work

\$ 0

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

\$ 500,000

Soft Costs: (Legal, architect, engineering, etc.)

\$ 80,000

Other Cost

\$ 60,000

Explain Other Costs Special purpose security systems for R&D of the computer engineering firm.

Total Cost 2,215,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 1,700,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 600,000
% sourced in Erie County	95%

Sales and Use Tax:

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 \$ 1,200,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 105,000

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (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: We've had to pay for "as-built" drawings, surveys, dumpsters and equipment for demolition of materials that had been sitting in still water inside the building that would have caused mold and other damages if not taken care of. Also for the labor expense and a few other things to shore up the building so that it didn't deteriorate further.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 2,450,000
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: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	0
Total Sources of Funds for Project Costs:	\$2,450,000
Have you secured financing for the project?	Yes

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing).	0
Lender Name, if Known	
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):	\$0

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 (485-a, 485-b, other):	If possible, we would like to participate in the 485 program. This is important to us to allow the project to make sense operationally.
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IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization

We are using a number of MBE/WBE contractors already. Will continue to purchase supplies from them as well. As an example, our general contractor is a veteran of the Iraq war and Native American. We plan to source steel for the project from Interstate steel which is a WBE.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

You must include a copy of the most recent NYS-45 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return. The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

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).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	34	34	0	34
Part time	0	0	0	0
Total	34	34	0	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	0	\$ 0	\$ 0	\$ 0	\$ 0
Professional	34	\$ 60,000	\$ 12,000	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

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

Address	640 Ellicott St Buffalo, NY 14203	835 Washington St Buffalo, NY 14203	
Full time	30	4	0
Part time	0	0	0
Total	30	4	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

7,000,000

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

85,000

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

0

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

120,000

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

0

Estimated salary range of jobs to be created

From (Full Time) 50,000 **To (Full Time)** 100,000

From (Part Time) 0 **To (Part Time)** 0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

Name and Address of Owner of Premises

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

1920s steel and brick structure, has some wood ceiling joints and decorative plaster.

Describe all known former uses of the Premises

Built by Ford Motor Company as a showroom for the plant next door. Currently, "Tri-Main". Was a savings bank and then became "Ken-Ton Fabricators" in the late 70s. Is now a vacant building, in poor condition from enormous deferral of maintenance.

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 noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

None

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

None

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

Multi-Tenant Facility (to be filled out by developer)

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

Will be occupied by engineering firm.

Have any tenant leases been entered into for this project?

Yes

If yes, please list below and provide square footage (and percent of total square footage) to be leased to tenant and NAICS Code for tenant and nature of business

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.
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*fill out table for each tenant and known future tenants

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

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?

Yes

If yes, complete the Retail Questionnaire Supplement below.

Will any portion of the project consist of facilities or property that is primarily used in making sales of goods or services to customers who personally visit the project site?

<BLANK>

If the answer is yes, please continue. **If no, proceed to the next section.**

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?

7 %

If the answer to this is **less than 33%** do not complete the remainder of the page, proceed to the next section.

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?

No

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?

Yes

If yes, explain

Jobs will move out of state after relocating from 43North if not completed.

Is the project located in a Highly Distressed Area?

Yes

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

Yes

What is the age of the structure (in years)? 100

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.

8

If underutilized, number of years underutilized.

8

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

Roof is starting to cave in. Black water from old sprinklers is shooting out and damaging building. Second story fell down onto first floor. Had to be removed.

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:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	4	600 - 800	\$ - \$
2 Bedroom	1	1,200 - 1,200	\$ - \$
3 Bedroom	0	0 - 0	\$0 - \$0
Other	0	0 - 0	\$0 - \$0

Does the site have historical significance?

Yes

If yes, please indicate historical designation

Was built by Ford Motor company to showcase model Ts in the 1920s.

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)

Project needs assistance to ensure viability, max value of the property would be around \$1,000,000 if sold after renovation. Current investment would be between \$1,200,000 and \$2,400,000. Some of this can be made up with operating income over time, but that alone cannot make up the difference.

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

I would really appreciate freezing the tax basis and sales taxes charged on materials purchased.

Indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, structure presents significant costs associated with building code compliance

Currently unknown. Has some lead paint, asbestos was remediated in the 1980s by prior owner when they created their showroom.

Indicate census tract of project location

Indicate how project will eliminate slum and blight

If project will be constructed to LEED standards indicate renewable resources utilized

Will be installing energy efficient technologies and fixtures. A large solar panel system on roof and geothermal heating and cooling.

Section VIII: 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.

Current Address

640 Ellicott St

City/Town

Buffalo

State

New York

Zip Code

14203

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?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

