



INDUCEMENT RESOLUTIONS

3310 Benzing Road, LLC/Marathon Drains/MRP Supports
\$725,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 332913

COMPANY INCENTIVES

- Approximately \$35,000 in sales tax savings
- Approximately \$57,000 in real property tax savings

EMPLOYMENT

- Current Jobs - 15 FT
- Projected New Jobs - 2FT
- Total Jobs 2 Years After Project Completion - 17 FT
1 PT
- Annual payroll: \$1,500,000
- Estimated salary of jobs to be created: \$40,000
- Estimated salary of jobs to be retained: \$55,000

PROJECT HISTORY

- 02/24/2020 - Public hearing held. Transcript attached.
- 03/25/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 03/25/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 3310 Benzing Road, LLC/Marathon Drains/MRP Supports

Project Address: 3310 North Benzing Road
 Orchard Park, New York 14127
 (Orchard Park Central School District)

Agency Request

A sales tax and real property tax abatement in connection with the construction of a 10,000 sq. ft. expansion to an existing facility

Building Addition	\$600,000
Non-Manufacturing Equipment	\$100,000
Soft Costs/Other	\$ 25,000
Total Project Cost	\$725,000
85%	\$616,250

Company Description

3310 Benzing Road, LLC is the owner of real property located at 3310 North Benzing Road in the Town of Orchard Park and is home to the Marathon Companies; namely, Marathon Roofing Products, Inc. and MRP Supports, LLC ("Marathon"). Marathon is a manufacturer and distributor of commercial roofing drains, vents, breathers, accessories and supports for decking systems throughout the United States. Approximately 70% of sales are to companies located outside of New York State with a small amount of international sales. They are a top supplier to ABC Supply and provide products to other Western New York companies such as B&L Wholesale, Weather Panel and Erie Materials.

Project Description

The proposed project involves the construction of a 10,000 sq. ft. addition to the company's existing facility. The existing facility is approximately 23,000 sq. ft. and is at capacity. The expansion is necessitated by increased product demand and related business growth and will create a safer working experience.

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 = \$725,000 85% = \$616,250
Employment	Coincides with 7-year PILOT	Maintain base: 15 FTE Create 85% of Projected Projected = 2 FTE 85% = 2 FTE Recapture Employment = 17
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	State and Local Sales Taxes, Real Property Taxes

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained 15 FTE and created 2 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

Marathon Roofing Products - 2020

Evaluative Criteria

Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$55,182 Company estimated average salary of jobs to be created: \$40,000
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside Erie County/within NYS: 10% Outside NYS and within U.S.: 70% Outside U.S.: 5%
In Region Purchases (% of overall purchases)	Approximately 50-60% of total annual supplies, raw materials and vendors services are purchased from firms located within Erie County.
Research & Development Activities	Not applicable
Investment in Energy Efficiency	The company will look to purchase items necessary for the addition that are most energy efficient.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	Not applicable
LEED/Renewable Resources	Not applicable to this project
Retention/Flight Risk	Not applicable
MBE/WBE Utilization	Marathon promotes employment and contracting opportunities through various outlets that allow them to reach out to the diverse workforce throughout the region. Kulback's is acting as the general contractor and has a history of outreach to the women and minority business community as well as the Service Disabled Veteran owned community. This synergy aligns with Marathon's goals and helps further their commitment to the M/WBE community.
Workforce Access – Proximity to Public Transportation	Facility is on bus route #14 – Abbott

March 25, 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-Marathon Roofing - 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
\$600,000	\$195,000	9.75	7.22	36.24

*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%	\$190	\$141	\$707	\$1,038	\$10,378	\$9,340
2	10%	\$190	\$141	\$707	\$1,038	\$10,378	\$9,340
3	20%	\$380	\$282	\$1,413	\$2,076	\$10,378	\$8,302
4	20%	\$380	\$282	\$1,413	\$2,076	\$10,378	\$8,302
5	30%	\$570	\$423	\$2,120	\$3,113	\$10,378	\$7,264
6	30%	\$570	\$423	\$2,120	\$3,113	\$10,378	\$7,264
7	30%	\$570	\$423	\$2,120	\$3,113	\$10,378	\$7,264
TOTAL		\$2,852	\$2,114	\$10,600	\$15,566	\$72,643	\$57,076

***** 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.)
\$725,000	\$57,000	\$35,000	\$0	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 12 %



