



Erie County Industrial Development Agency
Meeting of the Membership
May 27, 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 April 22, 2020 Annual Meeting of the Membership (Action Item) (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 4-7)

3.2 2020 Tax Incentive Induced/Closing Schedule/ Estimated Real Property Tax Impact (Informational) (Pages 8-10)

3.3 Policy Committee Update (Informational) (Pages 11-13)

4.0 Inducement Resolutions:

4.1 Iskalo 6700 Transit Road, LLC (Pages 14-65)

**ECIDA
Incentives**

**Private
Investment**

Municipality

\$1,883,581

\$32,300,055

Cheektowaga

5.0 Management Team Reports:

5.1 COVID-19 Response Update (Informational)

5.2 Board of Ethics Form

5.3 Update on Public Hearings

6.0 Adjournment - Next Meeting June 24, 2020 @ 12:00 p.m.

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

DATE AND PLACE: April 22, 2020, held via telephone conference. Governor Cuomo's Executive Order 202.1, 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 Board meeting is being live-streamed and made accessible on the ECIDA's website at www.ecidany.com.

PRESENT: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Bryon W. Brown, Hon. Howard Johnson, Tyra Johnson, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, Kenneth A. Schoetz, Charles F. Specht and Art Wingerter

EXCUSED: Denise Abbott, James Doherty, Hon. Joseph Emminger, Dottie Gallagher and Hon. Darius G. Pridgen

OTHERS PRESENT: John Cappellino, Executive Vice President; Atiq Abidi, Assistant Treasurer; Karen M. Fiala, Assistant Treasurer/Secretary; Gerald Manhard, Chief Lending Officer; Dawn Boudreau, Assistant Treasurer; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

There being a quorum present at 12:06 p.m., the meeting of the Members of the ECIDA was called to order by its Chair, Ms. McDuffie.

MINUTES

The minutes of the March 25, 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 then unanimously approved.

At this point in time, Mr. Kulpa joined the meeting.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Abidi presented the March 2020 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$29.9 million and net assets of \$22.1 million. The monthly income statement shows an operating loss of \$187,000. Operating revenue was under budget by \$158,000 due to administrative fee receipts. Operating expenses were under budget by \$5,000. After factoring in strategic investments and depreciation, there was a net loss of \$298,000 for the month. The year-to-date income statement shows revenues of \$452,000, being \$248,000 below budget for the year, and expenses of \$756,000, being \$11,000 below budget. After special project grants, strategic initiatives, and depreciation, there is currently a net loss of \$556,000 for the year. Ms. McDuffie directed that the report be received and filed.

Banking Resolution Approval-Adding Signer. Ms. Abidi reviewed a memorandum regarding the addition of Atiqa Abidi, Assistant Treasurer, to maintain four active check signers for the Agency after the recent departure of Mr. Weathers. All checks issued by the Agency require two signers. M&T Bank requires a standard resolution for each account. The Agency is requesting that Ms. Abidi be added as a check signer for all of the Agency's bank accounts. Mr. Poloncarz, and Mr. Nellis seconded, to approve of adding Ms. Abidi as a check signer for all of the Agency's bank accounts. Ms. McDuffie called for the vote, and the aforementioned motion was unanimously approved.

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.

COVID-19 Response Update. Mr. Cappellino gave an update on the Agency's actions and programming during the COVID-19 pandemic. Ms. McDuffie directed that the report be received and filed.

Nominating Committee. Ms. McDuffie advised per the recommendation of the Executive Committee, that the entire nominating slate should be approved with the addition of nominating John Cappellino to the President/CEO position, and removing Mr. Cappellino from the Executive Vice President position, subject to the Chair negotiating and executing an Employment Agreement with Mr. Cappellino.

Mr. Poloncarz spoke in favor of Mr. Cappellino's nomination and appointment to the President/CEO position and moved to approve Mr. Cappellino and the nominating slate. Mr. Brown spoke in favor of Mr. Cappellino's nomination and appointment and seconded Mr. Poloncarz's motion. Ms. McDuffie called for the above and the aforementioned motion was unanimously approved.

Ms. McDuffie congratulated Mr. Cappellino on his new position.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:29 p.m.

Dated: April 22, 2020

Karen M. Fiala, Secretary

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

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

April 30, 2020

	April 2020	March 2020	December 2019
ASSETS:			
Cash *	\$ 7,389,587	\$ 7,065,932	\$ 7,576,519
Restricted Cash & Investments *	17,469,132	19,542,446	19,385,789
Due from Affiliates	322,500	654,424	553,651
Due from Buffalo Urban Development Corp.	156,673	144,923	114,751
Other Receivables	193,677	185,302	144,311
Total Current Assets	<u>25,531,568</u>	<u>27,593,027</u>	<u>27,775,021</u>
Grants Receivable	331,434	331,434	331,434
Venture Capital Investments, net of reserves	634,061	634,061	634,061
Capital Assets	1,315,674	1,326,508	1,358,104
Total Long-Term Assets	<u>2,281,170</u>	<u>2,292,003</u>	<u>2,323,599</u>
TOTAL ASSETS	<u>\$ 27,812,738</u>	<u>\$ 29,885,030</u>	<u>\$ 30,098,620</u>
 LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 177,025	\$ 283,695	\$ 390,971
Deferred Revenues	249,423	249,423	243,708
Other Payables	56,294	56,294	56,294
Funds Held on Behalf of Others	6,048,151	7,229,690	6,785,657
Total Liabilities	<u>6,530,892</u>	<u>7,819,101</u>	<u>7,476,629</u>
Net Assets	<u>21,281,845</u>	<u>22,065,929</u>	<u>22,621,991</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 27,812,738</u>	<u>\$ 29,885,030</u>	<u>\$ 30,098,620</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 April 2020

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 200,933	\$ 158,333	\$ 42,600
Affiliate Management Fees	43,250	43,375	(125)
Interest Income - Cash & Investments	1,492	8,750	(7,258)
Rental Income	19,877	19,875	2
Other Income	-	1,333	(1,333)
Total Revenues	265,553	231,667	33,886
EXPENSES:			
Salaries & Benefits	\$ 150,682	\$ 242,628	\$ (91,947)
General Office Expenses	15,749	21,542	(5,793)
Building Operating Costs	16,744	19,380	(2,636)
Professional Services	13,250	8,042	5,208
Public Hearings & Marketing	5,135	6,250	(1,115)
Travel, Mileage & Meeting Expenses	-	5,250	(5,250)
Other Expenses	-	833	(833)
Total Expenses	201,560	303,925	(102,365)
SPECIAL PROJECT GRANTS:			
Revenues	\$ -	\$ 13,350	\$ (13,350)
Expenses	-	(10,417)	10,417
	-	2,933	(2,933)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:			
	63,992	(69,325)	133,318
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Zero Net Energy costs (Z7+)	-	(52,160)	52,160
Angola Ag Park Grant	(837,243)	(100,000)	(737,243)
Other Strategic Initiatives	-	(5,000)	5,000
	(837,243)	(157,160)	(680,083)
NET INCOME/(LOSS) BEFORE DEPRECIATION:			
	(773,250)	(226,485)	(546,766)
Depreciation	(10,833)	(10,833)	0
NET INCOME/(LOSS):	\$ (784,084)	\$ (237,318)	\$ (546,766)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: April 30, 2020

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 431,823	\$ 633,333	\$ (201,510)	\$ 431,823	\$ 237,912	\$ 193,911
Affiliate Management Fees	173,000	173,500	(500)	173,000	161,400	11,600
Interest Income - Cash & Investments	25,377	35,000	(9,623)	25,377	38,819	(13,442)
Rental Income	79,510	79,500	10	79,510	78,776	733
Other Income	7,512	10,333	(2,821)	7,512	6,757	756
Interest Income - Loans	-	-	-	-	21	(21)
Total Revenues	717,222	931,667	(214,445)	717,222	523,685	193,537
EXPENSES:						
Salaries & Benefits	732,150	753,041	(20,891)	732,150	696,701	35,449
General Office Expenses	92,359	86,167	6,193	92,359	98,692	(6,332)
Building Operating Costs	73,530	77,520	(3,990)	73,530	74,376	(846)
Professional Services	23,676	43,208	(19,532)	23,676	36,010	(12,334)
Public Hearings & Marketing	20,631	25,000	(4,369)	20,631	23,342	(2,712)
Travel, Mileage & Meeting Expenses	14,427	21,000	(6,573)	14,427	22,752	(8,325)
Other Expenses	942	3,333	(2,392)	942	1,782	(840)
Total Expenses	957,715	1,009,269	(51,554)	957,715	953,654	4,061
SPECIAL PROJECT GRANTS:						
Revenues	34,462	53,400	(18,938)	34,462	423,698	(389,236)
Expenses	(1,539)	(41,667)	40,128	(1,539)	(377,012)	375,473
	32,924	11,733	21,190	32,924	46,687	(13,763)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ (207,569)	\$ (65,869)	\$ (141,700)	\$ (207,569)	\$ (383,283)	\$ 175,713
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (625,917)	\$ 625,917	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	(80,000)	(200,000)	120,000	(80,000)	(200,000)	120,000
Angola Ag Park Grant	(837,243)	(100,000)	(737,243)	(837,243)	-	(837,243)
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)	-
UDAG Gain/(Loss) on Venture Investments	-	-	-	-	31,915	(31,915)
Other Strategic Initiatives	-	(160,000)	160,000	-	(15,000)	15,000
	(1,089,243)	(1,257,917)	168,674	(1,089,243)	(355,085)	(734,157)
NET INCOME/(LOSS) BEFORE DEPREC:						
	(1,296,812)	(1,323,786)	26,973	(1,296,812)	(738,368)	(558,444)
Depreciation	(43,333)	(43,333)	0	(43,333)	(43,200)	(133)
NET INCOME/(LOSS):	\$ (1,340,146)	\$ (1,367,119)	\$ 26,973	\$ (1,340,146)	\$ (781,568)	\$ (558,577)