No

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

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

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

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

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

No

Tonawanda Pirson, LLC/Gear Motions
\$4,299,040
INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Tonawanda Pirson, LLC/Gear Motions																		
<ul style="list-style-type: none"> • NAICS Section - 531110/333612 	Project Address: North Youngmann Commerce Park, Pirson Parkway Tonawanda, New York 14150 (Kenmore-Town of Tonawanda Union Free School District)																		
COMPANY INCENTIVES	Agency Request																		
<ul style="list-style-type: none"> • Approximately \$197,064 in sales tax savings • Approximately \$873,828 in real property tax savings • Approximately \$28,474 in mortgage tax savings 	A sales tax, real property tax and mortgage tax exemption in connection with the construction of a 56,000 facility to be used by Gear Motions.																		
EMPLOYMENT																			
<ul style="list-style-type: none"> • Retained Jobs - 35 • Projected New Jobs - 2 • Total Jobs After Project Completion - 37 • Annual payroll: \$1,898,825 • Estimated salary of jobs to be created: \$48,392 • Estimated salary of jobs to be retained: \$54,252 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Land</td> <td style="width: 30%;"></td> <td style="width: 40%; text-align: right;">\$ 400,040</td> </tr> <tr> <td>Building</td> <td></td> <td style="text-align: right;">\$3,075,250</td> </tr> <tr> <td>Infrastructure</td> <td></td> <td style="text-align: right;">\$ 721,388</td> </tr> <tr> <td>Soft Costs</td> <td></td> <td style="text-align: right;">\$ 102,362</td> </tr> <tr> <td colspan="2">Total Project Cost</td> <td style="text-align: right;">\$4,299,040</td> </tr> <tr> <td>85%</td> <td></td> <td style="text-align: right;">\$3,654,184</td> </tr> </table>	Land		\$ 400,040	Building		\$3,075,250	Infrastructure		\$ 721,388	Soft Costs		\$ 102,362	Total Project Cost		\$4,299,040	85%		\$3,654,184
Land		\$ 400,040																	
Building		\$3,075,250																	
Infrastructure		\$ 721,388																	
Soft Costs		\$ 102,362																	
Total Project Cost		\$4,299,040																	
85%		\$3,654,184																	
PROJECT HISTORY	Company Description																		
<ul style="list-style-type: none"> • 07/13/2009 - No SEQRA review required as project is consistent with the original environmental impact statement approved by the Town. • 11/02/2020 - Public hearing held. • 11/18/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors 	<p>Pirson Parkway, LLC was formed by Jim and Greg Zaepfel to undertake the proposed project. This project would represent the third building constructed by the developers in the North Youngmann Industrial Park.</p> <p>Gear Motions will occupy the facility. Gear Motions is a leading gear manufacturer specializing in applying custom cut and ground gears for original equipment manufacturers throughout the world. They are employee owned with 4 divisions - 3 in the Buffalo area and one in Syracuse. The Buffalo area divisions are located on Niagara Street in the City of Buffalo and Military Road in the Town of Tonawanda.</p>																		
	Project Description																		
	<p>The project consists of the construction of an approximately 56,000 sq. ft. manufacturing facility that will be leased to Gear Motions. The company will be combining both the Niagara Street and Military Road operations into one facility within the industrial park. The combination of the operations will allow the company to capture additional best practices, share resources and reduce costs. The company has worked with Invest Buffalo Niagara over the past year on the project.</p> <p>The movement from the City of Buffalo results in an Inter-Municipal Move and in accordance with our policy we have informed the Mayor of the company's intention and have provided a list of properties which were reviewed both inside and outside of Erie County.</p>																		

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-year abatement period	Additional Local Revenue Over 10-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$1,120,000	\$33,304	\$198,979	\$110,611
Combined Tax Rate: \$98.76				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$4,299,040 85% = \$3,654,184
Employment	Coincides with 10-year PILOT	Maintain base: 35 Create 85% of Projected Projected = 2 85% = 2 Recapture Employment = 37
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	Coincides with 10-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

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 maintained 35 jobs and created 2 FT jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

ADDENDUM TO PROJECT LOG
 TONAWANDA PIRSON/GEAR MOTIONS

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$54,252 Company estimated average salary of jobs to be created: \$48,392
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside Erie County and within NYS: 11% Outside NYS and within U.S.: 80% International: 4%
In Region Purchases (% of overall purchases)	Approximately 21%
Research & Development Activities	Not applicable.
Investment in Energy Efficiency	New production equipment is being purchased by Gear Motions and will be Energy Star approved. The developer is also working with utility companies to ensure the best possible energy savings are present in the building.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The project is consistent with the original environmental impact statement approved by the Town of Tonawanda.
LEED/Renewable Resources	Not applicable.
Retention/Flight Risk	Recapture criteria currently in place requires a company this size to retain 95% of its base FTE jobs.
MBE/WBE Utilization	Both the developer and tenant fully comply with all applicable state and federal employment laws. Gear Motions is an equal opportunity employer that will make every effort to engage MBE/WBE businesses when outfitting the new facility.
Workforce Access – Proximity to Public Transportation	The facility is accessible with bus route #35 – Sheridan.

November 18, 2020

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-Tonawanda Pirson/Gear Motions - 2020

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$3,796,638	\$1,120,000	\$14.16	\$33.00	\$51.60

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$1,586	\$3,696	\$5,779	\$11,061	\$110,611	\$99,550
2	10%	\$1,586	\$3,696	\$5,779	\$11,061	\$110,611	\$99,550
3	10%	\$1,586	\$3,696	\$5,779	\$11,061	\$110,611	\$99,550
4	20%	\$3,172	\$7,392	\$11,558	\$22,122	\$110,611	\$88,489
5	20%	\$3,172	\$7,392	\$11,558	\$22,122	\$110,611	\$88,489
6	20%	\$3,172	\$7,392	\$11,558	\$22,122	\$110,611	\$88,489
7	30%	\$4,758	\$11,088	\$17,338	\$33,183	\$110,611	\$77,428
8	30%	\$4,758	\$11,088	\$17,338	\$33,183	\$110,611	\$77,428
9	30%	\$4,758	\$11,088	\$17,338	\$33,183	\$110,611	\$77,428
10	30%	\$4,758	\$11,088	\$17,338	\$33,183	\$110,611	\$77,428
Total		\$33,304	\$77,616	121,363	\$232,284	1,106,102	\$873,828