Internal Report: 33 10 Benzing Road, LLC / - Marathon Drains / MRP Supports

Table 1: Basic Information

Project Name	Marathon Drains/MRP Supports
Project Industry	(332) Fabricated Metal Product Manufacturing
Municipality	Orchard Park Town
School District	Orchard Park
Project Cost	\$725,000
Construction Budget	\$600,000
Direct Employment Expected	17 (15 created and 2 retained)
Direct Labor Income	\$850,000
Direct Construction Jobs	4
Direct Construction Labor Income	\$230,595
Total Labor Income	\$1,080,595

Table 2: Estimated State & Regional Benefits *

Region	
New Property Tax Revenue (PILOT or Improvements)	\$13,745
Property Tax Revenue	\$132,288
Sales Tax Revenue	\$158,376
State	
Income Tax Revenue	\$411,737
Sales Tax Revenue	\$133,369
TOTAL Estimated Revenue	\$849,514

Table 3: Estimated Project Incentives *

Property Tax Savings	\$52,061
Sales Tax Savings	\$35,000
TOTAL Estimated Incentives	\$87,061

Table 4: Employment Breakdown

Project	
Direct**	17 (15 created and 2 retained)
Indirect***	9
Induced****	11
Construction	
Direct	4
Indirect	2

Table 5: Ratios

Benefit to Cost Ratio	9.8:1
Overall ROI	146.5:1

* Figures over 7 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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PUBLIC HEARING SCRIPT

**3310 Benzing Rd., 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 February 24, 2020 at 10:00 a.m.,
at the Town of Orchard Park Town Offices located at 4295 South Buffalo Street
(1st Floor Lobby Conference Room), Orchard Park, New York 14127

ATTENDANCE:

Tod Cislo – Marathon Companies

☒ 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 Beth O’Keefe. 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 public hearing. This public hearing is being live-streamed and made accessible on the Agency’s website at www.ecidany.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 3310 Benzing Rd., 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 Wednesday, February 12, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a .25+/- acre portion of a parcel of land located at 3310 N. Benzing Road in the Town of Orchard Park, Erie County, New York (the “Land”) to be improved with a 10,000+/- SF high-bay addition to an existing warehouse and shipping facility (the “Improvements”); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible

personal property (the “Equipment”, and collectively with the 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 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 in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has 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, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on March 24, 2020. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state 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.

Tod Cislo – President, Marathon Companies – There are two businesses at the 3310 location. I am the one asking for the opportunity for the ECIDA to assist us in a project to help us grow jobs, grow our business and become more efficient at what we do. We are a company that has been in the area since 1967. We started out in Cheektowaga and I have personally started working here back in 1989 and worked my way through the business and ultimately bought the business and moved it to the Orchard Park facility that we are currently in. At that time, we looked at the facilities that were available and it gave us the opportunity to enhance the business and at that time we thought that we had enough property and facility to do what we needed to do.

Since then the business has grown immensely and with the aspect of the growth whether its employees or its with the sales and things that we do throughout the country we are asking for the ECIDA to assist us with the ability to save on sales tax dollars and looking for some assistance in regards to the property tax side of the equation. It would be essential for us to receive these kinds of things to assist us in putting us in a position to be more effective and basically competitive with our major competitors in the United States. We are a name brand in the industry and as I said we have been around for 50 years. We are trying to do it right but we are running into situations of safety issues due to the fact of the confinement that we have right now. So adding this addition to the facility is extremely important and we do want to make this commitment but we need to have this additional assistance as we move forward

So, we are looking for any help and if anyone wants to see what we do they know where we are. I've never done this before so obviously this is the first time, its all new to us and it is important to understand that I am a local person. I have been in Erie County my entire life and the other thing that is extremely important is understanding that this business is now continuing to grow through family. I have my son that went away to college and he is now back and working for the company and my daughter is working here as well. We are just trying to ultimately continue the growth of this business and are trying to keep it here in Western New York because its close to our hearts. Thank you.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:07 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

February 24, 2020, at 10:00 a.m.
at the Town of Orchard Park Town Offices located at 4295 South Buffalo Street
(1st Floor Lobby Conference Room), Orchard Park, New York 14127
regarding:

**3310 Benzing Rd., LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 3310 N. Benzing Road, Orchard Park, New York 14127

Name	Company and/or Address	X box to speak/ comment
Tod Cislo	Marathon Roofing Products 3310 N. Benzing Road Orchard Park, New York 14127	X



1/7/2020

To: ECIDA

Reference: Application for Assistance on Addition at 3310 N Benzing Rd.

To the Staff and Board,

I have completed the application to the best of my ability for a project we want to undertake for an addition to our facility from 25,000 sf to 35,000 sf. As stated in the application your assistance in this project would be extremely helpful for us to justify the investment, maintain competitiveness & efficiencies needed for our growth as well as to maintain and increase positions in WNY.