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
570 Associates Vi, LLC	\$ 20,745,000	0	124	0	0	Cheektowaga	2/22/2017	12/31/2020
Steuben Foods, Inc.	\$ 16,457,951	564	582	19	19	Elma	3/27/2019	3/31/2020
Buffalo High Technology Centre, Inc.	\$ 7,877,447	0	4	0	0	Buffalo	7/24/2019	12/31/2020
Hertel Pacific, LLC/Cypress North	\$ 999,568	16	18	1	1	Buffalo	8/28/2019	12/31/2020
6 Projects Closed								
222 FT Projected New Jobs								
0 PT Projected New Jobs								
	\$ 135,379,966	868	1,090	0	0			

**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
			Total	\$177,321	\$708,137

*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

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

- MEETING:** April 2, 2020, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), held the meeting via phone conference. Governor Cuomo’s Executive Order 202.1, 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.ecidanyc.com.
- PRESENT:** Rev. Mark E. Blue, Hon. Johanna Coleman, Colleen DiPirro, Hon. William J. Krebs, Richard Lipsitz, Jr., Brenda McDuffie, Hon. Glenn R. Nellis, Laura Smith, David J. State and Maria Whyte
- ABSENT:** Denise Abbott, Hon. April Baskin, Hon. Byron W. Brown, Richard Cummings and Lavon Stephens
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer/Secretary; Dawn Boudreau, Compliance Officer; Brian Krygier, Systems Analyst; Carrie A. Hocieniec, Administrative Assistant; and Robert G. Murray, General Counsel
- GUESTS:** David Chiazza on behalf of Iskalo Development and Matt Kahn on behalf of Big Ditch Brewery

There being a quorum present at 9:01 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz and asked Carrie A. Hocieniec to take roll call.

MINUTES

The minutes of the March 5, 2020 Policy Committee meeting were presented. Upon motion made by Mr. Nellis and seconded by Mr. Blue, the aforementioned Policy Committee meeting minutes were unanimously approved.

At this point in time, Colleen DiPirro joined the meeting.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

Iskalo 6700 Transit Road, LLC, 6700 and 6704 Transit Road, Cheektowaga, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax exemption and real property tax abatement benefits project involving the expansion of the current facility to accommodate its long-term growth. The proposed new facility would be 105,315 +/- sq. ft. of which 58,690 sq. ft. would consist of brewery production and company offices. The balance would consist of an expansive tap room, event space and related support area which according to New York State law constitutes a retail operation.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$32,300,055 85% = \$27,455,046
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 90 FT 85% = 76 FT Create 85% of Projected Projected = 156 PT 85% = 66 FTE Recapture Employment = 142 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales tax, mortgage recording tax and real property taxes.

Draft
Subject to Committee Approval

Ms. McDuffie moved and Ms. DiPirro seconded to recommend the project as proposed be forwarded to the ECIDA Board for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

RECAPTURE POLICY AND COVID IMPACTS

General discussion ensued with regard to: (1) Recapture Policy and (2) COVID Impacts such as: (a) impacts of required workforce reductions; (b) ECIDA Agreements; (c) Employment shortfalls; and (d) specific company impacts/requests.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:54 a.m.

Dated: April 2, 2020

Karen M. Fiala, Secretary

Iskalo 6700 Transit Road, LLC
\$32,300,055
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 531110/312120
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$536,156 in sales tax savings • Approximately \$1,232,000 in real property tax savings • Approximately \$115,425 in mortgage tax savings
EMPLOYMENT
<ul style="list-style-type: none"> • Projected New Jobs - 90 FT 156 PT • Annual payroll: \$6,000,000 • Estimated salary of jobs to be created: FT - \$37,000 • Estimated salary of jobs to be Created PT - \$15,600
PROJECT HISTORY
<ul style="list-style-type: none"> • 04/29/2020 - Town of Cheektowaga as lead agency adopts negative declaration in accordance with SEQRA • 05/18/2020 - Public hearing held. Transcript attached. • 05/27/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Iskalo 6700 Transit Road, LLC

Project Address: 6700 and 6704 Transit Road
 Cheektowaga, NY
 (Depew Union Free School District)

Acquisition	\$ 5,250,055
New Building Construction	\$21,500,000
Soft Costs/Other	\$ 5,550,000
Total Project Cost	\$32,300,055
85%	\$27,455,046

Company Description

Iskalo 6700 Transit Road, LLC was formed by Iskalo Development for the purpose of undertaking the proposed project. Iskalo Development is involved in various types of commercial development in the Western New York area. Examples of projects undertaken by the company include the historic Electric Tower renovation, redevelopment of the former Kane Doyle Jeep Dealership in Kenmore as well as several properties along the Main Street Corridor in the Town of Amherst.

In 2014 Iskalo converted a building located at 337 Ellicott Street, formerly occupied by Verizon, into a production brewery for Big Ditch.

Project Description

Demand for Big Ditch Brewing craft beer exceeds the production capacity of the company's downtown Buffalo facility. Therefore, Big Ditch is seeking to expand into a new facility that can accommodate its long-term growth. The proposed new facility, which Big Ditch would lease from Iskalo, would be 105,315 +/- sq. ft. of which 58,690 sq. ft. (56%) would consist of brewery production and company offices. The balance of the facility would consist of an expansive tap room, event space and related support area which according to New York State law constitute a retail operation. Agency assistance is being sought only for the non-retail component of the overall project. There will be no disruption to production at the Buffalo location.

The proposed project is conceived to be a world-class destination brewery, serving as an anchor of the burgeoning craft beer tourism industry in WNY. The initial phase of brewery production equipment would enable production of up to 50,000 barrels of beer annually, more than 3 times the production capacity of the current Buffalo operation and ultimately lead to a production capacity of 100,000 barrels per year.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 10-year abatement period	Additional Local Revenue over 10-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$111,970	\$4,202,000	\$52,000	\$276,000	\$156,000
Combined Tax Rate: \$37.12				

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 = \$32,300,055 85% = \$27,455,046
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 90 FT 85% = 76 FT Create 85% of Projected Projected = 156 PT 85% = 66 FTE Recapture Employment = 142 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	Coincides with 10-year PILOT	State and Local Sales Taxes, Real Property Taxes, Mortgage Tax

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has created 142 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

ADDENDUM TO PROJECT LOG

6700 Transit, LLC – Iskalo Development for Big Ditch -2020

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 created: \$37,000
Regional Wealth Creation (% sales/customers outside area)	Big Ditch is not licensed to sell outside of New York State. 76% of sales are within Erie and Niagara County.
In Region Purchases (% of overall purchases)	80%
Research & Development Activities	Big Ditch currently invests approximately \$60,000 annually in the research and development of new products which amount will increase substantially one the new facility is complete.
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	Site is zoned light industrial and general commercial.
LEED/Renewable Resources	Not applicable
Retention/Flight Risk	Not applicable
MBE/WBE Utilization	Iskalo Development Corp. is an equal opportunity employer. In the course of bidding and awarding contracts as the Construction Manager for all Iskalo-affiliated projects, it does not discriminate. With respect to its internal practices, Iskalo first seeks to obtain quotes from, and to award contracts, to qualified companies that will employ workers that are residents in the WNY region. Companies are deemed to be qualified if they have (a) been in business for at least three years, (b) have relevant experience to what is being sought, (c) have a proven track record of successful completion of projects/work for other clients, (d) are price competitive. In preparation for bidding construction work, Iskalo actively promotes that it will be seeking bids for a particular project and actively solicits bidding interest from contractors and subcontractors of all types including union, open shop, MBE, WBE and DVOC's. In this regard, the list of NYS certified MWBE firms will be consulted in Iskalo's assembly of a prospective bidding list.
Workforce Access – Proximity to Public Transportation	Property is serviced by Metro Bus route 68A

May 27, 2020

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

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

PILOT Estimate Table Worksheet-Iskalo – 6700 Transit LLC- 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
\$21,500,000	\$4,202,000	\$5.802	\$9.603	\$21.716