***** 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:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$4,299,040	\$873,828	\$197,064	\$28,474	N/A

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 25.6 %

Cost-Benefit Analysis for Tonawanda Pirson LLC

Prepared by Erie County IDA using InformAnalytics

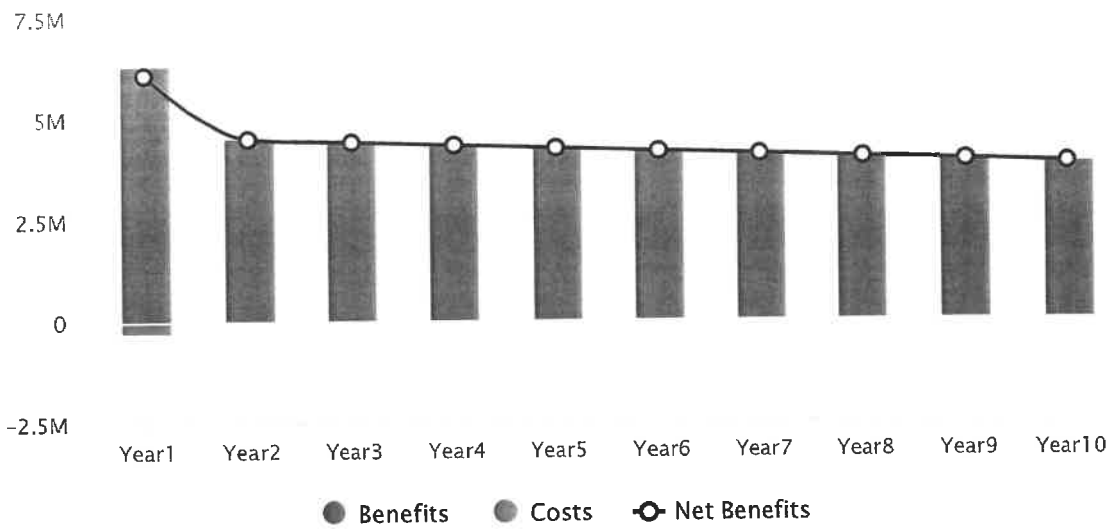
Executive Summary

INVESTOR Tonawanda Pirson LLC	TOTAL INVESTED \$4.3 Million	LOCATION North Youngmann Commerce Park, Pirson Parkway, Tonawanda, NY 14150	TIMELINE 10 Years
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FIGURE 1

Discounted* Net Benefits for Tonawanda Pirson LLC by Year

Total Net Benefits: \$43,605,000



Discounted at 2%

FIGURE 2

Total Jobs

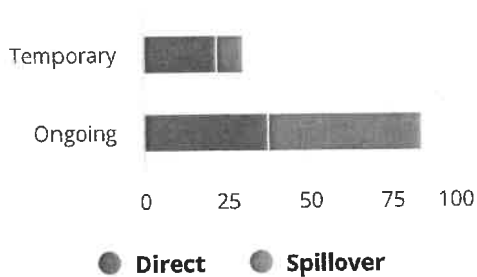
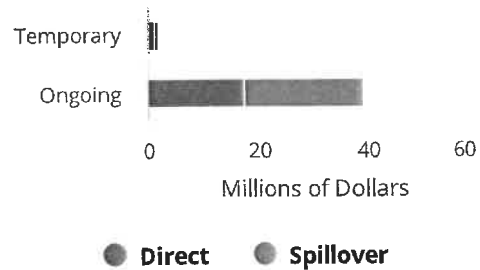


FIGURE 3

Total Payroll



Proposed Investment

Tonawanda Pirson LLC proposes to invest \$4.3 million at North Youngmann Commerce Park, Pirson Parkway, Tonawanda, NY 14150 over 10 years.

TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$3,075,000
OTHER SPENDING	
Land Acquisition	\$400,000
Infrastructure	\$721,000
Soft Costs	\$102,000
Total Investments	\$4,299,000
Discounted Total (2%)	\$4,299,000

FIGURE 4

Location of Investment



May not sum to total due to rounding.

Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

 TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for Tonawanda Pirson LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$306,000	\$282,000
Sales Tax Exemption	\$197,000	\$197,000
Mortgage Recording Tax Exemption	\$28,000	\$28,000
Total Costs	\$532,000	\$508,000

May not sum to total due to rounding.

* Discounted at 2%

 TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$20,581,000	\$24,686,000	\$45,267,000
To Private Individuals	\$20,171,000	\$24,290,000	\$44,461,000
Temporary Payroll	\$1,182,000	\$410,000	\$1,592,000
Ongoing Payroll	\$18,989,000	\$23,879,000	\$42,869,000
To the Public	\$410,000	\$396,000	\$806,000
Property Tax Revenue	\$81,000	N/A	\$81,000
Temporary Sales Tax Revenue	\$19,000	\$7,000	\$26,000
Ongoing Sales Tax Revenue	\$310,000	\$389,000	\$699,000
STATE BENEFITS	\$1,271,000	\$1,444,000	\$2,714,000
To the Public	\$1,271,000	\$1,444,000	\$2,714,000
Temporary Income Tax Revenue	\$58,000	\$20,000	\$78,000
Ongoing Income Tax Revenue	\$928,000	\$1,081,000	\$2,009,000
Temporary Sales Tax Revenue	\$17,000	\$6,000	\$22,000
Ongoing Sales Tax Revenue	\$268,000	\$337,000	\$605,000
Total Benefits to State & Region	\$21,852,000	\$26,129,000	\$47,981,000
Discounted Total Benefits (2%)	\$20,135,000	\$23,977,000	\$44,112,000

May not sum to total due to rounding.

TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$41,617,000	\$407,000	102:1
State	\$2,495,000	\$101,000	25:1
Grand Total	\$44,112,000	\$508,000	87:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.



ZAEPFEL

November 5, 2020

MWBE Businesses Utilized

W and W Cleaning Services
96 Windermere Blvd.
Amherst, NY 14226

Plum Impressions LLC
47 Linden Park
Buffalo, NY 14208

Ready WNY Inc.
1914 Clinton Street
Buffalo, NY 14206

J & N Services Corporation
244 Aero Drive
Cheektowaga, NY 14225

JSL Plumbing, Inc.
9717 Watson Avenue
Middleport, NY 14105

A+ Cleaning
PO Box 106
Irving, NY 14081

William D. Lorenz Construction Inc.
4231 Billo Road
Clarence, NY 14031

Anzalone Lighting, Inc.
6208 Shimer Dr.
Lockport, NY 14094

Buffalo Energy Savers Inc.
5763 Seneca Street - #4
Elma, NY 14059

Cooper Sign Company
7350 Porter Road
Niagara Falls, NY 14304

CME Associates Inc.
PO Box 5490
Syracuse, NY 13220

E.J. Militello Concrete, Inc.
8565 Roll Road
Clarence Center, NY 14032

Upstate Steel, Inc.
1800 Dale Road
Buffalo, NY 14225

VIRTUAL PUBLIC HEARING SCRIPT

**Tonawanda Pirson 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 November 2, 2020 at 10:30 a.m.
via Virtual Conference Software

ATTENDANCE:

Dean Burrows – Gear Motions
Gregory Zaepfel – Zaepfel Development
Joseph Deck – Hanna CRE
Scott Mason – Hanna CRE
Karen Fiala – ECIDA
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:31 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 virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Tonawanda Pirson 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 Thursday, October 22, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition of a leasehold interest in an approximately 6+/- acre parcel of land located at Pirson Parkway, Town of Tonawanda, Erie County New York (the "Land"); (ii) the construction thereon of an approximately 55,943+/- SF manufacturing and office space facility (the "Improvements"); and (iii) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the "Equipment"; and, collectively with the Land and the Improvements, the "Facility"), to be subleased to Gear Motions Incorporated (the

“Tenant”) for use in its business of supplying custom cut and ground gears for OEMs around the world.

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 who have joined this conference call were required to pre-register through our website (www.ecidany.com). Everyone who has pre-registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on November 17, 2020. There are no limitations on written statements or comments.

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

Hearing Officer: Those interested in making a statement or comment will be called upon by Brian in the order that they registered for this meeting. Please begin by stating your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

The Hearing Moderator introduces each participant in the order they registered for this meeting.

My name is Gregory Zaepfel from Zaepfel Development. We are proposing to construct a 55,943 sq. ft. facility at 100 Pirson Parkway for the company Gear Motions to commence in the spring of next year and for occupancy in the fall of next year and if there are any questions please let me know.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:34 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on November 2, 2020 at 10:30 a.m.
via Virtual Conference Software

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

Project Location: Pirson Parkway, Town of Tonawanda, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Gregory Zaefel	Zaepfel Development 5505 Main Street Williamsville, New York 14221	X
Dean Burrows	Gear Motions 1750 Milton Street Syracuse, New York 13209	
Joseph Deck	Hanna CRE 344 Delaware Avenue Buffalo, New York 14202	
Scott Mason	Hanna CRE 344 Delaware Avenue Buffalo, New York 14202	
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**TONAWANDA PIRSON LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, November 18, 2020 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF TONAWANDA PIRSON LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, the Company has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project")

consisting of: (i) the acquisition of a leasehold interest in an approximately 6+/- acre parcel of land located at Pirson Parkway, Town of Tonawanda, Erie County New York (the “Land”); (ii) the construction thereon of an approximately 55,943+/- SF manufacturing and office space facility (the “Improvements”); and (iii) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the “Equipment”; and, collectively with the Land and the Improvements, the “Facility”), to be subleased to Gear Motions Incorporated (the “Tenant”) for use in its business of supplying custom cut and ground gears for OEMs around the world; and

WHEREAS, pursuant to General Municipal Law Section 859-a, and pursuant to Governor Cuomo’s Executive Order 202.15 issued on April 9, 2020, and as amended from time to time, authorizing the conduct of public hearings through the use of telephone conference, video conference and/or other similar service, the Agency, on November 2, 2020, at 10:30 a.m., held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) via live stream web broadcast at www.ecidany.com/streaming, at which the Agency provided interested parties a reasonable opportunity to provide oral comments and/or their views on the Project, and further instructed interested parties on the process to submit written comments with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, (b) a mortgage recording tax exemption benefit for the financing related to the Project, and (c) a partial abatement from real property taxes benefit through a ten (10) year term PILOT Agreement for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, on March 15, 2005, the Town Board of the Town of Tonawanda (the “Town”) declared itself Lead Agency and issued a determination of significance for a positive Declaration for the North Youngman Commerce Center project which entails the development of an approximately 94 acre commerce park to be ultimately developed as various individual parcels within the project site by private developers (the “NYCC Project”); and

WHEREAS, the Project is located within the geographic area described as the NYCC Project; and