In addition to the information I provided in the application, I wanted to clarify the compensation packages that are given to our employees. They start with a salary and benefits which include full medical, life insurance, dental, 401k company matching, paid vacation, paid personal time. We also have historically provided significant bonuses to all categories of staff as well as an additional profit-sharing plan paid directly into their 401k Retirement above and beyond our normal match, when the success of the company warrants. Our staff has little turn over and is diverse. We reward success and our staff appreciates our system.

We are hopeful that we can gain assistance in this project so that we can continue to be a great part of this community as well as serve our customers and maintain this opportunity for the region.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tod Cislo', written over a white background.

Tod Cislo

President

Marathon Companies

3310 N Benzing Road

Orchard Park NY 14127

Cell # (716) 812-3340

todc@marathondrains.com

617.20
Appendix B
Short Environmental Assessment Form

Instructions for Completing

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

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

Part 1 - Project and Sponsor Information			
Name of Action or Project: 3310 N Benzine Addition			
Project Location (describe, and attach a location map): 3310 N Benzine Rd, Orchard Park NY 1427			
Brief Description of Proposed Action: To add 10000 sq ft for addition warehouse space to accommodate growth			
Name of Applicant or Sponsor: 3310 Benzine Rd, LLC		Telephone: 716 812-3341	
Address: 3310 N Benzine Rd		E-Mail: tobc@marathonspains.com	
City/PO: Orchard Park		State: NY	Zip Code: 14127
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input checked="" type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval:			YES <input type="checkbox"/>
3.a. Total acreage of the site of the proposed action?			.25 acres
b. Total acreage to be physically disturbed?			125 acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?			4.75 acres
4. Check all land uses that occur on, adjoining and near the proposed action.			
<input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____			
<input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations?	NO	YES	N/A
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	b. Are public transportation service(s) available at or near the site of the proposed action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Is the proposed action located in an archeological sensitive area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban			
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
16. Is the project site located in the 100 year flood plain?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input type="checkbox"/> YES	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____	<input type="checkbox"/> NO <input type="checkbox"/> YES		

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: <u>3310 BENING RD., LLC</u>	Date: <u>1/28/2020</u>	
Signature: <u>[Signature]</u>		

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

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

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

<input type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.
<input checked="" type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.
<u>Erie County IDA</u>	<u>March 25, 2020</u>
Name of Lead Agency	Date
<u>Karen M. Fiala</u>	<u>Asst. Treasurer</u>
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
<u>Karen M. Fiala</u>	
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

PRINT

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**3310 BENZING RD., 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, March 25, 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 3310 BENZING RD., 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, AND (B) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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

WHEREAS, the Company has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) a .25+/- acre portion of a parcel of land located at 3310 N. Benzing Road in the Town of Orchard Park, Erie County, New York (the "Land") to be improved with a 10,000+/- SF high-bay addition to an existing warehouse and shipping facility (the "Improvements"); and

(ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and collectively with the 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 Orchard Park Town Offices, 4295 South Buffalo Street (1st Floor Lobby Conference Room), Orchard Park, NY 14127, 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 acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility and (b) a partial abatement from real property taxes benefit through a seven (7) year term PILOT Agreement for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

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

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 March 5, 2020 resolution to approve the project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

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

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

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

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

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

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

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

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

(I) Marathon Roofing Products, Inc. (the "Sub-Tenant") will occupy the Facility. The Agency hereby approves the subleasing of space in the Project to the Sub-Tenant and authorizes the Company to proceed with the Project as herein authorized; and

(J) The Project involves an "Unlisted Action" as said term is defined pursuant to 6 N.Y.C.R.R. Section 617.2(ak) of the SEQR regulations. The Agency has conducted an uncoordinated review of the Project pursuant to 6 N.Y.C.R.R. Section 617.6(b)(4)(i). Based

upon a comprehensive and thorough review by the Agency of the EAF and related documents delivered by the Company to the Agency, the criteria set forth in 6 N.Y.C.R.R. Section 617.7 of the SEQRA regulations, and the additional representations made by the Company to the Agency in connection with the Project, the Agency: (i) hereby finds that the Project constitutes an "Unlisted Action" within the meaning of SEQRA and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQRA; (iii) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (iv) construction related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQRA; and (vi) no "environmental impact statement" as such quoted term is defined in SEQRA, need be prepared for this action. The Agency thus issues a "negative declaration" as that term is defined pursuant 6 N.Y.C.R.R. Section 617.2(y); and

(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 Rates (above Median Wage for Area): Erie County median worker income: \$33,350; Company estimated average salary of jobs to be retained: \$55,182; Company estimated average salary of jobs to be created: \$40,000.