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$2,438	\$4,035	\$9,125	\$15,598	\$155,982	\$140,384
2	10%	\$2,438	\$4,035	\$9,125	\$15,598	\$155,982	\$140,384
3	10%	\$2,438	\$4,035	\$9,125	\$15,598	\$155,982	\$140,384
4	20%	\$4,876	\$8,070	\$18,250	\$31,196	\$155,982	\$124,786
5	20%	\$4,876	\$8,070	\$18,250	\$31,196	\$155,982	\$124,786
6	20%	\$4,876	\$8,070	\$18,250	\$31,196	\$155,982	\$124,786
7	30%	\$7,314	\$12,106	\$27,375	\$46,795	\$155,982	\$109,188
8	30%	\$7,314	\$12,106	\$27,375	\$46,795	\$155,982	\$109,866
9	30%	\$7,314	\$12,106	\$27,375	\$46,795	\$155,982	\$109,866
10	30%	\$7,314	\$12,106	\$27,375	\$46,795	\$155,982	\$109,866
Total		\$51,198	\$84,739	\$191,626	\$327,563	\$1,559,824	\$1,232,261

***** 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.)
\$32,300,055	\$1,232,261	\$536,156	\$115,425	

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 5.8%



Internal Report: Iskalo 6700 Transit Road, LLC - Iskalo 6700 Transit Road, LLC

Table 1: Basic Information

Project Name	Iskalo 6700 Transit Road, LLC
Project Industry	(312) Beverage and Tobacco Product Manufacturing
Municipality	Cheektowaga Town
School District	Depew
Project Cost	\$32,300,055
Construction Budget	\$21,500,000
Direct Employment Expected	168
Direct Labor Income	\$6,216,000
Direct Construction Jobs	157
Direct Construction Labor Income	\$8,262,980
Total Labor Income	\$14,478,980

Table 2: Estimated State & Regional Benefits *

Region	
New Property Tax Revenue (PILOT or Improvements)	\$322,998
Property Tax Revenue	\$1,317,787
Sales Tax Revenue	\$3,846,060
State	
Income Tax Revenue	\$9,875,873
Sales Tax Revenue	\$3,238,787
TOTAL Estimated Revenue	\$18,601,505

Table 3: Estimated Project Incentives *

Property Tax Savings	\$1,273,920
Sales Tax Savings	\$536,156
Mortgage Tax Savings	\$115,425
TOTAL Estimated Incentives	\$1,925,501

Table 4: Employment Breakdown

Project	
Direct**	168
Indirect***	286
Induced****	216
Construction	
Direct	157
Indirect	57

Table 5: Ratios

Benefit to Cost Ratio	8:1
Overall ROI	132.2:1

* Figures over 10 years and discounted by 3.49%

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

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

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

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VIRTUAL PUBLIC HEARING SCRIPT

**Iskalo 6700 Transit LLC and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on May 18, 2020 at 10:00 a.m.
via Virtual Conferencing Software

ATTENDANCE:

David Chiazza – Iskalo Development Corporation
Karen Fiala – ECIDA
John Cappellino – ECIDA
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Iskalo 6700 Transit LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, May 7, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) three (3) parcels of land totaling 9+/- acres located at 0, 6700 and 6704 Transit Road, Town of Cheektowaga, Erie County, New York (the "Land") improved with existing vacant buildings (the "Existing Improvements"); (ii) the

demolition of the Existing Improvements and the construction of a 105,315+/- SF destination brewery comprised of 58,690+/- SF of brewery production and office space and 46,625+/- SF for an expansive tap room, event space and related support areas (collectively, the “Improvements”) to be utilized by Big Ditch Brewing Company LLC (the “Tenant”), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”); and, collectively with the Land and the Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits with respect to the qualifying personal property included in or incorporated into the Facility or used in the construction or equipping of the Facility specifically for those components of the Project related to brewery operations/production, mortgage recording tax exemption benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

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

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

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on May 26, 2020. There are no limitations on written statements or comments.

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

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

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

Thank you, Grant, for the nice project summary. My name is David Chiazza, Executive Vice President of Iskalo Development, developer of the proposed project. The purpose of the project is to allow Big Ditch Brewery to expand its distribution footprint across NYS and beyond. In a little more than 5 years since its founding, Big Ditch Brewery has grown into the top 10 of independent craft breweries in NYS. However, the Brewery's current downtown facility is at

full brewing capacity and cannot meet growing demand. The proposed building would accommodate its long-term expansion. In addition to the brewery, the building would also house company offices as well as a tap room, beer hall and private event facilities. The latter components are not part of the incentive application.

Incentives are being sought from the ECIDA for approximately 57% of the building. Big Ditch Brewing's downtown facility will remain in operation after the new building is finished. When completed in late 2021/early 2022, Big Ditch expects to increase full and part-time employment by up to 246 people.

In summary, the proposed project will result in the following benefits:

- Redevelopment of a tired...some have said blighted property in a highly visible section of Transit Road in the Town of Cheektowaga
- Facilitate the growth of a local Buffalo-born craft brewery into a regional craft brewery powerhouse
- Creation of a world-class destination brewery to anchor and help grow the region's growing beer tourism industry
- Increase in tax base and tax revenues for the Town, County and Schools
- Substantial increase in construction employment
- Substantial increase in full and part time permanent employment opportunities

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:06 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

May 18, 2020 at 10:00 a.m.

via Virtual Conferencing

Iskalo 6700 Transit LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Project Location:

Name	Company and/or Address	X box to speak/ comment
David Chiazza	Iskalo Development Corporation 5166 Main Street Williamsville, New York 14221	X
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
John Cappellino	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**NEGATIVE DECLARATION
Determination of Non-Significance**

Lead Agency: Town of Cheektowaga Town Board

Date: April 29, 2020

This notice is issued pursuant to Part 617 of the implementing regulations pertaining to Article 8 (State Environmental Quality Review Act) of the Environmental Conservation Law.

The Town of Cheektowaga Town Board (the “Town Board”), as the lead agency, has reviewed the proposed action and determined that it will result in any significant adverse environmental impacts and that a Draft Environmental Impact Statement will not be prepared.

Name of Action: Destination Brewery and Tap Room Project to be occupied by Big Ditch Brewing Company

Project Sponsor: Iskalo Development Corp.

Location of Project Site: 6700, 6704 and 00 Transit Road & Portion of NYS Thruway Right-of Way – Town of Cheektowaga

SEORA Status: Type I. The Town has conducted a coordinated environmental review of the proposed action. A lead agency solicitation letter dated March 4, 2020 along with project documentation including a completed Part 1 of the Full Environmental Assessment Form was provided to numerous involved and interested agencies. The involved agencies that were provided with the required thirty (30) days to comment on the Town Board’s request to be the designated lead agency were the Erie County Water Authority, the Erie County Division of Sewerage Management, Erie County Industrial Development Agency, the New York State Department of Transportation, the New York State Department of Environmental Conservation, the New York State Thruway Authority and the Town of Amherst. None of the involved agencies objected to the Town Board’s request to be the lead agency nor did any of the involved agencies express any concerns that the action may result in one of more potentially significant adverse environmental impacts.

Description of the Proposed Project (“Action”): Applications and associated materials were submitted by Iskalo Development Corp. to the municipal boards of the Town of Cheektowaga for the proposed redevelopment of 6700, 6704 and 00 Transit Road (collectively the “Project Site”). The proposed redevelopment project involves the demolition of a vacant hotel building (circa 1972) and vacant gas station/used-car dealership (circa 1967), and replacement with an approximately 105,315 sq. ft. building to be used as a brewery, company offices, tap room, event space and related accessory uses.

The proposed building will be leased in its entirety upon completion to Buffalo-based Big Ditch Brewing Company which current brewing facilities are at capacity. The new building will enable

Attachment: Negative Declaration-6700 Transit Road (RES-2020-205 : Negative SEQR Declaration - 6700,6704 and 00 Transit Rd.)

the tenant to meet current demand and accommodate future growth and expansion of its distribution footprint.

The proposed project site plan will utilize two of three existing Transit Road driveways and will also connect to McKinley Avenue on the north side of the Project Site in order to provide access to the signalized intersection at Transit and Freeman Road. Connection of the Project Site to McKinley Avenue, which is a Town of Amherst roadway, was anticipated by the NYS Department of Transportation in its preparation of its Design Report and Environmental Assessment dated July 2004 for the NY Route 78 Transit Road Highway Reconstruction project affecting the Towns of Amherst, Cheektowaga, Clarence and Lancaster. Proposed site improvements include paved surfaces for parking and vehicular circulation, installation of storm water and wastewater management systems, site lighting, pedestrian walkways and landscaping. The proposed site improvements also include the paving of a narrow strip of property owned by the NYS Thruway Authority which property runs parallel to the southern boundary of the Project Site so that this property can be utilized as 102 parking spaces.

