



Erie County Industrial Development Agency
Meeting of the Membership
October 28, 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 September 23, 2020, 2020 Meeting of the Membership (Action Item) (Pages 2-6)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 7-10)

3.2 Finance & Audit Committee Update (Informational)

a) 2021 Budget Timetable (Informational) (Page 11)

b) Approval of 2021 Operating & Capital Budget (Action Item) (Pages 12-22)

3.3 2020 Tax Incentive Induced/Closing Schedule/ Estimated Real Property Tax Impact (Informational) (Pages 23-25)

3.4 Approval of COVID-19 Disaster Emergency Grant Applications (Action Item) (Separate Attachment)

3.5 Policy Committee Update (Informational) (Pages 26-27)

4.0 Inducement Resolutions:

**ECIDA Private
Incentives Investment Municipality**

4.1 (None)

5.0 Amendatory Inducement Resolution

5.1 Fisher Price (Action Item) (Pages 28-62)

6.0 Management Team Reports:

6.1 Compliance Meeting Update (Informational)

6.2 COVID-19 Response Update (Informational)

7.0 Adjournment - Next Meeting November 18, 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: September 23, 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. Joseph Emminger, Hon. Howard Johnson, Tyra Johnson, 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, Dottie Gallagher, Hon. Brian Kulpa, Hon. Darius G. Pridgen and Renee Wilson

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Karen M. Fiala, Vice President/Secretary; 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; Alex Carducci on behalf of the City of Buffalo; Christopher Canada of behalf of Hodgson Russ; Kevin J. Zanner on behalf of Hurwitz & Fine; Amber Storr on behalf of Hurwitz & Fine; Deep Katdare on behalf of Related Affordable; David Pearson on behalf of Related Companies; Hon. April Baskin, Erie County Legislature

There being a quorum present at 12:04 p.m., the meeting of the Members of the ECIDA was called to order its Chair, Ms. McDuffie.

MINUTES

The minutes of the August 26, 2020 meeting of the members were presented. Mr. Lipsitz moved and Mr. Poloncarz 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 August 2020 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$27.3 million, which includes over \$7 million of unrestricted cash available for Agency operations. Net assets at the end of August were \$21.0 million. The monthly income statement shows net income from operations of \$125,000. Operating revenue was above monthly budget by \$89,000, due to administrative fee receipts of \$258,000 in August. Operating expenses were under budget by \$34,000. After strategic initiatives and depreciation, there was net income of \$111,000 for the month. The year-to-date income statement shows revenue of approximately \$1.4 million, being \$485,000 below budget for the year, and expenses of \$1.8 million, being \$160,000 below budget. Combined with special project grants, the operational side/top half of the income statement shows a net loss of \$407,000 through August. After factoring in strategic initiatives and depreciation, there is currently an overall net loss of \$1.7 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 September 16, 2020. At this meeting the Committee reviewed and recommended the proposed IDA bond issuance for Related Affordable, reviewed again the 2021 budget process and timetable and reviewed the proposed budgets of the ECIDA, RDC and ILDC. There will be two voluntary Board Q&A educational sessions that will be held on October 2 and October 6. The Committee voted to recommend the proposed 2021 budgets of all three entities, subject to changes of greater than \$100,000 on any one budget line. If there are additional adjustments to the budget that need to be reviewed, the Committee will convene in October. Ultimately, the Board will be asked to take action on the budget in October for submission to the ABO by the November 1 deadline. The Committee also approved the retention of Freed Maxick as independent auditors for the ECIDA, RDC and ILDC 2020 financial statement audits. Ms. McDuffie directed that the report be received and filed.

2021 Budget. Ms. Profic presented the 2021 Budget to the members. Ms. Profic advised the Board that action will be required on the budget at the October board meeting. Ms. McDuffie directed that the report be received and filed.

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

Approval of COVID-19 Disaster Emergency Grant Application. Mr. Cappellino reviewed the ECIDA's COVID-19 Disaster Emergency Grant program.

Ms. O’Keefe reviewed the proposed nine (9) grant applications. Ms. McDuffie asked members if they had any questions or conflicts for each application and then moved to approve all 9 applications. Upon motion made by Mr. Johnson and seconded by Mr. Poloncarz to approve nine (9) COVID-19 Disaster Emergency Grant applications. Ms. McDuffie called for the vote and the following nine (9) grant applications were unanimously approved:

1. AI Express Inc.
2. ABC Lean and Play 1, Inc.
3. Arts Services Initiative of WNY, Inc
4. Black Rock Historical Society
5. Explore Buffalo Inc.
6. Kirchmyer & Goode Physical Therapists, P.C.
7. MidCity Office
8. Peaceprints of WNY
9. Theodore Roosevelt Inaugural Site Foundation.

Policy Committee Update. Mr. Lipsitz provided members with an update from the most recent Policy Committee meeting. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

Related Affordable, LLC/Elmwood Square Apartments, 505 Elmwood Avenue (aka 501-505 Elmwood and 258 West Utica), Buffalo, New York

Ms. Fiala reviewed the proposed project involving the Agency’s issuance of its taxable and/or tax exempt revenue bonds in an amount not to exceed \$9,000,000, proceeds to be used for the renovation of one 12-story tower containing 32 studio units, 106 one-bedroom units and a non-revenue producing employee unit. The company is also seeking sales tax and mortgage recording tax exemption benefits. In addition, the property contains a management office, community room, gated resident parking lot, outdoor mezzanine common area, rear courtyard, multiple laundry rooms and five commercial spaces. The total building is just over 107,000 sq. ft. The proposed renovation is expected to include building envelope site work (roof replacement, façade repair, lighting, repaving, landscaping and concrete work), building system and common area improvement (elevator modernization, mechanical upgrades, common area renovation and upgrades, lighting efficiency and upgrades, and storefront repairs) and updates to 100% of the apartment units (counters, cabinets, appliances, vanities, sinks, faucets, toilets, tubs, lighting, outlets, smoke detectors, range hoods and accessibility upgrades).

As a 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 later of two (2) years following either the construction completion date or the termination of the Agent 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 \$13,452,857 (which represents the product of 85% multiplied by \$15,826,891, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least Four (4) 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 the Company has maintained Facility employment equal to Four (4) FTE employees.

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.

- (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.

Mr. Wingerter moved and Ms. Abbott seconded to approve the Project. Mr. Lipsitz then called for the vote and the following resolution was unanimously approved:

RESOLUTION (A) AUTHORIZING THE ISSUANCE, AND SALE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAX-EXEMPT AND/OR TAXABLE MULTIFAMILY HOUSING REVENUE BONDS (ELMWOOD SQUARE HOUSING, L.P. PROJECT), IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000; (B) THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AND (C) MAKING A FINDING IN COMPLIANCE WITH THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT.

COMPLIANCE UPDATE

Ms. Boudreau reviewed the Agency’s 2019 Compliance Report. Ms. McDuffie thanked Ms. Boudreau for her excellent compliance monitoring and reporting. Ms. McDuffie directed that the report be received and filed.

MANAGEMENT TEAM REPORT

EDA Award. Mr. Cappellino advised members that the ECIDA has received a U.S. Economic Development Administration \$5.42 million grant award for to fund a new ECIDA lending program to assist in COVID-19 economic recovery.