(ii) Regional Wealth Creation (% Sales/Customers Outside Area): Sales outside Erie County but within NYS: 10%; Sales outside NYS and within U.S.: 70%; Sales outside U.S.: 5%.

(iii) In Region Purchases (% of overall Purchases): Approximately 50-60% of total annual supplies, raw materials and vendors services are purchased from firms located within Erie County.

(iv) Research and Development Activities: Not applicable.

(v) Investments in Energy Efficiency: The Company will look to purchase items necessary for the addition that are most energy efficient.

(vi) Locational Land Use Factors, Brownfields or Locally Designated Development Areas: Not applicable.

(vii) LEED/Renewable Resources: Not applicable to this project.

(viii) Retention/Flight Risk: Not applicable.

(ix) MBE/WBE Utilization: Marathon Companies promotes employment and contracting opportunities through various outlets that allow them to reach out to the diverse workforce throughout the region. Kulback's is acting as the general contractor and has a history of outreach to the women and minority business community as well as the Service Disabled Veteran owned community. This synergy aligns with Marathon Companies goals and helps further their commitment to the MBE/WBE community.

(x) Workforce Access – Proximity to Public Transportation: The Facility is on bus route #14 – Abbot.

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

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

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 \$400,000.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$35,000.00. The Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment

Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (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 termination of the Agent Agreement/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 \$616,250.00 (which represents the product of 85% multiplied by \$725,000.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 15 existing full time equivalent (“FTE”) employees and 1 existing part time equivalent (“PTE”) employee located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that the Company has maintained and created FTE employment at the Facility equal to 17 FTE employees and 1 PTE employee [the 17 FTE employees being calculated by taking the sum of the Baseline FTE of 15 FTE plus the product of 85% multiplied by 3 (being the 2 new FTE employee positions plus 1 new part-time equivalent (“PTE”) employees (with 2 PTE employees counting as 1 FTE employee) as 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 on a quarterly basis to the Agency, 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. 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 6. 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 7. 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: March 25, 2020



3310 N Benzing

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name	3310 N Benzing Addition
Applicant Name	Tod J. Cislo - Owner Marathon Roofing Products & MRP Supports
Applicant Address	3310 N Benzing Road
Applicant Address 2	
Applicant City	Orchard Park
Applicant State	New York
Applicant Zip	14127
Phone	7163327673
Fax	7163327676
E-mail	todc@marathondrains.com
Website	www.marathondrains.com
Federal ID#	16-0920443
NAICS Code	
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	3310 Benzing Rd., LLC (Existing Entity and Owner of the Real Estate)
Federal ID#	26-1155009
State and Year of Incorporation/Organization	2,007
List of stockholders, members, or partners of Real Estate Holding Company	Tod Cislo

Individual Completing Application

Name	Tod J. Cislo
Title	President
Address	3310 N Benzing Rd
Address 2	
City	Orchard Park
State	New York
Zip	14127

Phone

7168123341

Fax

7163327676

E-Mail

todc@marathondrains.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	Richard P. Krieger, Esq.
Firm Name	Barclay Damon, LLP
Address	The Avant Building -Suite 1200
Address 2	200 Delaware Avenue
City	Buffalo
State	New York
Zip	14202-2150
Phone	7168583758
Fax	7168565510
E-Mail	rkrieger@barclaydamon.com

Identify the assistance being requested of the Agency.

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

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

Business Organization

Type of Business	Limited Liability Company
Type of Ownership	
Year Established	2007
State of Organization	New York

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

Please include name and % of ownership.

Tod Cislo 100%

Applicant Business Description

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

3310 Benzing Rd., LLC is a New York limited liability company that owns the real property at 3310 N. Benzing Road, Orchard Park, NY. The Marathon Companies (namely, Marathon Roofing Products, Inc. and MRP Supports, LLC) are manufacturers and distributors of commercial roofing drains, vents, breathers, accessories and supports for decking systems all over NYS and throughout the US. Marathon Roofing Products has been in WNY since 1967 and has been a leader in the industry receiving awards such as Top Supplier for ABC Supply both in 2018 & 2019. ABC has 800-900 locations throughout the US including in Buffalo. We also were recognized by Roofing Magazine for being in the Top 40 Nationally for introduction of new products in 2019. We also supply many other distributors in the western New York region such as B & L Wholesale, North Coast, Allied Building Products & Weather Panel & Erie Materials. We have also have supplied many major project through MRP Supports created by the construction projects in Buffalo and surrounding areas. Some of these include, The Piece Arrow Museum, Lafayette Hotel, The Lofts, Tappo, Delaware North Corporate Headquarters, The Old Donavin Bldg and many more. The Marathon Companies conduct business as manufacturers and distributors on a national level, and the entities have international business relationships.