The Town has been provided with extensive project documentation including numerous reports and studies addressing potential adverse environmental impacts; building elevation plans by the Project Sponsor; a Stormwater Pollution Prevention Plan with Engineer's Report prepared by Carmina Wood Morris DPC; and engineered plans prepared by Carmina Wood Morris DPC consisting of the following:

- Demolition & Erosion Control Plan [Drawing C-001];
- Demolition & Erosion Control Details [Drawing C-002];
- Overall Site Plan [Drawing C-100];
- Site Plan – East [Drawing C-101];
- Site Plan – West [Drawing C-102];
- Overall Grading Plan [Drawing C-200];
- Grading Plan – East [Drawing C-201];
- Grading Plan – West [Drawing C-202];
- Storm Drainage Plan [Drawing C-300];
- Storm Drainage Details [Drawing C-301];
- Utility Plan [Drawing C-400];
- Utility Details [Drawing C-401];
- Landscape Plan [Drawing L-100];
- Lighting Plan [Drawing LP-100];
- Maintenance & Protection of Traffic Plan [Drawing M-100];
- Truck Turn Plan [Drawing T-100]; and
- Truck Turn Plan [Drawing T-101]

The proposed action has been defined broadly to include all required discretionary approvals needed for the proposed redevelopment project as described above from the municipal boards of Town of Cheektowaga and other involved agencies.

Reasons Supporting this Determination:

The Town Board has identified the relevant areas of environmental concern and has taken a hard look at each of the identified areas as required by the State Environmental Quality Review Act ("SEQRA"). The Town Board has compared the Project with the criteria for determining significance identified in 6 NYCRR § 617.7(c)(1) and in accordance with 6 NYCRR § 617.7(c)(2) and (3). As indicated below in the discussion of each criterion specified in 6 NYCRR § 617.7(c)(1), the Town Board has thoroughly evaluated the identified relevant areas of environmental concern and determined that the proposed action will not result in any significant adverse impacts on the environment.

- (i) **a substantial adverse change in existing air quality, ground or surface water quality or quantity, traffic or noise levels; a substantial increase in solid waste production; a substantial increase in potential for erosion, flooding, leaching or drainage problems;**

A. Traffic Impacts:

Vehicular access to the Project Site will be provided via use of two of three existing curb cuts onto Transit Road (the middle curb cut will be removed) and also via a connection to McKinley Avenue on the northern portion of the Project Site which will provide direct access to the traffic signal installed by the NYS Department of Transportation approximately a decade ago at the intersection of Freeman Road and Transit Road. Transit Road is a NYS Highway that has a raised median and, as such, use of the two curb cuts onto Transit Road will be limited to right turns in and out of the Project Site.

A Traffic Impact Study was prepared by SRF Associates to evaluate the potential traffic impacts associated with the Project. The Traffic Impact Study contained a detailed analysis of the potential traffic impacts of the Project. The study area for the Traffic Impact Study included Transit Road, Freeman Road and McKinley Avenue.

The volume of traffic projected to be generated by the Project during the weekday p.m. period (between 4:30 and 5:30 p.m.) and the Saturday peak period (12:00 and 1:00 p.m.) was determined by SRF Associates based on a comparison of the New York Beer Project located on Transit Road in the southern portion of the Town of Lockport and the Trip Generation Report of the Institute of Transportation Engineers (10th edition). Table II of the Traffic Impact Study consists of the projected trip generation and the Project is anticipated to generate 259 trips entering and 162 trips exiting during the weekday p.m. peak period and 228 trips entering and 99 trips exiting during the Saturday weekend p.m. peak period.

Figure 6 of the Traffic Impact Study depicts the anticipated trip distribution pattern percentages for the traffic from the proposed Project and Figure 7 illustrates the peak hour site generated traffic based on those percentages. The projected design hour traffic volumes were developed by SRF Associates for the weekday p.m. and Saturday peak hours by combining the future background traffic conditions, including a projected annual background traffic growth rate of one percent and the projected Project Site generated volumes to yield the total traffic conditions expected at full

development. Figure 8 of the Traffic Impact Study illustrates the total weekday PM and SAT peak hour volumes anticipated for the proposed project under full development conditions.

Capacity analysis is a technique used for determining a measure of effectiveness for a section of roadway and/or intersection based on the number of vehicles during a specific time period. The measure of effectiveness used for the capacity analysis is referred to as a Level of Service (“LOS”). Levels of Service are calculated to provide an indication of the amount of delay that a motorist experiences while traveling along a roadway or through an intersection. There are six Levels of Service are defined for analysis purposes. They are assigned letter designations, from "A" to "F", with LOS "A" representing the best conditions and LOS "F" the worst.

As set forth in the Traffic Impact Study, the standard procedure for capacity analysis of signalized and un-signalized intersections is outlined in the Highway Capacity Manual (“HCM”) 6th Edition (2016) published by the Transportation Research Board (“TRB”). Traffic analysis software, SYNCHRO 10, which is based on procedures and methodologies contained in the HCM, was used to by SRF Associates to analyze operating conditions at study area intersections. The procedure yields a LOS based on the HCM 6th Edition as an indicator of how well intersections operate. Capacity results for existing, background, and full development conditions as determined by SRF Associates were specified in Table III of the Traffic Impact Study. According to the detailed LOS analysis conducted by SRF Associates, all approaches to the study intersections operate at LOS “E” or better during both peak hours under existing and background conditions. The eastbound left turn movement at Transit Road/Freeman Road is projected to change in LOS from “D” to “E” during the p.m. peak hour between background and full build conditions. Additionally, the westbound movement at Freeman Road/McKinley Ave is projected to change from LOS “A” to “B” during the PM peak hour between background and full development conditions. No other changes in LOS are projected as a result of the proposed Project. These operating conditions are consistent with current operating conditions at these intersections as well as other intersections along Transit Road. The two right-in/right-out Transit Road driveways are projected to operate at LOS “E” and “D” for exiting right turns at times during the PM peak hour with delays on the order of 30 to 37 seconds per vehicle. During the Saturday peak hour, the exiting right turns are projected to operate at LOS “C”.

The following sets forth the conclusions and recommendations of SRF Associates based upon its comprehensive analysis of the potential traffic impacts associated with the Project:

1. The proposed project is expected to generate approximately 259 entering/162 exiting vehicle trips during the weekday PM peak hour and 228 entering/99 exiting vehicle trips during the Saturday midday peak hour.
2. All approaches to the study intersections operate at LOS “E” or better during both peak hours under existing, background, and full development conditions. No mitigation is warranted or recommended as a result of the proposed Project.
3. It is the professional opinion of SRF Associates that the proposed Project will not result in any potentially significant adverse traffic impacts to the study area intersections.

A copy of the Traffic Impact Study and other project documentation included with the Lead Agency Solicitation Notice was provided to the NYS Department of Transportation. On April 8, 2020, Edward S. Rutkowski, P.E., SEQR/Site Plan Review Coordinator of the NYS Department of Transportation issued a communication stating as follows:

“New York State Department of Transportation (NYSDOT) reviewed the information submitted for the subject project and has the following comments:

- NYSDOT has no objection to the Town of Cheektowaga acting as the Lead Agency.
- Based on the information provided, the proposed project will not have a significant impact to traffic on the State Highway System.
- A NYSDOT Highway Work Permit will be required for the proposed work that is located within the State Highway Right-of-Way of Transit Road. Additional site engineering review will be performed as part of the Highway Work Permit process. This correspondence does not constitute approval for the purpose of a Highway Work Permit.”

The Town Board has determined that there will not be any significant traffic impacts resulting from the Project.

B. Noise Impacts:

The project is not anticipated to result in significant noise impacts. The project includes a beer garden with outdoor seating and proposed live entertainment along the Transit Road frontage of the Project Site. A portion of the northern side of the Project Site is located northwest of the proposed beer garden area is contiguous to residential properties. The location of the beer garden has been deliberately located along the Transit Road frontage of the Project Site, in front of the building, to minimize noise impacts to residential properties. The Project Sponsor proposes that any live entertainment may only occur between Memorial Day and October 31st during the following hours:

	<u>No Earlier Than</u>	<u>No Later Than</u>
Monday through Thursday	5 pm	9 pm
Friday	5 pm	10 pm
Saturday	Noon	10 pm
Sunday	Noon	6 pm
Holidays	Noon	9 pm (6 pm on Sundays)

Increases in noise levels at the Project Site associated with construction activities are anticipated but construction related noise impacts are an unavoidable temporary impact.

C. Air Quality Impacts:

The Project will not result in significant adverse air quality impacts. During construction, there may be minor, temporary dust impacts from soil disturbance, but those will not be significant.

Attachment: Negative Declaration-6700 Transit Road (RES-2020-205 : Negative SEQR Declaration - 6700,6704 and 00 Transit Rd.)

D. Wetland Impacts:

A wetland delineation of the Project Site was conducted by Earth Dimensions, Inc. for the purpose of determining if there are wetlands subject to either the jurisdiction of the United States Army Corps of Engineers (“USACE”) and/or the NYS Department of Environmental Conservation on the Project Site. The result of the detailed analysis of the Project Site by Earth Dimensions, Inc. is contained in its Wetland Delineation Report dated April 5, 2017. Earth Dimensions, Inc. determined there was one small non-jurisdictional federal wetland with a size of 0.091 acres on the westernmost portion of the Project Site and one jurisdictional federal wetland with a size of 0.713 acres also located on the westernmost portion of the Project Site. The location of these areas is depicted on Figure 6 of the Wetland Delineation Report.