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 12:57 p.m.

Dated: September 23, 2020

Karen M. Fiala, Secretary

Erie County Industrial Development Agency
Financial Statements
As of September 30, 2020

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet
September 30, 2020

	September 2020	August 2020	December 2019
ASSETS:			
Cash *	\$ 7,550,810	\$ 7,173,108	\$ 7,576,519
Restricted Cash & Investments *	17,227,252	17,426,076	19,385,789
Due from Affiliates	490,587	456,866	553,651
Due from Buffalo Urban Development Corp.	142,883	132,883	114,751
Other Receivables	66,870	85,487	144,311
Total Current Assets	<u>25,478,401</u>	<u>25,274,420</u>	<u>27,775,021</u>
Grants Receivable	831,498	184,151	331,434
Venture Capital Investments, net of reserves	610,011	610,011	634,061
Capital Assets	1,261,508	1,272,341	1,358,104
Total Long-Term Assets	<u>2,703,017</u>	<u>2,066,503</u>	<u>2,323,599</u>
TOTAL ASSETS	<u><u>\$ 28,181,418</u></u>	<u><u>\$ 27,340,923</u></u>	<u><u>\$ 30,098,620</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 221,170	\$ 178,204	\$ 390,971
Deferred Revenues	826,905	128,810	243,708
Other Payables	-	-	56,294
Funds Held on Behalf of Others	5,977,385	6,075,322	6,785,657
Total Liabilities	<u>7,025,460</u>	<u>6,382,335</u>	<u>7,476,629</u>
Net Assets	<u>21,155,958</u>	<u>20,958,588</u>	<u>22,621,991</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 28,181,418</u></u>	<u><u>\$ 27,340,923</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 September 2020

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 396,050	\$ 158,333	\$ 237,717
Affiliate Management Fees	41,500	43,375	(1,875)
Interest Income - Cash & Investments	1,467	8,750	(7,283)
Rental Income	69,721	34,375	35,346
Other Income	6,508	6,333	174
Total Revenues	<u>515,245</u>	<u>251,167</u>	<u>264,078</u>
EXPENSES:			
Salaries & Benefits	\$ 160,120	\$ 170,137	\$ (10,017)
General Office Expenses	16,492	21,542	(5,050)
Building Operating Costs	18,537	19,380	(843)
Professional Services	7,021	8,042	(1,021)
Public Hearings & Marketing	881	6,250	(5,370)
Travel, Mileage & Meeting Expenses	1,974	5,250	(3,276)
Other Expenses	212	833	(621)
Total Expenses	<u>205,236</u>	<u>231,434</u>	<u>(26,198)</u>
SPECIAL PROJECT GRANTS:			
Revenues	\$ 3,000	\$ 13,350	\$ (10,350)
Expenses	(2,449)	(10,417)	7,968
	<u>551</u>	<u>2,933</u>	<u>(2,382)</u>
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:			
	<u>310,560</u>	<u>22,666</u>	<u>287,894</u>
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Zero Net Energy costs (Z7+)	-	(52,160)	52,160
Bethlehem Steel Industrial Park Grant	(40,000)	-	(40,000)
Angola Ag Park Grant	(12,356)	(100,000)	87,644
Other Strategic Initiatives	(50,000)	(5,000)	(45,000)
	<u>(102,356)</u>	<u>(157,160)</u>	<u>54,804</u>
NET INCOME/(LOSS) BEFORE DEPRECIATION:			
	<u>208,203</u>	<u>(134,494)</u>	<u>342,697</u>
Depreciation	(10,833)	(10,833)	0
NET INCOME/(LOSS):			
	<u>\$ 197,370</u>	<u>\$ (145,327)</u>	<u>\$ 342,697</u>

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: September 30, 2020

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 1,227,940	\$ 1,425,000	\$ (197,060)	\$ 1,227,940	\$ 973,707	\$ 254,233
Affiliate Management Fees	384,000	390,375	(6,375)	384,000	362,650	21,350
Interest Income - Cash & Investments	32,953	78,750	(45,797)	32,953	21	32,931
Rental Income	228,740	193,375	35,365	228,740	85,176	143,564
Other Income	20,272	27,000	(6,728)	20,272	186,608	(166,336)
Interest Income - Loans	-	-	-	-	18,029	(18,029)
Total Revenues	1,893,905	2,114,500	(220,595)	1,893,905	1,626,192	267,713
EXPENSES:						
Salaries & Benefits	1,512,290	1,603,728	(91,437)	1,512,290	1,495,993	16,297
General Office Expenses	167,036	193,875	(26,839)	167,036	192,870	(25,834)
Building Operating Costs	168,930	174,420	(5,490)	168,930	169,937	(1,007)
Professional Services	55,596	79,000	(23,404)	55,596	77,709	(22,113)
Public Hearings & Marketing	52,660	56,250	(3,590)	52,660	43,027	9,633
Travel, Mileage & Meeting Expenses	17,355	47,250	(29,895)	17,355	40,303	(22,947)
Other Expenses	3,806	7,500	(3,694)	3,806	3,610	196
Total Expenses	1,977,674	2,162,023	(184,349)	1,977,674	2,023,449	(45,775)
SPECIAL PROJECT GRANTS:						
Revenues	9,937	120,150	(110,213)	9,937	459,873	(449,935)
Expenses	(23,158)	(93,750)	70,592	(23,158)	(429,008)	405,851
	(13,220)	26,400	(39,620)	(13,220)	30,864	(44,084)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ (96,989)	\$ (21,123)	\$ (75,866)	\$ (96,989)	\$ (366,393)	\$ 269,403
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)
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	(30,000)	(160,000)	130,000	(30,000)	(95,000)	65,000
	(1,271,544)	(1,257,917)	(13,627)	(1,271,544)	(455,620)	(815,923)
NET INCOME/(LOSS) BEFORE DEPREC:						
	(1,368,533)	(1,279,039)	(89,493)	(1,368,533)	(822,013)	(546,520)
Depreciation	(97,500)	(97,500)	0	(97,500)	(97,200)	(300)
NET INCOME/(LOSS):	\$ (1,466,033)	\$ (1,376,539)	\$ (89,493)	\$ (1,466,033)	\$ (919,213)	\$ (546,820)

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

2021 Budget Review Process

<u>Date</u>	<u>Description</u>	
July-August	Review of draft 2021 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 18 th	Finance & Audit Committee meeting – initial review of proposed budgets.	✓
September 16 th	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	✓
September 23 rd	Review of 2021 draft budgets at Board meetings.	✓
October 2 nd at 10:00 a.m.	Board Q&A budget session #1 (voluntary).	✓
October 6 th at 2:00 p.m.	Board Q&A budget session #2 (voluntary).	✓
October	Adjustments to budget based on Board feedback and Finance & Audit Committee approval of final budgets (<i>if necessary</i>).	
October 28 th	Board meeting – action to approve final 2021 budgets.	
November 1 st	Deadline for final approved budget to be submitted to the ABO.	

Erie County Industrial Development Agency
2021 Proposed Budget

Erie County Industrial Development Agency (ECIDA)

2021 Budget + 3 Year Forecast

A. Overview of Changes in 2021 Budget

Presented herein is the projected operating budget for the Erie County Industrial Development Agency's ("ECIDA") year ending December 31, 2021 and a three-year forecast for 2022–2024.