WHEREAS, on May 4, 2009, the Town accepted a Draft Generic Environmental Impact Statement (the “DGEIS”) for the NYCC Project as being completed consistent with the applicable requirements of Article 8 of the Environmental Conservation Law, and the regulations promulgated therein at 6 N.Y.C.R.R. Part 617 (collectively referred to as “SEQRA”); and

WHEREAS, the Town proceeded to conduct a public comment period for the DGEIS as mandated by SEQRA; and

WHEREAS, on June 15, 2009, the Town accepted a Final Generic Environmental Impact Statement (the “FGEIS”) for the NYCC Project as being completed pursuant to the applicable requirements of SEQRA; and

WHEREAS on July 13, 2009, the Town issued its Findings Statement (the “Findings Statement”) approving the NYCC Project, and confirming that the Town had considered the relevant environmental impacts, facts and conclusions disclosed in the DGEIS and the FGEIS; that the Town had weighed and balanced the relevant environmental impacts with social, economic and other considerations; that the requirements of SEQRA had been met; and confirming that, consistent with social, economic, and other essential considerations from among the reasonable alternatives available, that the action to be carried out is the one that avoids or minimizes to the maximum extent practicable, adverse environmental impacts disclosed in the DGEIS and FGEIS, and that adverse environmental impacts will be minimized or avoided to the maximum extent practicable by incorporating, as conditions to this determination, those mitigating measures that were identified as practicable; and

WHEREAS, Section 617.10(d)(1) of the SEQRA regulations states that when a FGEIS has been filed, no further SEQRA compliance is required if the subsequent proposed action will be carried out in conformance with the conditions and thresholds established for such actions in the FGEIS or the FGEIS Findings Statement, such that additional SEQRA compliance is only required if the subsequent proposed action was not addressed or was not adequately addressed in the FGEIS or the FGEIS Findings Statement, or if the subsequent action has one or more significant adverse environmental impacts that were not analyzed in the generic process; and

WHEREAS, the Company submitted an Environmental Assessment Form (the “EAF”) and Supplemental Findings Statement Project Evaluation Form (the “Supplemental Findings Statement”) to the Town, and on October 14, 2020, the Town’s SEQR Committee reviewed the Project, the Project’s concept plan, the EAF and the Supplemental Findings Statement and found that no further review under SEQRA is necessary because the Project conforms with the conditions and thresholds established in the DGEIS, the FGEIS and the Findings Statement accepted and issued by the Town; and

WHEREAS, on November 4, 2020, the Town Planning Board reviewed the Project, the Project’s concept plan, the EAF, the Supplemental Findings Statement, and the October 14, 2020 Town SEQR Committee determination and found that, consistent with the social/ economic and other essential considerations from among the reasonable alternatives available, the action is one which avoids or minimizes adverse environmental effects to the maximum extent practicable, and that adverse environmental impacts will be avoided or minimized by incorporating as conditions to the decision those mitigative measures which were identified as practicable, such

that no further review under SEQRA is necessary because the Project conforms with the conditions and thresholds established in the DGEIS, the FGEIS and the Findings Statement accepted and issued by the Town; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review and recommendations of the Project and its November 4, 2020 resolution to approve the project subject to the terms and conditions as described herein, review and consideration of the Town of Tonawanda's SEQR Committee determination that the Project requires no further review under SEQRA because the Project confirms with the DGEIS, the FGEIS, and the Findings Statement accepted and issued by the Town, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the

State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) In reviewing the Project as currently proposed pursuant to the conditions and mitigation measures set forth in the DGEIS, FGEIS, and the Findings Statement that were prepared for the NYCC Project, and the Town's SEQRA Committee October 14, 2020 determination and the Town Planning Board November 4, 2020 resolution that no further SEQRA compliance is required for the Project because it will be carried out in conformance with the conditions and thresholds established in the Findings Statement, the Agency hereby determines, pursuant 6 N.Y.C.R.R. Section 617.10(d)(1), that no further SEQRA compliance is required for the Project because it will be carried out in conformance with the conditions and thresholds established in the DGEIS, the FGEIS, and the Findings Statement; and

(G) Thee Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(H) The Agency has prepared a written cost-benefit analysis identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(I) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions the Act.

(J) Gear Motions Incorporated (the "Tenant") will occupy the Facility. The Agency hereby approves the subleasing of space in the Project to the Sub-Tenant and authorizes the Company to proceed with the Project as herein authorized; and

(K) The Project qualifies for Agency Financial Assistance as it meets the Agency's evaluative criteria for manufacturing projects, said criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) the wage rate, estimated to be between \$48,000 to \$54,000 for jobs to be retained and created is above the median wage for the area, being approximately \$33,350; and

(ii) the Company has stated that sales outside of Erie County but within New York State equal 11% of total sales, while sales outside of New York State but within the United States equal 80% of total sales, and international sales equal 4% of total sales; and

(iii) that 21% of its purchases are made from within the western New York region; and

(iv) that new production equipment being purchased as part of the Project is Energy Star approved to ensure best possible energy savings; and

(v) the Project is consistent with the environmental impact review conducted by the Town; and

(vi) the Company will be required to retain 95% of its base FTE jobs thus meeting Agency retention and flight risks policy; and

(vii) both the Company and its Tenant pledge to fully comply with all applicable state and federal employment laws and to engage MBE/WBE businesses when outfitting the new Facility; and

(viii) the Facility is accessible via public bus transportation thus meeting workforce access requirements.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the appointment of the Company as agent of the Agency, if utilized, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

(A) Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$2,252,155, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed \$197,064, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit shall not exceed \$28,474; and

(iii) authorizes and approves that the real property tax abatement benefits to be provided over the term of the PILOT Agreement are estimated to be approximately \$873,828, resulting in estimated total PILOT payments of \$232,284 over the term of the PILOT Agreement.