The Wetland Delineation Report was submitted to the USACE for its review and issuance of a Jurisdictional Determination. On October 31, 2017, the USACE issued its Jurisdictional Determination stating that the 0.091 acre wetland area is non-jurisdictional since it consists of an isolated, non-navigable, intrastate water not regulated under Section 404 of the Clean Water Act. The USACE determined that the 0.713 acre wetland on the easternmost portion of the Project Site is subject to federal jurisdiction.

The Project will require an impact of approximately 0.33± acre to the 0.713 acre jurisdictional federal wetland on the easternmost portion of the Project Site to accommodate the necessary stormwater management system improvements. The remainder of the jurisdictional federal wetland will be preserved. To mitigate for the proposed wetland impact, the Project Sponsor is proposing to purchase 0.5 credit from the Ducks Unlimited in Lieu Fee Program.

On February 7, 2020, Earth Dimensions, Inc. submitted a Joint Application for Permit for the Project to both the NYS Department of Environmental Conservation and the USACE for the purpose of seeking a Section 404 Permit from USACE and a Section 401 Water Quality Certification from NYS Department of Environmental Conservation. Prior to impacting approximately 0.33 acre of the 0.713 acre jurisdictional wetland on the easternmost portion of the Project Site, the Project Sponsor will be required to provide the Town with a copy of a wetland permit issued by the USACE.

The Town Board has determined that there will not be any significant wetland impacts resulting from the Project.

E. Erosion, Flooding and Drainage Impacts:

The Project Site will be improved with new drainage infrastructure designed to comply with the current stringent storm water quality and quantity standards of New York State Department of Environmental Conservation. The control of runoff from construction activities will be properly managed in accordance with the detailed information contained in the Stormwater Pollution Prevention Plan. The fully engineered plans and Stormwater Pollution Prevention Plan with Engineer’s Report, as prepared by Carmina Wood Morris DPC will be reviewed and approved by the Town’s Professional Engineer. The Town Board has determined the Project will not cause significant adverse impacts including erosion, flooding, or drainage problems.

F. Solid Waste Production:

The Project will not result in a significant increase in the production of solid waste. All solid waste associated with construction activities and the project be properly disposed of off-site and will be handled in accordance with applicable law. Solid waste, referred to as Biochemical Oxygen Demand or “B.O.D. solids” are produced in the brewing process. Though BOD solids can be dispensed into the public sanitary sewer, site improvements for the project will include a collection tank for B.O.D. solids. This tank will be emptied periodically with the B.O.D. solids disposed of via private contractor in order to minimize solids entering the public sanitary sewer system.

- (ii) **the removal or destruction of large quantities of vegetation or fauna; substantial interference with the movement of any resident or migratory fish or wildlife species; impacts on a significant habitat area; substantial adverse impacts on a threatened or endangered species of animal or plant, or the habitat of such a species; or other significant adverse impacts to natural resources;**

The Project Site consists of a redevelopment project and a majority of the Project Site consists of impervious surfaces including the vacant buildings, paved vehicular circulation, parking areas, etc. There will be vegetation removed on approximately 2.61 acres of the westernmost portion of the Project Site for parking and necessary stormwater management improvements. Included in the Wetland Delineation Report prepared by Earth Dimensions, Inc. is a letter issued by United States Fish and Wildlife Service dated November 27, 2018 stating that the only potential threatened or endangered species or habitat on the Project Site is the northern long eared bat, which is commonly identified as potentially existing on sites in Western New York.

The Town Board has determined that there will not be any significant impacts to vegetation, protected flora or fauna or wildlife habitat resulting from the Project.

- (iii) **the impairment of the environmental characteristics of a Critical Environmental Area as designated pursuant to subdivision 617.14(g) of this Part;**

The Project Site is not located within a Critical Environmental Area (CEA).

- (iv) **the creation of a material conflict with a community's current plans or goals as officially approved or adopted;**

The Project is consistent with the community’s current plans and goals as officially approved and adopted. The Project Site is properly zoned for the proposed use. The Project Site is located on Transit Road and will replace vacant and obsolescent commercial buildings with a modern, world class brewery destination project that will consistent with the Town’s redevelopment planning objectives and policies.

- (v) **the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character;**

Attachment: Negative Declaration-6700 Transit Road (RES-2020-205 : Negative SEQR Declaration - 6700,6704 and 00 Transit Rd.)

A Phase I Archaeological Reconnaissance Survey Report dated December of 2018 was prepared by Dr. Douglas J. Perrelli, Ph.D., of the University of Buffalo Anthropology Department for the purpose of evaluating the Project Site for the potential presence of protected cultural and/or historic resources. The on-site testing included 78 locations and on historic artifacts were identified. The Phase I Archaeological Reconnaissance Survey Report was submitted to the NYS Office of Parks, Recreation and Historic Preservation for its review. On December 5, 2018, Josalyn Ferguson of the NYS Office of Parks, Recreation and Historic Preservation issued a letter stating, "Based upon this review, it the opinion of ORPHP that no properties, including archaeological and/or historic resources listed in or eligible for the New York State and National Registers of Historic Places will be impacted by this project."

The Project will result in positive impacts in terms of community and neighborhood character.

The Town Board has determined that there will not be any significant impacts to historical, archeological, architectural or aesthetic resources or to community or neighborhood character resulting from the Project.

(vi) a major change in the use of either the quantity or type of energy;

The project is not anticipated to utilize significant energy resources. The proposed building will be constructed to meet the minimum energy conservation code standards.

(vii) the creation of a hazard to human health;

The project is not anticipated to create a hazard to human health. The proposed building will comply with the applicable fire safety standards contained in the NYS Building Code and this will be verified in connection the building permit review process.

(viii) a substantial change in the use, or intensity of use, of land including agricultural, open space or recreational resources, or in its capacity to support existing uses;

The Project Site does not consist of agricultural land nor open space or a recreational resource. The proposed change in land use associated with replacing the existing vacant buildings formerly utilized as hotel and a gas station/used-car dealership with the proposed building and site improvements will result in positive impacts. The Project will be compatible with surrounding land uses including the wide assortment of commercial uses located on the relevant segment of Transit Road in close proximity to the NYS Thruway.

(ix) the encouraging or attracting of a large number of people to a place or places for more than a few days, compared to the number of people who would come to such place absent the action;

There will be no such impacts resulting from the Project.

Attachment: Negative Declaration-6700 Transit Road (RES-2020-205 : Negative SEQR Declaration - 6700,6704 and 00 Transit Rd.)

- (x) **the creation of a material demand for other actions that would result in one of the above consequences;**

There will be no such impacts resulting from the Project.

- (xi) **changes in two or more elements of the environment, no one of which has a significant impact on the environment, but when considered together result in a substantial adverse impact on the environment; or**

There will be no such impacts resulting from the Project Site.

- (xii) **two or more related actions undertaken, funded or approved by an agency, none of which has or would have a significant impact on the environment, but when considered cumulatively would meet one or more of the criteria in this subdivision.**

There will be no such impacts. The action has deliberately defined the action broadly to include the entire Project and there are not any other pending projects nearby that would warrant the consideration of the cumulative impacts of more than one action.

For Further Information:

Contact Person: Jesse C. Jesonowski
Town Junior Planner

Address: Town of Cheektowaga
275 Alexander Avenue
Cheektowaga, NY 14211

Telephone Number: (716) 686-3567

E-mail: jjesonowski@tocny.org

Attachment: Negative Declaration-6700 Transit Road (RES-2020-205 : Negative SEQR Declaration - 6700,6704 and 00 Transit Rd.)

Distribution List

Erie County Water Authority
3030 Union Road
Cheektowaga, NY 14227-1097

Erie County Division of Sewerage Management
Attn: Joseph L. Fiegl, P.E., Deputy Commissioner
95 Franklin Street, Room 1034
Buffalo, NY 14202

Erie County Industrial Development Agency
Attn: John Cappellino
95 Perry Street, Suite 403
Buffalo, NY 14203

New York State Department of Transportation
Attn: Edward S. Rutkowski, P.E., SEQR/Site Plan Review (w/ copy of TIS)
100 Seneca Street
Buffalo, NY 14203

New York State Department of Environmental Conservation
Attn: David Denk, Regional Permit Administrator
270 Michigan Avenue
Buffalo, NY 14203

New York State Thruway Authority
Attn: Scott Helser
455 Cayuga Road, Suite 800
Cheektowaga, NY 14225

Town of Amherst
Attn: Daniel Howard, Planning Director
5583 Main Street
Williamsville, NY 14221

Erie County Department of Environment and Planning
Attn: Thomas R. Hersey, Jr., Commissioner of Environment & Planning
95 Franklin Street, 10th Floor
Buffalo, New York 14202

United States Army Corps of Engineers
Attn: Steven Metivier
1776 Niagara Street
Buffalo, NY 14207

Attachment: Negative Declaration-6700 Transit Road (RES-2020-205 : Negative SEQR Declaration - 6700,6704 and 00 Transit Rd.)