The ECIDA is a not-for-profit, public benefit corporation that provides tax incentives, financing programs and economic development services to Buffalo and Erie County. In accomplishing its mission, the ECIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the key source of revenue for the ECIDA is the administrative fees charged to those companies that utilize its various products and services. The income that the ECIDA generates is utilized to provide salaries to its professional staff for managing various economic development programs, as well as payments for professional fees, general office expenses, public notices/marketing, building costs and other miscellaneous expenses.

For the year ending December 31, 2021, the Agency is projecting net income from operations of \$71,000. Depreciation, a noncash item, is estimated at \$120,000 and brings the budgeted operating loss to \$49,000. There is also \$896,000 budgeted for external projects, most of which will be funded with existing UDAG funds, rather than operating cash. After reserving \$2,000,000 for future projects the potential net loss for 2021 is \$2,945,000. Most of the budgeted loss would be from existing UDAG funds that have accumulated over several years.

The following significant risk factors may impact the 2021 results:

1. The majority of the ECIDA's administrative fee income is derived from a few large tax incentive and/or tax-exempt bond projects. The Agency does not collect a fee until the project (usually construction) is started, since many factors affect project timing. Depending on the timing of these projects, the Agency's fee income can fluctuate significantly from year to year.
2. Changes in the overall national and/or regional economy could result in a decrease in local investment projects that are assisted by the Agency, resulting in a corresponding decrease in administrative fee income.

The following information details the key changes in the 2021 budget compared to the 2020 projected revenues and expenses:

Erie County Industrial Development Agency (ECIDA)

2021 Budget + 3 Year Forecast

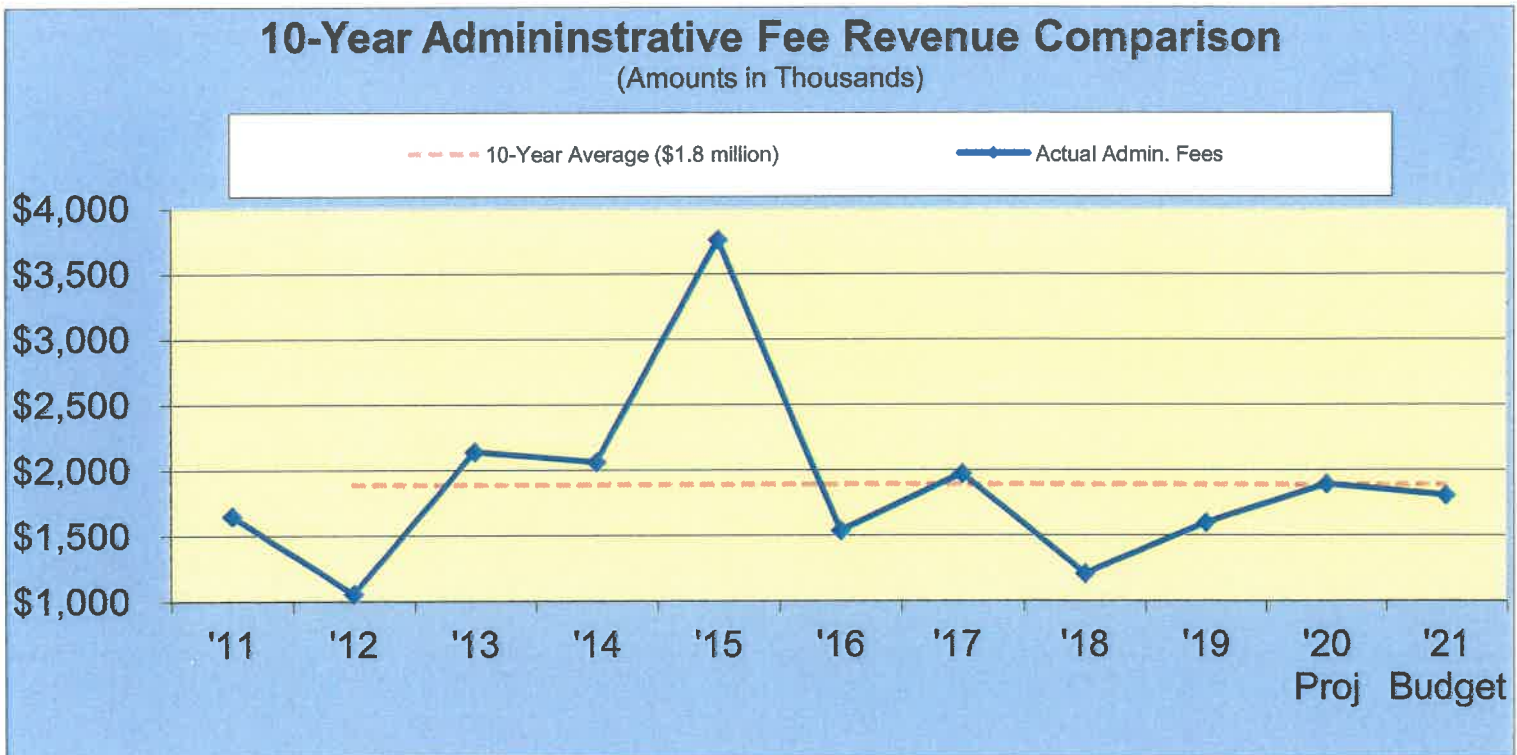
A. Overview of Changes in 2021 Budget (continued)

Revenues:

Administrative Fees (2021 Budget - \$1.80 million):

Administrative fees primarily consist of fees earned by the ECIDA through the provision of tax abatements. During 2020, administrative fees included projects such as the Seneca One Tower in downtown Buffalo, Moog in Elma, and Time Release Sciences in Lackawanna. Additionally, the Agency expects to close on two bond issuances prior to the end of 2020, which would result in fees collected upwards of \$500,000. Since some fees are recognized over multiple years (in accordance with the terms of the related fee agreements), the Agency expects to recognize roughly \$750,000 of fees in 2021 related to prior year project approvals. The budgeted figure of \$1.8 million was derived using the 2011-2020 10-year average.

The following chart summarizes the actual administrative fee revenue over the past 10 years compared to the average administrative fee for the 10-year period from 2011-2020:



Erie County Industrial Development Agency (ECIDA)

2021 Budget + 3 Year Forecast

A. Overview of Changes in 2021 Budget (continued)

Affiliate Management Fees (decreasing 1.7% from \$414,000 to \$407,000):

Affiliate Management Fees represent salary, benefit, and facilities costs charged to ECIDA's affiliated companies (RDC & ILDC) for office space and services that ECIDA employees provide to these organizations, since they have no employees of their own. Affiliate management fees are expected to decrease in 2021 due to fewer projected hours spent on affiliates' business, coupled with increased salary and benefit costs.

Management Fees – BUDC (decreasing 2.5% from \$119,000 to \$116,000):

Management Fees – BUDC are salaries and benefit costs charged to Buffalo Urban Development Corporation ("BUDC") and its affiliates for services that ECIDA employees provide. ECIDA provides financial reporting, facilities management, and administrative services to BUDC as part of a shared services agreement. Management fees are expected to decrease slightly in 2021 due to a projected decrease in hours charged to BUDC's affiliates.