(B) Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

(C) Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and

maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the termination PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$3,654,184 (which represents the product of 85% multiplied by \$4,299,040, being the total project cost as stated in the Company's application for Financial Assistance). Employment Commitment – that there are at least 35 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”): and
 - The number of current FTE employees in the then current year at the Facility: and
 - That within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 37 FTE employees [representing the sum of (i) 35 Baseline FTE employees and (ii) 2 FTE employees, being the product of 85% and 2 (representing the 2 new FTE employee positions proposed to be created by the Company as stated in its Application). In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (ii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iii) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (iv) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT

Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: November 18, 2020

CERTIFICATION OF FINDINGS TO APPROVE

Supplemental Findings for
Individual Development Projects in
North Youngmann Commerce Center

75 PIRSON PARKWAY - GEAR MOTIONS

Having considered the Draft and Final Generic EIS/ and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 N.Y.C.R.R. 617.11/ this Statement of Findings certifies that:

1. The requirements of 6 N.Y.C.R.R. Part 617 have been met;
2. Consistent with the social/ economic and other essential considerations from among the reasonable alternatives available, the action is one which avoids or minimizes adverse environmental effects to the maximum extent practicable, and that adverse environmental impacts will be avoided or minimized by incorporating as conditions to the decision those mitigative measures which were identified as practicable.

TOWN of TONAWANDA PLANNING BOARD

Name of Agency

KENNETH SWANEKAMP

Name of Responsible Official

Kenneth SwaneKamp

Signature of Responsible Official

CHAIRMAN, TOWN of TONAWANDA PLANNING BOARD

Title of Responsible Official

NOVEMBER 4, 2020

Date

525 BELMONT AVE. TONAWANDA, NY

Address of Agency

Preliminary Site Plan Review

75 Pirson Parkway – Gear Motions 56,000 sf new building construction

Applicant: Jason Utzig – C&S Engineers

Dean Burrows – President/CEO Gear Motions

At the October 7, 2020 meeting the Board members held a discussion with the applicants on the proposed construction of a new 56,000 sf office and warehouse building located at 75 Pirson Pkwy.

The Board tabled their decision pending ZBA approval of no frontage, minor sub-division, south side elevation showing the equipment on the roof, landscaping plan including trees around the perimeter of the retention pond, SEQR review, revised storm water plan and a geotechnical report.

The applicant failed to appear for discussion of the site plan.

James Hartz reported that the applicant wants to subdivide the existing MJ Mechanical parcel for the Gear Motions property which would necessitate some easements to be in place for Gear Motions to access the private driveway and make sure the utilities are addressed.

At the November 4th meeting the Chairman stated that the ECIDA asked the Board to act on SEQR so the EDICA can act at their next meeting.

Mr. Frank moved to accept the recommendation of the SEQR Committee, at their October 14, 2020 meeting, that the Supplemental Findings are consistent with the Environmental Impact Statement.

Seconded by Mr. Morris

Carried Seven (7) Ayes and No (0) Nays

Once the easements are in place the applicant will be invited to the next Planning Board meeting.



Gear Motions

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name	Tonawanda Pirson - Gear Motions
Applicant Name	Tonawanda Pirson LLC
Applicant Address	5505 Main Street
Applicant Address 2	
Applicant City	Williamsville
Applicant State	New York
Applicant Zip	14221
Phone	716-632-7230
Fax	716-632-4947
E-mail	sbeiter@zaepfel.com
Website	www.zaepfel.com
Federal ID#	46-3782960
NAICS Code	531120
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	Tonawanda Pirson LLC
Federal ID#	46-3782960
State and Year of Incorporation/Organization	NY/2013
List of stockholders, members, or partners of Real Estate Holding Company	James A. Zaepfel Gregory J. Zaepfel

Individual Completing Application

Name	Shannon Beiter
Title	CFO
Address	5505 Main Street
Address 2	
City	Williamsville
State	New York
Zip	14221

Phone

716-632-7230

Fax

716-632-4947

E-Mail

sbeiter@zaepfel.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**

Jonathan Schechter

Firm Name

Gross Shuman Brizdle

Address

465 Main Street

Address 2

Suite 600

City

Buffalo

State

New York

Zip

14203

Phone

716-854-4300

Fax

716-854-2787

E-Mail

jschechter@gross-shuman.com

Identify the assistance being requested of the Agency.**Exemption from Sales Tax** Yes**Exemption from Mortgage Tax** Yes**Exemption from Real Property Tax** Yes**Tax Exempt Financing*** No

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

Business Organization**Type of Business** Limited Liability Company**Type of Ownership****Year Established** 2013**State of Organization** New YorkList all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

James A. Zaepfel 75% Gregory J. Zaepfel 25%

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

Tonawanda Pirson, LLC was formed by Zaepfel Development to undertake the construction of a facility for lease to Gear Motions. Zaepfel has developed, owned, managed, built or sold nearly five million square of office, warehouse, industrial and flex space in Western New York, Pennsylvania and the Southeast. Applicant's tenant for 100% of new building will be Gear Motions Incorporated. Gear Motions is a leading gear manufacturer specializing in supplying custom cut and ground gears for OEMs all around the world. They are an employee owned company with 4 divisions in New York, 3 in the Buffalo region and one in Syracuse. The company's divisions specialize in custom, precision gearing for a broad range of industries in the United States and internationally. In Buffalo, there are two locations for our three divisions: On Niagara Street in Buffalo, Oliver Gear and Pro-Gear reside. On Military Ave in Kenmore, Niagara Gear is operating.