David Chiazza
Iskalo Development Corp.
5166 Main Street
Williamsville, NY 14221

Sean Hopkins, Esq.
Hopkins Sorgi & McCarthy PLLC
5500 Main Street, Suite 343
Williamsville, NY 14221

Attachment: Negative Declaration-6700 Transit Road (RES-2020-205 : Negative SEQR Declaration - 6700,6704 and 00 Transit Rd.)

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**ISKALO 6700 TRANSIT LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, May 27, 2020 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ISKALO 6700 TRANSIT LLC AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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

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

consisting of: (i) three (3) parcels of land totaling 9+/- acres located at 0, 6700 and 6704 Transit Road, Town of Cheektowaga, Erie County, New York (the “Land”) improved with existing vacant buildings (the “Existing Improvements”); (ii) the demolition of the Existing Improvements and the construction of a 105,315+/- SF destination brewery comprised of 58,690+/- SF of brewery production and office space (the “Manufacturing and Warehousing Component”) and 46,625+/- SF for an expansive tap room, event space and related support areas (the “Retail Component”, and collectively, with the Manufacturing and Warehousing Component, the “Improvements”) to be utilized by Big Ditch Brewing Company LLC (the “Tenant”), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, collectively with the Land and the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on March 24, 2020, at 10:00 a.m., at the Town of Cheektowaga’s Town Hall located at 3301 Broadway (Town Council Chambers), Cheektowaga, New York 14227, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

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

WHEREAS, the Town of Cheektowaga Planning Board (the “Planning Board”) in accordance with Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereto in 6 N.Y.C.R.R. Part 617 (collectively referred to as the “State Environmental Quality Review Act” and/or “SEQR”), undertook coordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, and determined that the Project was a Type I Action; and

WHEREAS, the Agency did not object to the Planning Board's request to be Lead Agency, as defined under SEQR; and

WHEREAS, on April 29, 2020, the Planning Board issued a negative declaration ("Negative Declaration") under SEQR, with respect to the Project; and

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

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review and recommendations of the Project and its April 2, 2020 resolution to approve the Project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

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

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

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

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

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

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

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

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

(I) Big Ditch Brewing Company LLC, defined as the Tenant, will occupy the Facility. The Agency hereby approves the subleasing of space in the Project to the Tenant and authorizes the Company to proceed with the Project as herein authorized; and

(J) Based upon a thorough and complete review of the Application and its accompanying materials and information, the Environmental Assessment Form submitted by the Company, and the proceedings conducted by the Agency and the Town of Cheektowaga Planning Board, to date, pursuant to SEQR, the Agency hereby:

(i) consents to and affirms the status of the Planning Board as “Lead Agency” within the meaning of and for all purposes of complying with SEQR and determines that the proceedings undertaken by the Planning Board under SEQR with respect to the undertaking of the Project by the Company (as agent of the Agency) satisfy the requirements of SEQR; and

(ii) affirms that the Project involves a “Type I Action” as that term is defined under SEQR; and

(iii) reviews, considers, ratifies, and adopts such proceedings by the Planning Board, including the “Negative Declaration”; and

(iv) determines that no traffic impacts are anticipated, that the Project will not result in significant noise impacts, nor will significant adverse air quality impacts result from the Project, that there will not be any significant wetland impacts resulting from the Project, that the Project will not cause significant adverse impacts including erosion, flooding, or drainage impacts, that the Project will not result in a significant increase in the production of solid waste, that there will not be any significant impacts to vegetation, protected flora or fauna or wildlife habitat resulting from the Project, that the Project is consistent with the community’s current plans and goals and that the Project will replace vacant and obsolete commercial buildings at the site with a modern world class brewery designation consistent with the Town’s planning policies, that there are no archaeological and/or historic resources that will be impacted by the Project, that the Project will result in a positive impact in terms of community and neighborhood character, that there will not be an increase in use of energy resources, that the Project will not create a hazard to

human health, that the Project is compatible with surrounding and uses, and that no two or more elements of the Project not found to be significant in and of themselves will be combined to create a significant adverse impact and no significant adverse cumulative impacts are anticipated, and

(v) determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project, and the participation by the Agency in undertaking the Project, have been satisfied. This determination constitutes a “negative declaration” (as such quoted term defined under SEQR) for purposes of SEQR.

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

(i) Wage Rate (above median wage for area): Company estimated average salary of jobs to be created is above the median wage for the area.

(ii) Regional Wealth Creation: The Tenant is not licensed to sell outside of New York State, and as such, 76% of sales are within Erie and Niagara County.

(iii) In Region Purchases: In Region Purchases are approximately 80%.

(iv) Research and Development Activities: Annual R&D operating expenses are currently estimated at \$60,000 and projected to increase once the Facility is operational.

(v) Investments in Energy Efficiency: Not applicable.

(vi) Locational Land Use Factors, Brownfields or Locally Designated Development Areas: Site is zoned industrial and general commercial.

(vii) LEED/Renewable Resources: Note applicable

(viii) Retention/Flight Risk: Not applicable.

(ix) MBE/WBE Utilization: The Company is an equal opportunity employer. In the course of bidding and awarding contracts as the Construction Manager for all Company-affiliated projects, it does not discriminate. With respect to its internal practices, the Company first seeks to obtain quotes from, and to award contracts to, qualified companies that will employ workers that are residents in the WNY region. Companies are deemed to be qualified if they have (a) been in business for at least three years, (b) have relevant experience to what is being sought, (c) have a proven track record of successful completion of projects/work for other clients, (d) are price competitive. In preparation for bidding construction work, the Company actively promotes that it will be seeking bids for a particular project and actively solicits bidding interest from contractors and subcontractors of all types including union, open shop, MBE, WBE and DVOC’s. In this regard, the list of NYS certified MWBE firms will be consulted in the Company’s assembly of a prospective bidding list.

(x) **Workforce Access – Proximity to Public Transportation:** The Facility is serviced by Metro Bus route 68A.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company with respect to the Manufacturing and Warehousing Component (representing 57% of the square footage and total Project costs) and excluding the Retail Component of the Project, as described herein.

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

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 \$6,127,500, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$536,156. 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.

Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of

the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

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

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

- (i) Investment Commitment – the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$27,455,047.00 (which represents the product of 85% multiplied by \$32,300,055.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – the number of current FTE employees in the then current year at the Facility; and
 - that the Company has maintained and created full-time equivalent (“FTE”) employment at the Facility equal to 142 FTE employees [representing the sum of: (i) 76 FTEs, being the product of 85% multiplied by 90, (representing the 90 new FTE employee positions proposed to be created by the Company as stated in the Company’s application for Financial Assistance), and (ii) 66 FTEs, being the product of 85% multiplied by 78 (where 78 represents the FTE equivalent of 156 proposed PTE employee positions proposed to be created by the Company as stated in the Company’s application for Financial Assistance)]. 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.

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

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

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

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

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

Dated: May 27, 2020



6700 Transit Road Redevelopment Project

Instructions and Insurance Requirements Document

Section I: Applicant Background Information

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

Applicant Information - Company Receiving Benefit

Project Name	Destination Brewery and Tap Room for Big Ditch Brewing Company
Project Summary	Project consists of redevelopment of an assemblage of parcels located on Transit Road in the Town of Cheektowaga to include construction of a new 105,315 square foot destination brewery, tap room, event space and related facilities to accommodate growth of Buffalo-based Big Ditch Brewing Co. The new building would be developed by an affiliate of Iskalo Development Corp. and leased in its entirety to Big Ditch Brewing Co. The redevelopment of the property assemblage would begin with demolition of two obsolete and long vacant buildings including an existing circa 1972 hotel building that ceased operation in 2017 and a former gas station/used car dealership constructed in 1967 that ceased operation in 2018. The demolition of the existing buildings and construction of the proposed new building and related improvements will greatly revitalize this section of the west side of Transit Road in the Town of Cheektowaga.
Applicant Name	Iskalo Development Corp as manager for and on behalf of Iskalo 6700 Transit LLC
Applicant Address	5166 Main Street
Applicant Address 2	
Applicant City	Williamsville
Applicant State	New York
Applicant Zip	14221
Phone	(716) 633-2096
Fax	(716) 633-5776
E-mail	dchiazza@iskalo.com
Website	www.iskalo.com
NAICS Code	531120, 531110

Business Organization

Type of Business	Limited Liability Company
Year Established	2018
State in which Organization is established	New York

1 Complete the table, below, by identifying, in each instance, if the Applicant:

(i) owns a 25% or more interest in real property within Erie County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property;

(ii) holds a 25% or more interest in any entity that owns a 25% or more interest in real property within Erie County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property.