Estimated % of sales within Erie County	15
Estimated % of sales outside Erie County but within New York State	10
Estimated % of sales outside New York State but within the U.S.	70
Estimated % of sales outside the U.S.	5

(*Percentage to equal 100%)

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

50-60%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Orchard Park

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

Yes

In which Municipality will the proposed project be located

Orchard Park

Address

3310 N Benzing Road

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

152.13-3-25

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

28,324.20

Assessed value of land

Assessed value of building(s)

489,700

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Orchard Park

School District of Project Site

Orchard Park

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

Yes

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

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

Yes

Describe the present use of the Proposed Project site

Mobile and other storage and related parking.

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, and/or

equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

Expansion and improvement of existing warehouse and shipping facility, including but not limited to high-bay warehouse to accommodate for increased product demand and related business growth. We currently have approx 23000 square feet of space which is currently at capacity. With anticipated growth we are proposing an additional 10000 square feet with high bay height to allow for easy placement of full skids on racking to create better and safer working conditions. This is need to maintain competitiveness for the future and to ensure we can service our customers as they would expect and have been accustomed to for the many years we have serviced them.

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 referenced above is not financially viable and could not be undertaken as planned without Financial Assistance provided by the Agency, as set forth in this Application. We need the assistance to ensure we can do what our customers need as well as look at continuing our growth in this area and supplying opportunities locally.

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

The Financial Assistance being requested will enable the applicant to meet its financial projections for the Project, both during construction and after completion. The Financial Assistance will provided needed assistance from a debt service and financial planning perspective, and it will allow for both job retention and creation as the Project will address competition issues and it will allow for improvements in manufacturing and distribution activities that will foster future growth and business development.

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

Yes

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

The unfortunate impact to the area would be the restriction of growth and ultimately jobs

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

Industrial -1

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

We would look to purchase the items necessary for the addition that are the most energy efficient.

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

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

No

If yes, please explain.

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

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

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

Please check any and all end uses as identified below.

Retail Sales No **Services** No

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

Yes Manufacturing

No Multi-Tenant

No Mixed Use

No Acquisition of Existing Facility

Yes Commercial

No Facility for the Aging

No Housing

No Back Office

No Civic Facility (not for profit)

Yes Equipment Purchase

No Retail

No Other

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

\$ 0	square feet	acres
------	-------------	-------

New Building Construction

\$ 0	square feet
------	-------------

New Building addition(s)

\$ 600,000	10,000 square feet
------------	--------------------

Infrastructure Work

\$ 0

Renovation

\$ 0	square feet
------	-------------

Manufacturing Equipment

\$ 0

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

\$ 100,000

Soft Costs: (professional services, etc.)

\$ 25,000

Other Cost

\$ 0

Explain Other Costs**Total Cost**

\$ 725,000

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

\$ 0

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

No

If Yes, describe particulars:Sources of Funds for Project Costs:**Equity (excluding equity that is attributed to grants/tax credits):**

\$ 125,000

Bank Financing:

\$ 600,000

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

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

\$ 0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

\$725,000

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

Yes

Mortgage Recording Tax Exemption Benefit:

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

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

\$

Lender Name, if Known

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

\$0

Construction Cost Breakdown:

Total Cost of Construction

\$ 600,000

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

Cost for materials

\$ 400,000

% sourced in Erie County

100%

% sourced in State

100% (including Erie County)

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

\$ 400,000

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

\$ 35,000

Real Property Tax Benefit:

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

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

		Cost	% of Total Cost
Manufacturing/Processing	2,500 square feet	\$ 100,000	17
Warehouse	7,500 square feet	\$ 600,000	83
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0
Specify Other	square feet	\$ 0	0

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

4/1/2020

End date : Estimated completion date of project

5/1/2020

Project occupancy : estimated starting date of operations

6/1/2020

Have construction contracts been signed?