Rental Income (increasing 16% from \$288,400 to \$333,500):

Rental Income represents rent received by ECIDA from BUDC for office space, two facilities owned by ECIDA and other smaller agreements. Rent revenue for leased space at 143 Genesee Street is expected to remain steady at \$213,500. Rent received from the Port Terminal management agreement of \$50,000 in 2020 is budgeted at \$95,500 in 2021 based on projections from the management company. This revenue was budgeted at \$14,500 in 2020.

Expenses:

Salaries & Benefits (decreasing 4.2% from \$2.04 million to \$1.96 million):

The decrease in the 2021 budgeted salaries and benefits compared to the projected 2020 figures is due to employee turnover in 2020, which led to a decrease in employee head count. We expect to maintain the vacancy until the post-pandemic economic landscape emerges. Salary increases of approximately 3% and a potential performance incentive pool calculated as 5% of total salaries are included in the budget. Compensation increases are based on an independent compensation study of ECIDA employees, comparing Agency employee salaries with other individuals in the local labor market who have similar titles and responsibilities. These adjustments, if any, will also be reviewed and approved by the ECIDA Board Compensation Committee for Executive Management and by the CEO for other staff. Annual rate increases for health care also contribute to higher employee benefit costs. As an organization of specialized professionals, salaries and benefits account for 74% of total budgeted operating expenses.

Erie County Industrial Development Agency (ECIDA)
2021 Budget + 3 Year Forecast

A. Overview of Changes in 2021 Budget (continued)

Professional Services (increasing 105% from \$57,000 to \$117,300):

Professional Services consist of the following:

	2021 Budget	2020 Budget	2020 Projection
Legal	\$50,000	\$50,000	\$30,000
Consultants	\$40,000	\$20,000	\$1,000
Auditing	\$27,300	\$26,500	\$26,500
Total	\$117,300	\$96,500	\$57,500

In 2021 legal expenses are budgeted at \$50,000 to reflect typical levels, as 2020 saw a decrease in overall expenses. Consultant expenses are budgeted at \$40,000, the Comprehensive Economic Development Strategy (“CEDS”) must be updated in 2021. Audit costs are set to increase in accordance with the proposal approved in 2017.

Erie County Industrial Development Agency (ECIDA)
2021 Budget + 3 Year Forecast

B. External Special Projects & Reserves for Future Projects

The ECIDA’s 2021 budget currently includes \$225,000 for external projects and \$2 million allocated for potential future projects that are consistent with the ECIDA’s strategic plan and the restrictions on the UDAG and/or General Funds as follows:

Project	2021 Budget	2020 Budget	2020 Projected Actual
External Special Projects	\$ 225,000	\$ 332,000	\$ 222,000
Industrial Land Park Grant	200,000	200,000	200,000
Angola Ag Park Grant	100,000	100,000	864,296
Z7+ Expense Reserve	621,319	-	5,000
Reserves for Future Projects:			
Venture Capital Co-Investment	1,000,000	1,000,000	-
Forgivable Attraction Loan	1,000,000	1,000,000	-
Total	\$ 3,146,319	\$ 2,632,000	\$ 1,291,296

External Special Project allocations of \$225,000 include organizations that have received funding in the past, such as BUDC’s Buffalo Building Reuse Project (\$100,000). Agency staff also plans to continue working with community partners to establish a Minority Business Enterprise Assistance Program. These requests will be presented to the ECIDA Board for approval before funding. The Agency’s annual membership expenditure with Invest Buffalo Niagara (\$75,000) will not require specific Board action. The Z7+ Expense Reserve represents the remaining funds from the Board’s \$1.5 million allocation in 2016. The balance of those funds is budgeted to be spent in 2021.

\$200,000 is budgeted for Industrial Land Park, representing one-fifth of the \$1 million grant that the Board approved to ILDC for Bethlehem Steel site carrying costs. \$100,000 is budgeted for Angola Ag Park, representing one-third of the estimated carrying costs approved by the Board. The Reserves for Future Projects of \$2 million are discussed on the following pages and would also require Board approval prior to funding.

Erie County Industrial Development Agency (ECIDA)
2021 Budget + 3 Year Forecast

B. External Special Projects & Reserves for Future Projects (continued)

Venture Capital Co-Investment

Proposal: \$1,000,000

The Issue – Currently, high-growth-potential companies have difficulty attracting angel or seed capital funding when they are in the earliest of their development stages. With the significant public investment in university and college research facilities and scientists, there is a need to commercialize this research in order to provide the “pay-back” on the community’s investment in the form of new high-paying jobs. Currently, there is a lack of early-stage capital for venture companies located in Western New York. Meanwhile, other communities which face similar issues have been successful in utilizing publicly-sponsored funds to support new companies.

Current New York State law does not explicitly allow IDAs to make equity venture investments in private companies. In order to achieve a change in New York State law, ECIDA is working with NYSEDC and the local New York State legislative delegation to pass legislation to codify the powers and duties of an IDA to operate an equity venture program and to provide venture investment to startup entrepreneurs and private companies.

The Proposal – In 2015, the ECIDA began the reestablishment of its Venture Capital Fund to provide equity investments in early-stage, high-growth-potential companies. The ECIDA will partner with qualified co-investors from Erie County such as Launch NY, 43 North, Z80 Labs, and/or Rand Capital. In the past, the ECIDA has had several key economic development successes by partnering with Rand Capital, such as its equity investments in GEMCOR II, LLC and Synacor, Inc. (approximately 400 jobs combined). The ECIDA would rely upon the expertise of its partners to conduct the due diligence required to evaluate the business, structure the investment and develop an exit strategy.

Use of Funds – To make equity (stock) and/or debt project expenditures in selected businesses.

Partners – Launch NY, 43North, Z80 Labs, Rand Capital and other venture capital firms.

Approval – The ECIDA Board would approve all project expenditures under this program.

Consistency with Community Plans – This strategy is consistent with the County Executive’s, *Initiatives for a Smart Economy 2.0*. One of the goals outlined in the plan is as follows: “*Erie County will create Venture Fund programs and provide venture equity to local entrepreneurs through the ECIDA*”.

Erie County Industrial Development Agency (ECIDA)
2021 Budget + 3 Year Forecast

B. Special Projects & ECIDA Program Allocations (continued)

Forgivable Attraction Loan(s)

Proposal: \$1,000,000

Qualification – Businesses must be relocating to a HUD-defined distressed area or meet other HUD qualifications and provide a significant regional impact in terms of investment and/or job creation.

The Issue – Currently a number of communities across the nation are aggressively pursuing businesses to entice them to their region. One vehicle that communities have used to tip the relocation decision in their favor is the use of a high-impact project expenditure fund. Until 2013, the Buffalo region did not have such a program, while neighboring states were offering these programs with positive results, to Erie County’s detriment.

The Proposal – The ECIDA would continue to fund a forgivable attraction loan fund that could aid in the attraction of key new businesses that would have a regional employment or investment impact. The attraction incentive would be structured in the form of a loan, with a portion or all of it forgiven if the company establishes their business in Erie County and meets specified investment and/or job goals. The ECIDA would work with Invest Buffalo Niagara to offer this incentive to those businesses that are the most promising and/or target the attraction loan to specific industries or regions (such as Southern Ontario). By providing this incentive, the Buffalo region would be perceived as demonstrating the community’s support for the business relocation and could be the tipping point that leads to the relocation of the business as well as related “follow on” investments.