If NO to both scenarios (i) and (ii), proceed to the next question, otherwise, please complete the table as requested.

Name the Person/Entity Property Owner	Relationship to Applicant	Property Address	Comments
provided under separate cover			

2 Complete the table, below, by identifying, in each instance, if an OWNER of the Applicant, being a person/entity holding a 25% or more ownership interest in the Applicant:

(i) owns a 25% or more interest in real property within Erie County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property;

(ii) holds a 25% or more interest in any entity that owns real property, within Erie County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property.

If NO, to both scenarios (i) and (ii), proceed to the next question, otherwise, please complete the table as requested.

Name the Person/Entity Property Owner	Relationship to Applicant	Property Address	Comments
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Individual Completing Application

Name David Chiazza
Title Executive Vice President, Iskalo Development Corp.
Address 5166 Main Street
Address 2
City Williamsville
State New York
Zip 14221
Phone (716) 633-2096
Fax (716) 633-5776
E-Mail dchiazza@iskalo.com

Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney Terrence M. Gilbride

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

6700 Transit Road (assemblage also includes 6704 and 0 Transit Road parcels)

Town/City/Village of Project Site

Town of Cheektowaga

School District of Project Site

Depew Union Free School District

Current Address (if different)

Occupant for Proposed Project currently headquartered at 55 East Huron, Buffalo NY (this facility will remain in operation once new building is complete)

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

Buffalo

SBL Number(s) for proposed Project

Section 82.03; Block-4; Lots 1, 2 and 3

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

\$111,970.33 (combined Town, County & School) for the 3 parcels comprising the assemblage

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

Land

\$ 18,290.00

Building(s)

\$ 10,878.00

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

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

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

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

6700 Transit Road and a portion of 0 Transit Road is improved with a hotel building (circa 1972) that ceased operation in the fall of 2017. 6704 Transit Road is improved with a former gas station building (circa 1967) that was most recently used as a used car dealership that ceased operation approximately 2 years ago.

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

Demand for Big Ditch Brewing craft beer exceeds the production capacity of the company's downtown Buffalo facility. Therefore, Big Ditch is seeking to expand into a new facility that can accommodate its long term growth. The proposed new facility, which Big Ditch Brewing would lease from Iskalo 6700 Transit LLC, would be 105,315 +/- square feet of which 58,690 square feet (55.7%) would consist of brewery production and company offices (i.e. "non-retail"). The balance of the facility would consist of an expansive tap room, event space and related support areas (i.e. "retail"). Agency assistance is ONLY being sought for the non-retail components of the overall project. Big Ditch Brewing's existing brewery production and tap room operations in its downtown location would remain in operation after the new project is completed. The proposed project is conceived to be a world-class destination brewery, serving as an anchor of the burgeoning craft beer tourism industry in Western New York. The project site is located along the I-90 at the Transit Road interchange which will provide high visibility & convenient access to the brewery. In addition to the investment to be made by Iskalo 6700 Transit LLC in the development of the new facility, Big Ditch Brewing anticipates making an initial investment of up to \$15 million in new Production Equipment and other Furniture, Fixtures & Equipment to be installed in the building (this equipment investment is not part of this application). The initial phase of brewery equipment installation would enable production of up to 50,000 barrels of beer annually, more than 3 times the production capacity of Big Ditch Brewing's current downtown Buffalo facility. The production capacity of the new facility will ultimately be able to accommodate future expansion to 100,000 barrels (in addition to the brewing capacity of Big Ditch Brewing's existing downtown Buffalo facility which will remain in operation).

Municipality or Municipalities of current operations

City of Buffalo (the Buffalo facility will remain in operation after completion of the proposed facility)

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

No

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

No

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

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

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

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

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

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

The project, as presently conceived and described herein, could not be undertaken without the requested assistance from the Agency.

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

Big Ditch Brewing's current brewery has reached its useful capacity of 15,000 barrels of annual production and is currently scheduled at >99% utilization. A substantial increase in brewery capacity is needed for Big Ditch Brewing to meet current demand and anticipated growth in demand from existing markets served as well as expansion into new geographic markets. The additional brewing capacity of the proposed new facility will also enable Big Ditch to increase the number/variety of beers packaged and sold (SKUs) and to conduct appropriate research and development in order to innovate new beer products; a critical factor for all craft brewers. The new facility will relieve these immediate pressures and provide sufficient capacity for anticipated growth for the foreseeable future. The initial phase of equipment to be purchased for the facility by Big Ditch Brewing will increase annual craft beer production by 50,000 barrels per year which would place Big Ditch Brewing among the top 5 of independently owned craft brewers in New York State and in the top 50 of independently owned craft brewers in the United States. Fulfilling this growth is necessary for Big Ditch Brewing to achieve its goal of being recognized as a world-class brewery. In this regard, the quality, scale, design, and visibility of the new destination brewery building proposed to be located alongside and proximate to an I-90 interchange will further enhance the Big Ditch Brewing's brand and serve to enhance the burgeoning craft beer tourism draw within Western New York. Big Ditch Brewing is a young company that has grown from 2,000 barrel production in 2015 to 15,000 barrels in 2019. However, the scale of the proposed facility represents a substantial expansion and will require a significant long term commitment carrying with it considerable risk. The provision of sales tax and PILOT incentives from the Agency to the project developer will be passed through to Big Ditch Brewing for the purpose of mitigating some of this risk, enabling the project to proceed as presently planned so that the long term benefits described in the preceding paragraph can be realized.

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

No

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

As the current Big Ditch Brewing facility is at production capacity, there is an immediate need to develop a new facility to provide additional capacity regardless of whether or not the Agency provides assistance. As the non-retail portion of the project is eligible for Agency assistance, applicant and Big Ditch has progressed the project engineering and design upon the reasonable expectation (but not presumption) that Agency assistance would be granted. Denial by the Agency of this application for requested assistance would be detrimental to the project and Big Ditch, likely necessitating that a project of more modest scope would be pursued which may not be justifiable on the proposed Transit Road site given its high cost of acquisition and site preparation (which includes expensive asbestos abatement and demolition of existing buildings). Whether or not the project could proceed on the Transit Road site, the delay resulting from the need to re-plan the project would cause great harm to Big Ditch as it would not be able to meet current production demand which would adversely impact its competitive market position at a pivotal time.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

Public transportation is reasonably close to the project location. Bus routes 66 and 48 are available from a stop at Transit Road and Main Street.

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

No

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

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

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

Yes

Describe the present zoning/land use

Assemblage includes M1 (Light Industrial) and GM (General Commercial) zoning classifications.

Describe required zoning/land use, if different

Proposed project is compatible with current zoning of the site

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

No

If yes, describe the efficiencies achieved

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

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

Yes

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

The hallmark of the craft beer industry and hence, the critical mission of any craft brewery is the innovation of new craft beer and related products. Big Ditch Brewing invests approximately \$60,000 annually in the research and development of new products though this activity is limited by available capacity at the current facility. The investment in research and development will increase substantially once the new facility is completed as capacity will be freed up at the downtown facility where principal R&D activities will continue to be centered.

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

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

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

Retail Sales	Yes	Services	No
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Please check any and all end uses as identified below.

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

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

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

Cost	% of Total Cost
-------------	------------------------

3/13/2020

The Erie County Industrial Development Agency (ECIDA)

Manufacturing/Processing	54,011 square feet	\$16,565,145	51%
Warehouse	square feet	\$0	0%
Research & Development	square feet	\$0	0%
Commercial	square feet	\$0	0%
Retail	45,218 square feet	\$13,868,337	43%
Office	6,086 square feet	\$1,866,573	6%
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 < BLANK >

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

8/1/2020

End date : Estimated completion date of project

12/31/2021

Project occupancy : estimated starting date of occupancy

1/1/2022

Project Information

Estimated costs in connection with Project

Land and/or Building Acquisition

\$ 5,250,055 square feet 9 acres

New Building Construction

\$ 21,500,000 105,315 square feet

New Building addition(s)

\$ 0 square feet

Reconstruction/Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

Infrastructure Work

\$ 0

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

\$ 0

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

\$ 3,175,000

Other Cost

\$ 2,375,000

Explain Other Costs	Land/Building Acquisition includes ACM abatement and demolition Other Cost includes Land Carry Costs, Construction Loan Interest, Developer Fee, Contingency
Total Cost	32,300,055

Construction Cost Breakdown:

Total Cost of Construction	\$21,500,000 (sum of 2, 3, 4 and 5 in Project Information, above)
Cost of materials	\$10,750,000.00
% sourced in Erie County	80%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$10,750,000.00
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$940,625.00

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

Project refinancing estimated amount, if applicable (for refinancing of existing debt only)	\$0
Have any of the above costs been paid or incurred as of the date of this Application?	Yes
If Yes, describe particulars:	Land/Building Acquisition Costs of \$4.4 million, Approximately \$200,000 in Site Carry Costs, Approximately \$750,000 in Architecture/Engineering Costs

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$5,300,055
Bank Financing:	\$0
Tax Exempt Bond Issuance (if applicable):	\$0
Taxable Bond Issuance (if applicable):	\$0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	
Total Sources of Funds for Project Costs:	\$5,300,055
Have you secured financing for the project?	Yes

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of	27,000,000
--	------------

construction/permanent/bridge financing).