No

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

No

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
Full time	15	15	2	2
Part time	1	1	1	1
Total	16	16	3	

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

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

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

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

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	4	\$ 117,477	\$ 50,000	\$ 0	\$ 0
Professional	3	\$ 40,200	\$ 12,795	\$ 0	\$ 0
Administrative	2	\$ 36,500	\$ 8,022	\$ 8,000	\$ 0
Production	7	\$ 26,550	\$ 8,534	\$ 13,400	\$ 2,564
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

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

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

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

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 1,500,000

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

\$ 55,182

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

\$ 11,200

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

\$ 40,000

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

\$ 15,000

Estimated salary range of jobs to be created

From (Full Time)	\$ 30,000	To (Full Time)	\$ 60,000
From (Part Time)	\$ 10,000	To (Part Time)	\$ 25,000

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

No

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

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

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

No

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

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

No

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

Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility.

Occupant Name Marathon Roofing Products, Inc.
Address 3310 North Benzing Road, Orchard Park, NY 14127
Contact Person Tod Cislo
Phone 716-332-7673
Fax 716-332-7676
E-Mail todc@marathondrains.com
Federal ID # 16-0920443
SIC/NAICS Code

Multi-Tenant Facility.

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

The continuing growth in both companies has necessitated the need for expansion.

Have any tenant leases been entered into for this project?

Yes

If yes, please fill out the Tenant Information section of this application, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new project site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
--------------------	-------------------------------------------	---------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------

Section IV: Tenant Information

Section V: Environmental Questionnaire

General Background Information

Address of Premises 3310 N Benzing Road Orchard Park NY 14127

Name and Address of Owner of Premises 3310 Benzing Rd., LLC 3310 Benzing Road Orchard Park, NY 14127

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

Manufacturing & Warehouse space located in a industrial zone near a major retail plaza and local residential properties

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

Building is approximately 40 years old. The building was originally obtained from a company that was in trouble and let the building go into disarray. Since purchasing the building we have continuously made significant improvements including replacements of the roofing systems, parking lot reconfiguration and island, large security fence, many inside utilities, windows, efficient heating systems, outside lighting to name a few. We have also had the building painted to present a professional look and to be a great part of the community. We will be looking to expand our operations of our pedestal business and stock needs as well as increase or stock availability of our nationally recognized drain business to our extensive distributor network

Describe all known former uses of the Premises

Building was originally built by a substantial sheet metal company and then was sold to a company that did wood working and finishing

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

Yes

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

I own three businesses and the second company as well uses a significant portion of the building

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

No

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

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

10000 square foot of space & 25 clear ceilings

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?

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

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

Section VII: Adaptive Reuse Projects

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

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

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) No

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) No

If yes, please provide dollar amount of income being generated, if any \$

If apartments are planned in the facility, please indicate the following:

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

Does the site have historical significance? No

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

If yes, provide estimated value of tax credits \$

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

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

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

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Section IX: Retail Determination

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

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

637 Linwood, LLC/1275 Delaware, LLC
\$12,460,993
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 531110
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$335,218 in sales tax savings • Up to 3/4 of 1% of the final mortgage amount estimated at \$45,693
EMPLOYMENT
<ul style="list-style-type: none"> • Projected New Jobs = 10 FTE • Annual payroll = \$330,000 • Estimated salary of jobs to be created: FT = \$32,500 • Estimated salary of jobs to be created PT = \$17,500
PROJECT HISTORY
<ul style="list-style-type: none"> • 2/25/2020 - Public hearing held. Transcript attached. • 03/25/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 03/25/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 637 Linwood, LLC/1275 Delaware, LLC

Project Address: 1275 Delaware Avenue
 Buffalo, New York 14202
 (Buffalo School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of a former medical building.

Building Acquisition	\$ 1,950,000
Building Renovation	\$ 7,662,116
Soft Costs/Other	\$ 2,848,877
Total Project Cost	\$12,460,993
85%	\$10,591,844

Company Description

The applicants - 637 Linwood, LLC and 1275 Delaware, LLC are real estate holding companies fully owned by Montante Group. Montante Group focuses on developing smart, distinctive commercial, residential and mixed use properties. Currently the Montante Group is undertaking the redevelopment of the former Millard Fillmore Gates Hospital.

Project Description

The project entails the adaptive re-use of a former medical office building located at 1275 Delaware Avenue in the City of Buffalo. The 50,000 sq. ft. building has been vacant or underutilized for over 3 years.

The project involves converting the medical office building into a mixed use structure containing approximately 10,000 sq. ft. of commercial space and 33 residential units.

The new residential units will consist of twenty-two (22) one-bedroom units and eleven (11) two-bedroom units. Rental rates and square footages are offered below:

# of Units	Sq. Ft.	Rent Range
22	659-760	\$1,100 - \$1,500
11	927-1,235	\$1,650 - \$2,500

Approximately 9,000 sq. ft. of ground floor and garden level space will be dedicated to commercial uses for a professional services or a back office user. Approximately 1,000 sq. ft. of ground floor space will be dedicated to a food service component adjacent to the lobby in the original diner/café space.