Use of Funds – To make project expenditures to companies located outside of Western New York to offset a portion of their investment costs in relocating. Companies assisted would be in one of the regional targeted industry sectors and have a regional employment or investment impact. The program would have a targeted maximum incentive of \$25,000 per job created.

Partners – Invest Buffalo Niagara

Approval – The ECIDA Board would approve all awards under this program.

Consistency with Community Plans – This strategy is consistent with the County Executive’s “Initiatives for a Smart Economy 2.0” which states: *“Projects assisted by the ECIDA will be those that bring outside investment and self-sustaining jobs to Erie County while strengthening the regional economic base, helping to create a more inclusive economy and leading to population stabilization throughout the area”*.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget for 2021**

	Proposed Budget 2021	Approved Budget 2020	Projected 2020	Actual 2019
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,900,000	\$ 1,885,000	\$ 1,590,700
Affiliate Management Fees	407,000	404,500	414,000	365,803
Management Fees - BUDC	116,000	116,000	119,000	104,414
Interest Income - Cash & Investments	40,000	105,000	39,999	107,000
Rental Income	334,000	288,200	288,372	246,216
Other Income	36,000	36,000	32,954	35,442
Interest Income - Loans	-	-	-	21
Total Revenues	2,733,000	2,849,700	2,779,325	2,449,596
EXPENSES:				
Salaries & Benefits	1,953,352	2,114,140	1,997,031	1,982,020
Professional Services	117,300	96,500	65,294	91,232
General Office Expenses	170,400	176,500	151,824	167,411
Insurance Expense	85,000	82,000	64,307	74,796
Public Hearing & Marketing Costs	55,000	75,000	70,214	60,645
Building Operating Costs	244,300	232,560	241,183	232,734
Travel, Mileage & Meeting Expenses	33,000	63,000	23,140	53,451
Other Expenses	10,000	10,000	5,075	6,116
Total Expenses	2,668,352	2,849,700	2,618,068	2,668,405
GRANT INCOME:				
Revenues	2,660,200	125,000	9,937	471,240
Expenses	(2,655,000)	(125,000)	(500,152)	(440,772)
	5,200	-	(490,214)	30,469
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	69,848	(0)	(328,957)	(188,340)
Depreciation	(120,000)	(130,000)	(130,000)	(118,826)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	(50,152)	(130,000)	(458,957)	(307,166)
External Special Projects:				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	50,000	50,000	50,000
Canadian Lead Generation (IBN)	-	72,000	72,000	72,000
NDC Technical Assistance	-	60,000	-	40,000
MBE Assistance Program	50,000	50,000	-	-
Z7+ consultants/expense reserve	621,319	-	5,000	535
Industrial Land Park grant paid	200,000	200,000	200,000	720,000
Industrial Land Park grant (rec'd)	-	-	-	(1,390,000)
ILDC Land Sale Proceeds (reimbursement)	(250,000)	-	-	(375,000)
Angola Ag Park grant paid	100,000	100,000	864,296	-
(Gain)/Loss on Venture Investments	-	-	24,050	(31,915)
Total Special Projects	896,319	632,000	1,315,346	(814,380)
NET INCOME (LOSS) BEFORE OTHER RESERVES:	(946,471)	(762,000)	(1,774,303)	507,214
Reserves for Future Projects:				
Venture Capital Co-Investment	1,000,000	1,000,000	-	-
Forgivable Attraction Loan(s)	1,000,000	1,000,000	-	-
Total Other Reserves	2,000,000	2,000,000	-	-
NET INCOME (LOSS):	\$ (2,946,471)	\$ (2,762,000)	\$ (1,774,303)	\$ 507,214

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Three Year Forecast 2022-2024

	Proposed Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,850,000	\$ 1,850,000	\$ 1,850,000
Affiliate Management Fees	407,000	419,000	432,000	445,000
Management Fees - BUDC	116,000	119,000	123,000	127,000
Interest Income - Cash & Investments	40,000	41,000	42,000	43,000
Rental Income	334,000	300,000	300,000	300,000
Other Income	36,000	40,000	40,000	40,000
Total Revenues	2,733,000	2,769,000	2,787,000	2,805,000
EXPENSES:				
Salaries & Benefits	1,953,352	2,012,000	2,072,000	2,134,000
Professional Services	117,300	140,000	140,000	140,000
General Office Expenses	170,400	176,000	181,000	186,000
Insurance Expense	85,000	88,000	91,000	94,000
Public Hearing & Marketing Costs	55,000	57,000	59,000	61,000
Building Operating Costs	244,300	252,000	260,000	268,000
Travel, Mileage & Meeting Expenses	33,000	34,000	35,000	36,000
Other Expenses	10,000	10,000	10,000	10,000
Total Expenses	2,668,352	2,769,000	2,848,000	2,929,000
GRANT INCOME:				
Revenues	2,660,200	250,000	250,000	250,000
Expenses	(2,655,000)	(250,000)	(250,000)	(250,000)
	5,200	-	-	-
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	69,848	-	(61,000)	(124,000)
Depreciation	(120,000)	(120,000)	(120,000)	(120,000)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(50,152)	(120,000)	(181,000)	(244,000)
<u>External Special Projects and Strategic Initiatives:</u>				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	50,000	-	-
Canadian Lead Generation (IBN)	-	-	-	-
MBE Assistance Program	50,000	50,000	50,000	50,000
Industrial Land Park grant paid	200,000	200,000	-	-
ILDC Land Sale Proceeds (reimbursement)	(250,000)	(250,000)	(250,000)	(200,000)
Angola Ag Park grant paid	100,000	100,000	-	-
Total Special Projects and Other Strategic Investments	896,319	250,000	(100,000)	(50,000)
NET INCOME (LOSS) BEFORE OTHER RESERVES:				
	(946,471)	(370,000)	(81,000)	(194,000)
<u>Reserves for Future Projects:</u>				
Venture Capital Co-Investment	1,000,000	-	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Total Other Reserves	2,000,000	-	-	-
NET INCOME (LOSS):				
	\$ (2,946,471)	\$ (370,000)	\$ (81,000)	\$ (194,000)

Erie County Industrial Development Agency
Five Year Capital Budget 2021-2025

	2021	2022	2023	2024	2025	Total
Facilities:						
143 Genesee Street	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
95 Perry Street	10,000	10,000	10,000	5,000	5,000	40,000
Total Facilities	30,000	30,000	30,000	25,000	25,000	140,000
Information Technology:						
New Laptops	25,000	-	-	-	-	25,000
Servers	-	-	-	8,000	-	8,000
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
Total Information Technology	28,000	3,000	3,000	11,000	3,000	48,000
GRAND TOTAL	\$ 58,000	\$ 33,000	\$ 33,000	\$ 36,000	\$ 28,000	\$ 188,000

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 assessment on each project is determined by the assessor of the respective municipality		Total	\$878,021	\$3,886,137

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

- MEETING:** September 30, 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:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue; Johanna Coleman; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn R. Nellis; Laura Smith; David State; Lavon Stephens and Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown; Richard Cummings and Colleen DiPirro
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Dawn Boudreau, Director of Compliance; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; 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; Tuona Batchelor on behalf of Erie County; James Blackwell, Director EEO for Erie County; and Shatorah Donavon on behalf of the City of Buffalo

There being a quorum present at 10:08 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

ECIDA POLICY FRAMEWORK DOCUMENT

Ms. Whyte reviewed the proposed draft “ECIDA MWBE Policy Framework” and its statement of policy, objectives, and the scope of the policy discussion questions for committee consideration.