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by ¾ of 1%): \$202,500

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

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

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

Iskalo Development Corp. is an equal opportunity employer. In the course of bidding and awarding contracts as the Construction Manager for all Iskalo affiliate projects, it does not discriminate. With respect to its internal practices, Iskalo Development Corp. first seeks to obtain quotes from, and to award contracts to, qualified companies that will employ workers that are residents in the Western New York region. Companies are deemed to be qualified if they have (a) been in business for at least three years, (b) have relevant experience to what is being sought, (c) have a proven track record of successful completion of projects/work for other clients, (d) are price competitive. In preparation for bidding construction work, Iskalo Development Corp actively promotes that it will be seeking bids for a particular project and actively solicits bidding interest from contractors and subcontractors of all types including, union, open shop, MBE, WBE and DVOCs. In this regard, the list of NYS certified MWBE firms will be consulted by Iskalo in the assemblage of a prospective bidders list.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location).

You must include a copy of the most recent NYS-45 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return.

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	13	0	90	101
Part time	0	0	156	156

Part time 13 0 246

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	18	\$65,000	\$5,050	\$0	\$0
Professional	5	\$60,000	\$5,050	\$0	\$0
Administrative	0	\$0	\$0	\$0	\$0
Production	7	\$55,000	\$2,400	\$0	\$0
Independent Contractor	0	\$0	\$0	\$0	\$0
Other	216	\$28,000	\$3,400	\$15,600	\$0

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

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

Address	Full time	Part time	Total
55 East Huron Buffalo	47	44	91
	0	0	0
	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

6,000,000

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

0

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

0

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

37,000

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

15,600

Estimated salary range of jobs to be created

From (Full Time)	25,000	To (Full Time)	100,000
From (Part Time)	14,000	To (Part Time)	28,000

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

6700, 6704 and 00 Transit Road, Cheektowaga, NY

Name and Address of Owner of Premises

Iskalo 6700 Transit LLC, c/o 5166 Main Street, Williamsville, NY 14221

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

Project site is relatively flat, somewhat trapezoidal-shaped property assemblage located on the west side of Transit Road along the north side of the I-90. The assemblage is approximately 9.1 acres in size and located in the Town of Cheektowaga. The property is mostly improved with two buildings including an existing, non-operating hotel building and vacant former gas station/used car dealership. The westernmost 3.5 +/- acres of the property assemblage are unimproved of which 3.0 +/- acres would be improved with parking and storm water detention facilities as part of the proposed project. There is a small (.713) federally jurisdictional wetland located on the westernmost part of the assemblage. Applicant submitted a joint application to NYSDEC and US Army Corps. of Engineers in February 2020 seeking a permit to impact to .33 acres of this wetland.

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

The premises consists of a 9.1 +/- acre site improved with non-operating hotel constructed around 1972 and a former gas station constructed around 1967 that was used for the last 20 +/- years for used car sales until it ceased operation in 2018. The existing buildings and site improvements are obsolete and would be demolished as part of the project. The proposed improvements include construction of a new destination brewery of approximately 105,315 square feet in size that will be used for brewery production, office space and restaurant/event space together with related parking and site infrastructure (landscaping, drainage etc.).

Describe all known former uses of the Premises

6700 Transit - hotel 6704 Transit - used car sales, gas station 00 Transit - portion unimproved, portion paved for parking related to former hotel

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

none

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

Anticipated non-hazardous wastewater discharges will occur from the production of beer. Though not required, the project will include installation of a tank for collection of these non-hazardous wastewater "solids" produced in the brewing process. The wastewater "solids" collected in this tank will be periodically extracted by a private contractor and taken off-site for disposal.

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

Project will involve discharge of storm water from run-off from the building roof , parking lot and any hardscapes which will be engineered and constructed in accordance with Town of Cheektowaga and NYSDEC storm water requirements. Project will involve discharge of sanitary waste from brewery production and restaurant/events space. As previously stated, to reduce sanitary discharge into public sewer systems, the project will include installation of a collection tank to capture non-hazardous wastewater solids from brewery process which solids will be extracted and disposed of off-site via private contract.

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

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

There is a small (750 gal +/-) oil water separator located along the rear of the building at 6704 Transit Road. Applicant had the separator emptied of its contents upon acquisition of the property. Investigations were conducted to confirm there have been no leaks from this separator. Separator will be removed as part of building demolition.

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?

Yes

If yes, please identify the materials

ACM are present in the former hotel at 6700 Transit Road in yellow/tan joint compound located in all guest rooms, beige mottled floor tile and associated black mastic on concrete deck in first floor laundry and utility rooms, domestic hot water tank insulation, caulk on perimeter of guest entry doors, roof felt under sloped metal roof, and aluminum coated build up roofs. ACM are present in the building at 6704 Transit Road in the caulk on store front window, overhead doors and restroom doors. Pre-demolition survey has been completed and all ACM will be abated prior to demolition of buildings.

Section IV: 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 Big Ditch Brewing Company LLC
Address 55 East Huron, Buffalo, NY 14203
Contact Person Matthew Kahn
Phone (716) 854-5050
Fax
E-Mail matt.kahn@bigditchbrewing.com>
Federal ID # 46-2849859
SIC/NAICS Code NAICS - 312120; SIC 2082

55

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Big Ditch Brewing Company LLC

Property Address:

current address: 55 East Huron

City/Town/Village

Buffalo, NY 14203

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

105,315

What percentage of the building does this represent?

100

Are terms of lease:

NET

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

Sales tax savings are passed through to the tenant in the form of lower rent. As lease is triple net, benefit of PILOT is direct to Tenant which will pay 100% of PILOT.

Estimated date of occupancy

1/1/2022

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Big Ditch Brewing Co. LLC

Local Contact Person:

Matthew Kahn

Title:

President

Current Address:

55 East Huron, Buffalo, NY 14203

Phone:

(716) 854-5050

Fax:

E-Mail:

matt.kahn@bigditchbrewing.com

Website:

www.bigditchbrewing.com

Company President/General Manager:

see above

Number of employees moving to new project location:

Full-Time:

13

Part-Time:

0

Total:

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

Big Ditch Brewing Co. LLC is a brewer of craft beer. Big Ditch Brewing also operates a tap room restaurant at its flagship location at 55 East Huron Street in Buffalo, NY. 100% of Big Ditch Brewing's sales are presently in New York State. Of this, 76% is in Erie and Niagara Counties, 20% is in Monroe and adjoining counties, and 4% is in bordering counties (Cattaraugus, Chautauqua, Genesee, Orleans, Wyoming, Allegany). NAICS code is 312120.

Attach additional information as necessary.

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

Big Ditch Brewing Co. LLC was formed in 2013 by private, local interests. Production of craft beer commenced in the fall of 2014 at its location at 55 East Huron. In the spring of 2015, Big Ditch Brewing opened its tap room at the same location. The brewery was expanded to its current (full) capacity in 2017. Big Ditch Brewing intends to remain an independent, privately owned brewery for the foreseeable future.

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

105,315

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

16,508

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

Big Ditch Brewing's current leased facility is brewing at full capacity, 3 shifts, 7 days a week. In order to keep pace with demand and grow its market footprint, Big Ditch must expand production. The proposed new Transit Road facility will enable Big Ditch Brewing to keep pace with growing demand for its craft beer, expand into new markets and innovate new beer products. The new facility will also provide expanded office facilities and will serve as Big Ditch Brewing's corporate headquarters. Big Ditch would retain its current location for continued craft beer production and tap room operation.

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

No

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

not applicable

If leased, when does lease expire?

6/30/2025

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

Yes

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

The landlord/owner of the building that is presently home to Big Ditch Brewing received Agency assistance for the brewery portion of Big Ditch Brewing's operation in 2014. The term of Big Ditch Brewing's lease at 55 East Huron will run through June of 2025.

Section VI: Retail Determination

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

Please answer the following:

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

Yes

If yes, complete the Retail Questionnaire Supplement below.

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

<BLANK>

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

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

43 %

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

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

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

No

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

Yes

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

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

No

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

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

Yes

If yes, explain

see jobs section of this application

Is the project located in a Highly Distressed Area?

No

Section VII: Adaptive Reuse Projects

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

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

No

Section VIII: Inter-Municipal Move Determination

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

Current Address

55 East Huron Street

City/Town

Buffalo

State

New York

Zip Code

14203

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

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

No

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

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Note - Project involves expansion of Big Ditch Brewing into the Town of Cheektowaga. The existing Big Ditch Brewing facility (in its entirety) located at 55 East Huron in the City of Buffalo facility will remain in operation after completion of the new facility.

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?

Business will NOT be relocating but rather expanding into a new facility while retaining and operating its existing City of Buffalo facility in its entirety.

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 IX: Senior Housing

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

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

No