The project site is within close proximity to the ongoing Gates Circle redevelopment which will ultimately contain a mix of market rate as well as affordable units and commercial uses.

Retail Determination

Project Use	Sq. Ft.	Cost	% pf Project Cost
Residential	40,000	\$6,129,693	80%
Commercial	10,000	\$1,532,423	20%
Total	50,000	\$7,662,116	100%

***Since the retail component of the project represents 10% of the project costs, no sign off is required.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 485-a Abatement Period	Additional Local Revenue Over 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$30,000	\$3,000,000	\$263,000	\$169,000	\$85,000
Combined Tax Rate: \$35.50				

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 = \$12,460,993 85% = \$10,591,844
Employment	Same as recapture period	Create 85% of Projected Projected =10 FTE 85% = 8.5 Recapture Employment = 8.5
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with Recapture Period	Adherence to Policy
Unpaid Tax	Coincides with Recapture Period	Adherence to Policy
Recapture Period	2 years after project completion	State and Local Sales Taxes, Mortgage Tax

Recapture applies to:
State and Local Sales Taxes
Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has created 10 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

**ADAPTIVE REUSE REPORT AND EVALUATIVE CRITERIA
637 Linwood, LLC/1275 Delaware, LLC**

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 169 which is considered <u>highly</u> distressed under the State statute
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	The building was constructed in the late 1950's.
Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes elimination of slum and blight	The building has been vacant for 3 years and underutilized since the former Millard Fillmore Gates Circle Hospital closed as part of a state-mandated restructuring in 2012. The building is located in census tract 169 which is considered highly distressed under the State statute and is surrounded by several other highly distressed tracts.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.	The facility is vacant with no income being generated.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth.
Environmental or Safety Issues.	The building will require environmental remediation and an update of all mechanical systems. Lead based paint and asbestos containing material are likely associated with the walls, floors and piping within the building. Other potentially hazardous materials such as PCB's may be associated with elevator motors, window caulk, a film development recycling system and a potential transformer area. X-ray machines requiring proper disposal of radioactive sources were also discovered in the building.
LEED/Renewable resources	NA
Building or site has historic designation	The developer is working with SHPO on this redevelopment project.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	See attached company statement.

Demonstrated support of local gov't.	The City Planning Board has approved the project.
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project.	There is considerable risk associated with the project because the site currently contains a vacant and distressed building which will require environmental remediation, exterior rehabilitation and a complete interior reconstruction. The tax abatements are critical in ensuring that private sector lending institutions underwrite the project.
Transit Oriented Development	The facility is accessible on the Delaware bus line #25

March 25, 2020

Return on Investment – 637 Linwood LLC/1275 Delaware, LLC

Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

The National Development Council, which has experience financing projects in higher risk urban areas across the Northeast, uses 10% - 12% as a benchmark rate of return for urban high-risk projects.

Empire State Development financing officials when reviewing similar projects in the City of Buffalo have used 12% as an acceptable ROI for development projects.

Adaptive Reuse Projects

Many Adaptive Reuse Projects are hampered by upfront development costs that are not typical in new build green field development projects. These upfront costs can hinder the ability of the projects to attract financing and provide cash flow. The upfront costs associated with site contamination, asbestos removal, code compliance, structural deficiencies can make Adaptive Reuse projects difficult to undertake and attract private investment and financing, particularly in real estate markets where rental values are relatively low. Historically real estate projects in the region are difficult to undertake, local real estate developers have indicated that the typical ROI investors and developers seek to achieve in mixed use development projects are in the 10% - 12% range, although they can run higher for projects with significant risk.

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value \$335,218
- ECIDA Mortgage Recording Tax Abatement approximate value \$46,000

ROI

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

Stated ROI for the project with ECIDA assistance is 3.7%

Stated ROI for the project without ECIDA assistance is 3.4%

MBE/WBE Utilization



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

637 Linwood LLC acknowledges the importance of promoting MBE/WBE hiring and utilization. As the Company completes the 1275 Delaware Project, it will endeavor to support local MBE/WBE businesses. The Company will work to grow capacity and provide opportunities through an MBE/WBE hiring and utilization program that consists of:

- Early outreach and involvement – including the active dissemination of information about the availability of upcoming contracting and employment opportunities;
- Active targeting of MBE/WBE firms – including MBE/WBE bidders off a master list of vendors, which is regularly updated with the approved vendors lists issued by the City of Buffalo, State of New York, and Erie County;
- Sustained follow up with MBE/WBE firms – including direct follow up to MBE/WBE firms in order to explain the opportunities and scopes of work for each bid package and to encourage their participation;
- Inclusion of diversity language in all subcontractor materials – including bid packages, purchase orders, and contracts, which ensures that any subcontractor hired on the job also is promoting MBE/WBE hiring and utilization; and
- Subcontractor utilization – direct follow up with subcontractors right after the bid submission to confirm and verify their plans for promoting diversity hiring and utilization.