General discussion ensued.

Recommendations were made to revise certain text contained within the “Objectives” section. Ms. Whyte also suggested that the Policy Committee consider two paths going forward, one for ECIDA procurement of goods and services, and a second path for companies applying for ECIDA financial assistance.

Mr. Lipsitz confirmed that no member objected to the foregoing, and requested that the committee continue moving forward to establish policies for the use of MWBEs in the construction phase of a project seeking ECIDA financial assistance, as well as MWBE goals for the procurement of supplies, equipment, and professional services.

Ms. McDuffie requested that, going forward, the committee consider incentives, as well enforcement, to encourage meeting MWBE goals. Ms. Smith also suggested that education and outreach will be important elements of a successful MWBE policy.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 11:31 a.m.

Dated: September 30, 2020

Karen M. Fiala, Secretary

Fisher Price
\$4,925,058
AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 339932
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Original - Approximately \$260,572 in sales tax savings • Amended - Approximately \$341,277 in sales tax savings
EMPLOYMENT
<ul style="list-style-type: none"> • Retained Jobs: 274 • Projected New Jobs: 5 • Total Jobs 2 Years After Project Completion: 279 • Annual payroll: \$28,300,000 • Estimated salary of jobs to be created: \$89,000 • Estimated salary of jobs to be retained: \$103,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 7/8/2019—Public hearing held. • 7/24/2019 - Inducement Resolution presented to Board of Directors. • 7/24/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors • 10/28/2020 - Amendatory Inducement Resolution presented to the Board of Directors

Project Title: Fisher Price
Project Address: 636 East Girard Avenue
East Aurora, New York 14052
(East Aurora Union Free School District)

Amended Agency Request

To increase the sales tax benefit from \$260,572 to \$341,277 and overall project investment from \$4,025,058 to \$4,925,058.

Agency Request

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

	Prior	Current
Renovation	\$1,948,400	\$2,523,400
Equipment	\$1,497,000	\$1,497,000
Soft Costs/Other	\$ 579,658	\$ 904,658
Total Project Cost	\$4,025,058	\$4,925,058
85%	\$3,421,299	\$4,186,299

Company Description

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

Although diminished in size, Fisher Price remains among the top non-governmental employers in Western New York with approximately 650 people working at the East Aurora plant. In 1997, the company was acquired by Mattel, Inc., a publicly traded company headquartered in El Segundo, California. Toy assembly is conducted in plants located in China and Mexico.

Amended Project Description

While less building supplies are being manufactured due to covid, supply and demand issues have increased the cost of materials. 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 data cabling to work with the existing network. In addition, employee workspaces need to be re-designed to allow for social-distancing.

Project Description

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

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

In addition, the Team Center solidifies the existing workforce and helps provide state of the art facilities for research & development.

10/20/2020 9:53 AM

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 = \$4,925,058 85% = \$4,186,299
Employment	Coincides with Recapture Period	Maintain Base: 274 Create 85% of Projected Projected: 5 85% : 4 Recapture Employment: 278
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with Recapture Period	Adherence to Policy
Unpaid Tax	Coincides with Recapture Period	Adherence to Policy
Recapture Period	2 years after project completion	State and Local Sales Taxes

Recapture applies to:
State and Local Sales Taxes

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained 274 FTE and created 5 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs Financed from Public Sector sources**

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

PILOT Estimate Table Worksheet-Fisher Price – 2019 – amended 10/28/2020

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
\$2,523,400				

*Apply equalization rate to value

N/A

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption

***** 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.)
\$4,925,058	N/A	\$341,277	\$0	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 6.9 %

ADDENDUM TO PROJECT LOG

FISHER PRICE - 2019

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: \$103,000 Company estimated average salary of jobs to be created: \$88,000
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside NYS and within U.S. – 55% Outside the U.S. – 43%
In Region Purchases (% of overall purchases)	16% of total supplies and vendor services are from firms in Erie County.
Supports Local Business or Cluster	N/A
Retention/Flight Risk	Fisher Price is a division of Mattel which is an American multinational manufacturing company with headquarters located in El Segundo, California. Given Mattel's global scale and the number of locations and facilities throughout the world, one consideration for investment will always be the effectiveness and efficiency of capital being deployed.
LEED/Renewable Resources	N/A
MBE/WBE Utilization	Fisher Price has a history of utilizing M/WBE businesses in the role of general contractor and for furniture procurement.
Workforce Access – Proximity to Public Transportation	Bus route 70 provides transportation to the facility. The company also provides a shuttle service to transport inner-city individuals to East Aurora for seasonal work.

July 24, 2019

Cost-Benefit Analysis for Fisher Price

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Fisher Price

TOTAL INVESTED
\$4.9 Million

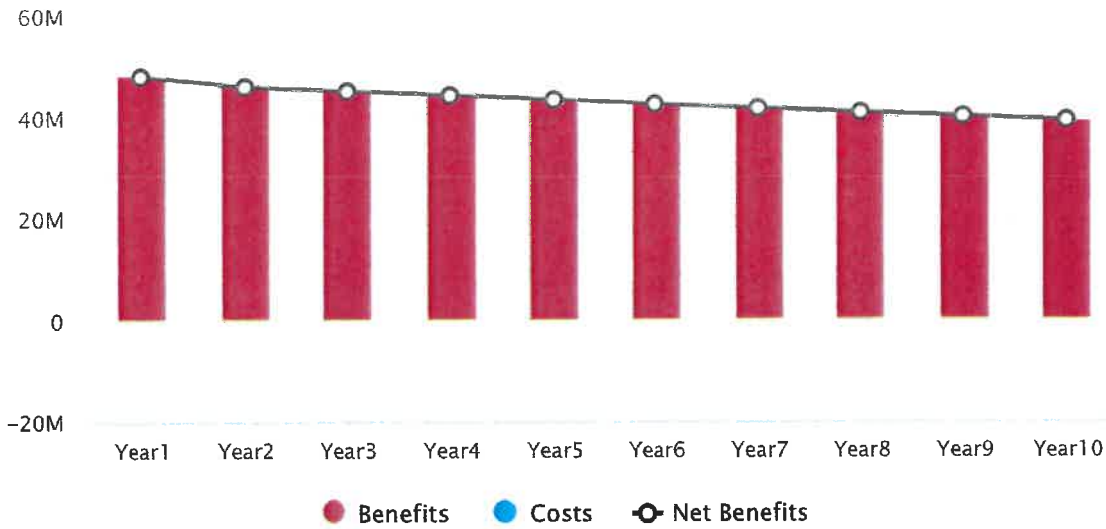
LOCATION
**636 East Girard Ave,
East Aurora, NY 14052**

TIMELINE
10 Years

FIGURE 1

Discounted* Net Benefits for Fisher Price by Year

Total Net Benefits: **\$431,431,000**



Discounted at 2%

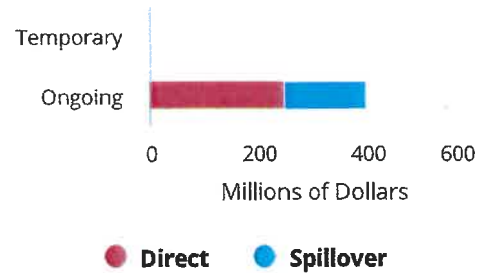
FIGURE 2

Total Jobs



FIGURE 3

Total Payroll



Proposed Investment

Fisher Price proposes to invest \$4.9 million at 636 East Girard Ave, East Aurora, NY 14052 over 10 years.

TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$2,528,000
OTHER SPENDING	
Equipment	\$1,497,000
Soft Costs/Other	\$905,000
Total Investments	\$4,930,000
Discounted Total (2%)	\$4,930,000

May not sum to total due to rounding.


FIGURE 4

Location of Investment



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 Fisher Price.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$340,000	\$340,000
Total Costs	\$340,000	\$340,000

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	\$273,195,000	\$170,389,000	\$443,584,000
To Private Individuals	\$268,812,000	\$167,656,000	\$436,467,000
Temporary Payroll	\$972,000	\$337,000	\$1,309,000
Ongoing Payroll	\$267,840,000	\$167,318,000	\$435,158,000
To the Public	\$4,383,000	\$2,734,000	\$7,117,000
Temporary Sales Tax Revenue	\$16,000	\$5,000	\$21,000
Ongoing Sales Tax Revenue	\$4,367,000	\$2,728,000	\$7,095,000
STATE BENEFITS	\$18,005,000	\$9,533,000	\$27,538,000
To the Public	\$18,005,000	\$9,533,000	\$27,538,000
Temporary Income Tax Revenue	\$47,000	\$16,000	\$64,000
Ongoing Income Tax Revenue	\$14,163,000	\$7,150,000	\$21,313,000
Temporary Sales Tax Revenue	\$14,000	\$5,000	\$18,000
Ongoing Sales Tax Revenue	\$3,780,000	\$2,362,000	\$6,142,000
Total Benefits to State & Region	\$291,200,000	\$179,922,000	\$471,122,000
Discounted Total Benefits (2%)	\$266,892,000	\$164,879,000	\$431,771,000

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	\$406,534,000	\$182,000	2228:1
State	\$25,238,000	\$158,000	160:1
Grand Total	\$431,771,000	\$340,000	1268:1

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.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FIRST AMENDMENT TO INDUCEMENT RESOLUTION**

**FISHER-PRICE, INC., 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, October 28, 2020 at 12:00 p.m.

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

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)

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, FISHER-PRICE, INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (the “Company”) has submitted an application to the Agency (the “Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: Fisher-Price, Inc., and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf (the “Company”), has submitted an application to the Agency (a copy of which is on file at the office of the Agency) requesting the Agency to undertake a certain project located at 636 Girard Avenue, Town of Aurora, Erie County, New York (the “Project”) consisting of: (i) the renovation and updating of the Team Center building’s first floor, which includes the Play Lab space into a Center of Early Childhood Development Research and to office and meeting spaces (the “Improvements”); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and collectively with the Improvements, the “Facility”); and

WHEREAS, by resolution adopted on July 24, 2019 (the "Original Resolution") the Agency authorized financial assistance to the Company with respect to the Application 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 (the sales and use tax exemption benefit is hereinafter referred to as the “Financial Assistance”); and

WHEREAS, the Agency received notification from the Company dated October 9, 2020, that Project costs have increased due to the COVID-19 global pandemic by approximately \$900,000.00 and on October 16, 2020, the Agency received an amended application for Financial Assistance (the “Amended Application”) from the Company requesting an increase in New York State and local sales and use tax exemption benefits from \$260,752.00 up to an amount not to exceed \$341,277.00 (the “Revised Sales Tax Exemption Benefit”); and

WHEREAS, the Agency desires to amend the Original Resolution with respect to the Revised Sales Tax Exemption Benefit.

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

Section 1. All recitals, findings and determinations of the Agency contained in the Original Resolution are hereby reaffirmed, ratified, restated and incorporated herein by reference as if set forth herein in their entirety, except as modified by this Resolution.

Section 2. With respect to the foregoing, and based upon the representations and warranties made by the Company in its Amended Application, the Agency hereby authorizes and approves the Revised Sales Tax Exemption Benefit with respect to the Project and the increased Project costs.

Section 3. Based upon the representations and warranties made by the Company in its Amended Application, subject to the terms and conditions as described herein, and Agency Board member review, discussion and consideration of same, the Agency hereby finds, determines and hereby amends the second full paragraph in Section 3 of the Original Resolution in its entirety to read as follows:

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 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 estimated amount up to \$3,900,308.00, which may result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed \$341,277.00. 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.

Section 4. Based upon the representations and warranties made by the Company in its Amended Application, subject to the terms and conditions as described herein, and Agency Board member review, discussion and consideration of same, the Agency hereby finds,

determines and hereby amends Section 3(i) of the Original Resolution in its entirety to read as follows:

- (i) Investment Commitment – the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$4,186,299.00 (which represents the product of 85% multiplied by \$4,925,058.00, being the total project cost as stated in the Company’s Amended Application).

Section 5. Unless otherwise amended pursuant to the terms contained herein, the terms of the Original Resolution shall remain unchanged.

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 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. All actions heretofore undertaken by the Agency and the Company as agent of the Agency are ratified and approved and the Agency and the Company, as agent of the Agency, are hereby authorized to continue to undertake the Project.

Section 8. These Resolutions shall take effect immediately.

Dated: October 28, 2020



2019 Fisher-Price TC Renovations

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name 2019 Fisher-Price Team Center Renovations

Applicant Name Fisher-Price, Inc.

Applicant Address 636 Girard Avenue

Applicant Address 2

Applicant City East Aurora

Applicant State New York

Applicant Zip 14052

Phone 716-687-3000

Fax 716-687-3150

E-mail Greg.Wilber@Fisher-Price.com

Website

Federal ID# 95-4506271

NAICS Code 5092

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

What is the name of the Real Estate Holding Company

Federal ID#

State and Year of Incorporation/Organization

List of stockholders, members, or partners of Real Estate Holding Company

Individual Completing Application

Name Fran Abrams

Title Administrative Assistant

Address Fisher-Price, Inc.

Address 2 636 Girard Avenue

City East Aurora

State New York

Zip 14052

Phone

716-687-3384

Fax

716-687-3150

E-Mail

Fran.Abrams@Fisher-Price.com

Company Contact (if different from individual completing application)

Name Greg Wilber
Title Director Facilities
Address Fisher-Price, Inc.
Address 2 636 Girard Avenue
City East Aurora
State New York
Zip 14052
Phone 716-687-3395
Fax 716-687-3150
E-Mail Greg.Wilber@Fisher-Price.com

Company Counsel

Name of Attorney Martin J. Clifford
Firm Name Martin J. Clifford, Esq.
Address 716 Brisbane Bldg.
Address 2 403 Main Street
City Buffalo
State New York
Zip 14203
Phone 716-845-0333
Fax 716-853-2892
E-Mail mclifford@cliff-law.com

Identify the assistance being requested of the Agency.