Estimated % of sales within Erie County 5%

Estimated % of sales outside Erie County but within New York State 11%

Estimated % of sales outside New York State but within the U.S. 80%

Estimated % of sales outside the U.S. 4%

(*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

21% for tenant 90% for developer

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Tonawanda and Buffalo

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

Yes

In which Municipality will the proposed project be located

Tonawanda

Address

Pirson Parkway (land parcel on Two Mile Creek)

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?

Yes

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?

Yes

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

SBL Number for Property upon which proposed Project will be located

To be assigned

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

part of larger parcel

Assessed value of land

Assessed value of building(s)

0

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Town of Tonawanda

School District of Project Site

Kenmore-Tonawanda

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 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)

New build construction of a 55,943 sf facility for the 100% use of Gear Motions Incorporated as a tenant. Facility is to be used 11% for offices and 89% for manufacturing. Applicant's tenant for 100% of new building will be Gear Motions Incorporated. Gear Motions is a leading gear manufacturer specializing in supplying custom cut and ground gears for OEMs all around the world. They are an employee owned company with 4 divisions in New York, 3 in the Buffalo region and one in Syracuse. The company's divisions specialize in custom, precision gearing for a broad range of industries in the United States and internationally. In Buffalo, there are two locations for our three divisions: On Niagara Street in Buffalo, Oliver Gear and Pro-Gear reside. On Military Ave in Kenmore, Niagara Gear is operating.

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:

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 Agency's financial assistance is necessary to allow Gear Motions to continue to grow and expand its markets outside of Erie County. The opportunity to combine these two operations into one facility will allow the company to capture additional best practices and share resources to reduce costs and increase profit. The combination of the two operations will allow the company to retain its current customers, maximizing synergies between the two, and build the foundation to grow the business. This new footprint in the Tonawanda location will be well positioned to double the sales over the coming years.

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

Yes

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

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

Project conforms to current zoning of Waterfront Industrial.

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes - details to be provided.

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.

Yes 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)

No Other

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 400,040 square feet 6 acres

New Building Construction

\$ 3,075,250 55,943 square feet

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$ 721,388

Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

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

\$ 0

Soft Costs: (professional services, etc.)

\$ 102,362

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 4,299,040

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

\$ 0

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

No

If Yes, describe particulars:

Sources of Funds for Project Costs:

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

\$ 759,327

Bank Financing:

\$ 3,010,336

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:

\$3,769,663

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.**

\$ 3,796,638

Lender Name, if Known

1,518,655

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

\$28,474

Construction Cost Breakdown:

Total Cost of Construction

\$ 3,990,138 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 1,518,655

% sourced in Erie County

80%%

% sourced in State

90%% (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

\$ 2,252,155

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

\$ 197,064

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

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	50,391 square feet	\$ 3,196,638	84
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	5,552 square feet	\$ 600,000	16
Specify Other	square feet	\$ 0	0

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

12/1/2020

End date : Estimated completion date of project

6/1/2021

Project occupancy : estimated starting date of operations

6/1/2021

Have construction contracts been signed?

No

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

No

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
Full time	35	35	2	2
Part time	0	0	0	0
Total	35	35	2	

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

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period

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

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

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	1	\$ 125,500	\$ 41,250	\$ 0	\$ 0
Professional	5	\$ 77,480	\$ 25,568	\$ 0	\$ 0
Administrative	3	\$ 42,592	\$ 14,055	\$ 0	\$ 0
Production	26	\$ 48,392	\$ 15,969	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

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

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Will any of the facilities described above be closed or subject to reduced activity?

Yes

Payroll Information

Annual Payroll at Proposed Project Site

\$ 1,898,825

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

\$ 54,252

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

\$ 0

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

\$ 48,392

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

\$ 0

Estimated salary range of jobs to be created

From (Full Time)	\$ 48,000	To (Full Time)	\$ 50,000
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?

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 Gear Motions Incorporated
Address 1750 Milton Avenue
Contact Person Dean Burrows
Phone 315-447-4025
Fax 315-488-0196
E-Mail Dean.Burrows@gearmotions.com
Federal ID # IOGI: 16-0577460 / NGC: 16-0847628
SIC/NAICS Code SIC: 3566 / NAICS: 333612

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 the Tenant Information section of this application, 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.
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Section IV: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Gear Motions Incorporated

Property Address:

1750 Milton Avenue

City/Town/Village

Syracuse, NY 13209

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)

55,943

What percentage of the building does this represent?

100

Are terms of lease:

NET

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

Estimated date of occupancy

12/1/2020

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Gear Motions Incorporated

Local Contact Person:

Dean Burrows

Title:

President and CEO

Current Address:

1750 Milton Avenue, Syracuse, NY 13209

Phone:

315-447-4025

Fax:

315-488-0196

E-Mail:

Dean.Burrows@gearmotions.com

Website:

www.gearmotions.com

Company President/General Manager:

Dean Burrows

Number of employees moving to new project location:

Full-Time:

35

Part-Time:

0

Total:

35

Do you anticipate increasing employment within the next two years?