Exemption from Sales Tax Yes
Exemption from Mortgage Tax No
Exemption from Real Property Tax No
Tax Exempt Financing* No

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

Business Organization

Type of Business Corporation
Type of Ownership
Year Established 1930
State of Organization Delaware

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

Please include name and % of ownership.

Mattel, Inc., 100%

Applicant Business Description

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

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

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

(*Percentage to equal 100%)

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

16%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

East Aurora, NY 14052

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

Yes

In which Municipality will the proposed project be located

East Aurora, NY 14052

Address

636 Girard Avenue

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

165.13-1-1.12

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

EA Union Free School: \$149,554.86; Town/County: \$71,098.84; Village of East Aurora: \$63,776.47

Assessed value of land

N/A

Assessed value of building(s)

N/A

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Town of Aurora

School District of Project Site

East Aurora Union Free

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

Yes

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

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

No

Describe the present use of the Proposed Project site

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

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

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

UPDATE: The costs for the Fisher-Price Team Center Project have increased due to the COVID situation. Specifically, the equipment needed to support the Play Lab observation room requires the installation of data cabling to work with our existing network and the material costs have risen, again, due to COVID. The understanding is that less building supplies have been manufactured and, due to supply and demand, the costs of the materials have increased. We are also redesigning work spaces to support future business needs once we resume full occupancy. To this end, the project has received additional funding of a minimum \$600,000 with a cap of \$900,000; and an expansion of the sales tax benefit is necessary. Fisher-Price is requesting an amendment to the inducement resolution to increase the investment commitment to \$4,186,299.00 (which represents the product of 85% multiplied by \$4,925,058.00, total being the sum of the original project cost and the additional funding cap.) Also worth noting is the total number of jobs reported on the 2nd Quarter Employment Survey was 284. ORIGINAL: The Project consists of renovations to 160,000 SF of the Team Center to focus all of Mattel's Infant and Preschool toy development here in WNY. To establish Fisher-Price as the leading child development brand in the toy industry, as a culture of child observation and applied research, it is proposed to renovate the Play Lab space into a Center of Early Childhood Development Research, in addition to first floor office and meeting spaces. Improvements include equipping the facilities with observational research technology; a modular design to create naturalistic, child-friendly research environments; and an inspirational, quality atmosphere that encourages children to play. And, to cultivate inspiration for ideation and intuitive design decisions for future toys and experiences that are engaging, fun, built with layers of play and learning opportunities, and designed for our Early Childhood Development Learning Curriculum for birth to 5-year-olds, which embodies the foundation for school readiness and the life skills needed to help prepare children to succeed in the 21st century, based on educational experts and latest research. The first floor will be renovated to provide a creative workspace with new workstations in an open floor plan modeled after the second floor which was renovated in 2015. An open floor plan with collaborative workspaces nestled into the team areas will allow teams to communicate and work together effectively and productively. Updates will also include a large meeting space to accommodate Town Hall GBT (Global Brand Teams) capacity and planogram functionality. A glass-enclosed maker space will provide visibility to different stages of design, sewing room, or even packaging, activity. This project will upgrade the functionality and branded-look of the Team Center and provide a creative workspace for teams on the first floor. While Fisher-Price employs 659 people, this project only impacts the Team Center which accounts for 274 of those employees. It is our belief that the financial assistance virtually assures the investment is made in East Aurora, solidifying our existing workforce and helping to attract top talent as we bring key businesses and categories onto the East Aurora campus that were previously located in El Segundo, CA.

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

Financial assistance is necessary as described below.

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

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

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

Yes

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

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

our existing workforce and helping to attract top talent as we bring key businesses and categories onto the East Aurora campus that were previously located in El Segundo, CA.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

Commercial

Describe required zoning/land use, if different

N/A

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

N/A

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

No

If yes, please explain

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

N/A

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

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

Yes

If yes, please explain.

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

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

100% Team Center project.

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

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

Please check any and all end uses as identified below.

Retail Sales No **Services** No

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

No Manufacturing

No Multi-Tenant

No Mixed Use

No Acquisition of Existing Facility

No Commercial

No Facility for the Aging

No Housing

No Back Office

No Civic Facility (not for profit)

Yes Equipment Purchase

No Retail

No Other

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 0 square feet acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$ 0

Renovation

\$ 2,523,400 160,000 square feet

Manufacturing Equipment

\$ 0

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

\$ 1,497,000

Soft Costs: (professional services, etc.)

\$ 267,725

Other Cost

\$ 636,933

Explain Other Costs

Computer hardware; A-V integration; fiber; data cabling.

Total Cost

\$ 4,925,058

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

\$ 0

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

Yes

If Yes, describe particulars:

YTD Project Spend / Commits: \$3,853,832.14

Sources of Funds for Project Costs:

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

\$ 4,925,058

Bank Financing:

\$ 0

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

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

\$ 0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

\$4,925,058

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

No

Mortgage Recording Tax Exemption Benefit:

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

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

\$ N/A

Lender Name, if Known

N/A

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

\$0

Construction Cost Breakdown:

Total Cost of Construction

\$ 4,020,400

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

Cost for materials

\$ 3,647,973

% sourced in Erie County

100%%

% sourced in State

100%% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$ 3,900,308

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

\$ 341,277

Real Property Tax Benefit:

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

N/A

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

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	160,000 square feet	\$ 4,925,058	100
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
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)

<BLANK>

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

N/A

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates).

Start date : acquisition of equipment or construction of facilities

12/1/2019

End date : Estimated completion date of project

12/31/2020

Project occupancy : estimated starting date of operations

1/1/2020

Have construction contracts been signed?

No

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

No

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

No

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	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	274	274	5	0
Part time	0	0	0	0
Total	274	274	5	

** 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	88	\$ 144,377	\$ 37,538	\$ 0	\$ 0
Professional	163	\$ 88,885	\$ 23,110	\$ 0	\$ 0
Administrative	23	\$ 56,777	\$ 14,762	\$ 0	\$ 0
Production	5	\$ 53,678	\$ 13,956	\$ 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	N/A		
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?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 28,323,333

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

\$ 103,370

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

\$ 0

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

\$ 88,885

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

\$ 0

Estimated salary range of jobs to be created

From (Full Time)	\$ 70,000	To (Full Time)	\$ 106,000
From (Part Time)	\$ 0	To (Part Time)	\$ 0

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

No

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

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

N/A

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

No

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

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

No

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

Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility.

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

Multi-Tenant Facility.

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

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out 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

Section V: Environmental Questionnaire

General Background Information

Address of Premises Fisher-Price, Inc., 636 Girard Avenue East Aurora, NY 14052

Name and Address of Owner of Premises Mattel, Inc. 333 Continental Blvd. El Segundo, CA 90245

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

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

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

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

Describe all known former uses of the Premises

N/A

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

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

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

No

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

Discharge Into Waterbodies

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

N/A

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

N/A

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

No

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

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

N/A

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

<BLANK>

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

N/A

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

N/A

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

N/A

Section VII: Adaptive Reuse Projects

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

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

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

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

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? <BLANK>

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

If yes, provide estimated value of tax credits \$

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

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

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

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: Retail Determination

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>