If yes, how many additional employees moving to new project location?

Full-Time:

2

Part-Time:

0

Total:

2

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:
PRECISION GEAR MANUFACTURER. THE NAICS CODE IS 333612. SALES IN ERIE COUNTY ARE 4.6% SALES IN THE UNITED STATES IN 2019 WAS 95.4%

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

OLIVER GEAR WAS FOUNDED IN 1892 AND IS THE OLDEST CONTINUALLY OPERATING GEAR MANUFACTURER IN THE U.S.. NIAGARA GEAR WAS FOUNDED IN 1947 AND WAS ACQUIRED BY GEAR MOTIONS IN 2014.

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

55,943

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

62,000

Describe the economic reason for either the increase or decrease in leased space.

CONSOLIDATION OF DUPLICATE DEPARTMENTS (QUALITY, SHIPPING/RECEIVING) WILL DRIVE EFFICIENCY AND REDUCE FLOORSPACE NEEDS.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

Yes

Where is company relocating from?

Address:

OGI: 1120 NIAGARA STREET / NGC: 941 MILITARY ROAD

City/Town/Village:

BUFFALO / BUFFALO

State:

NY / NY

Zip:

14213 / 14217

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

THE MOVE WILL BE TO CONSOLIDATE OUR BUFFALO OPERATIONS TO IMPROVE EFFICIENCY, REDUCE COSTS, AND LEVERAGE SCALE TO INCREASE OUR COMPETITIVE POSITION.

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

BOTH EXISTING FACILITIES VACATED WILL BE SOLD.

If leased, when does lease expire?

1/1/2015

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

Yes

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

941 MILITARY ROAD RECEIVED IDA IN THE PAST. THE LAST BENEFIT WAS THE ADDITION IN 2007 OF 6,870 SQUARE FEET OF MANUFACTURING SPACE TO THE CURRENT COMPANY OWNED FACILITY.

Is location necessary to:

Discourage your company from moving out of New York State

Yes

Maintain your company's competitiveness within the industry:

Yes

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)

Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility

No

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

No

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

Yes

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

-CAROLYN POWELL AND KIM GRANT FROM INVEST BUFFALO NIAGARA-TOURED NUMEROUS EXISTING PROPERTIES AND NONE MET OUR SHORT AND LONG TERM REQUIREMENTS.

If no, why not?

Will present location be your company's headquarters?

No

If No, Where is the location of HQ:

City:

SYRACUSE

State:

NEW YORK

Form Completed By:

DEAN BURROWS

Relationship to Company:

PRESIDENT, GEAR MOTIONS

Section V: Environmental Questionnaire

General Background Information

Address of Premises Pirson Parkway, Tonawanda, NY - Address to be determined

Name and Address of Owner of Premises Tonawanda Pirson LLC 5505 Main Street Williamsville, NY 14221

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

Property known as "Mudflats"

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

Intended use to include general office and warehouse/manufacturing facility.

Describe all known former uses of the Premises

Vacant

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

History of radioactive materials from the Landfill site.

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?

Yes

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

US Army Corps of Engineers in their September 2008 Record of Decision for the Mudflats Operable Unit gave an opinion that there was "no further action required".

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

None

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

None

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

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

None

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

<BLANK>

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? Yes

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? Yes

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:

THE COST TO MAINTAIN MANUFACTURING IN NEW YORK IS APPROXIMATELY 18-21% HIGHER THAN OTHER STATES INCENTIVIZING US TO RELOCATE. THE ASSISTANCE REQUESTED WILL HELP TO OFFSET SOME OF THIS DIFFERENCE.

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

Within New York State Yes

Within Erie County Yes

If Yes to either question, please, explain OGI - FROM THE CITY OF BUFFALO, OLIVER GEAR WILL RELOCATE TO TONAWANDA IN ERIE COUNTY. NGC - FROM KENMORE, NIAGARA GEAR WILL RELOCATE WITHIN TONAWANDA.

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

Yes

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.)

OLIVER GEAR IS SITUATED ON A PIECE OF PROPERTY THAT DOES NOT HAVE THE ABILITY TO EXPAND. THE PROPERTY IS IN THE MIDDLE OF A RENAISSANCE FOR NIAGARA STREET AND OLIVER GEAR'S MANUFACTURING PRESENCE IS NOT ALIGNED TO THE VISION OR FUTURE OF THE AREA.

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.)

- GRADE LEVEL DOCKS (2) -18-22' CEILING HEIGHT - ROOM FOR EXPANSION (30,000 FT. MORE)- AIR CONDITIONED - 50,000 MFG SPACE - RECESSED DOCKS (3) - 5,000 OFFICE SPACE

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?

Yes

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

THE KEY FACTOR WAS OUR EMPLOYEES. THE AVERAGE SENIORITY IS IN EXCESS OF 20 YEARS AND THE ABILITY TO FIND THIS LEVEL OF SKILLS ELSEWHERE WAS DEEMED LIMITED AND WOULD HURT OUR ABILITY TO BE SUCCESSFUL IN THE FUTURE.

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

CURRENT FACILITIES WILL BE SOLD. IF UNABLE TO SELL, THEY WILL BE LEASED OUT.

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.

SEE ATTACHED

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:

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:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	0		\$
2 Bedroom	0		\$
3 Bedroom	0		\$
Other	0		\$

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

Project is located in a long term vacant or under utilized area in the Town of Tonawanda next to the 290 Expressway. This Project will further the Town of Tonawanda's efforts to rebuild its commercial tax base.

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>