637 Linwood LLC will implement the preceding diversity plan and maintain its focus throughout the life of the Project.

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- 637 Linwood, LLC/1275 Delaware, 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
\$7,662,116	\$4,000,000	\$7.33	\$29.45	

*Apply equalization rate to value

PILOT: N/A

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

***** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff**

Percentage of Project Costs financed from Public Sector Table Worksheet:

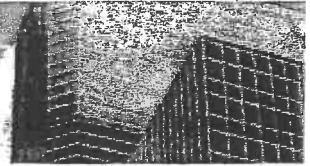
Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$12,460,993	\$0	\$335,218	\$45,693	\$2,900,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 26 %



YOUR GROWTH
IS OUR BUSINESS



Internal Report: 637 Linwood, LLC - 1275 Delaware, LLC

Table 1: Basic Information

Project Name	1275 Delaware, LLC
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District	Buffalo
Project Cost	\$12,460,993
Construction Budget	\$7,662,116
Direct Employment Expected	10
Direct Labor Income	\$325,000
Direct Construction Jobs	56
Direct Construction Labor Income	\$2,944,740
Total Labor Income	\$3,269,740

Table 2: Estimated State & Regional Benefits *

Region	
New Property Tax Revenue (PILOT or Improvements)	\$1,348,808
Property Tax Revenue	\$237,085
Sales Tax Revenue	\$193,706
State	
Income Tax Revenue	\$488,401
Sales Tax Revenue	\$163,121
TOTAL Estimated Revenue	\$2,431,121

Table 3: Estimated Project Incentives *

Property Tax Savings	\$0
Sales Tax Savings	\$335,218
Mortgage Tax Savings	\$45,693
TOTAL Estimated Incentives	\$380,911

Table 4: Employment Breakdown

Project -	
Direct**	10
Indirect***	12
Induced****	7
Construction	
Direct	56
Indirect	20

Table 5: Ratios

Benefit to Cost Ratio	6.4:1
Overall ROI	44.6:1

* 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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CITY OF BUFFALO
OFFICE OF THE MAYOR

BYRON W. BROWN
MAYOR

February 28, 2020

Mr. Steven W. Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: 1275 Delaware LLC/637 Linwood LLC
1275 Delaware Adaptive Reuse

Dear Mr. Weathers:

The City of Buffalo supports 1275 Delaware LLC/637 Linwood LLC's application to the Erie County Industrial Development Agency for the adaptive reuse of the Delaware Avenue Medical Center in Buffalo. We believe that this mixed-use redevelopment project will strengthen Buffalo's appeal to new residents and businesses.

As Buffalo's renaissance continues to soar and more residents and businesses make the city their home, the desire for interesting and attractive living and working spaces continues to increase. The adaptive reuse and rehabilitation of the structure will include 9,000 square feet of commercial space on the ground floor, and 32 one and two bedroom market rate residential units on the upper floors. The developer has committed to utilize 25% minority business enterprises and 5% women business enterprises, and 25% minority workforce and 5% women workforce utilizations goals.

This project will breathe new life into a vacant and underutilized building adjacent to the Millard Fillmore Hospital at Gates Circle redevelopment and is a welcome addition to the impressive revitalization efforts that continue to propel Buffalo into a new era of development.

Sincerely,

Byron W. Brown
Mayor

PUBLIC HEARING SCRIPT

**637 Linwood LLC, 1275 Delaware 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 February 25, 2020 at 10:00 a.m.,
at the Erie County Industrial Development Agency offices located at
95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE:

Byron DeLuke – TM Montante Development

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:14 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 public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 637 Linwood LLC, 1275 Delaware 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 Wednesday, February 12, 2020.

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

Hearing Officer: The proposed adaptive reuse project (the "Project") consisting of: (i) a 0.56+/- acre parcel of land located at 1275 Delaware Avenue, City of Buffalo, Erie County New York (the "Land") together with an existing 50,000+/- SF 6-story multi-tenant building (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements thereon to consist of 9,000+/- SF of ground floor and garden level space dedicated to commercial space for professional services or back office use, along with 1,000+/- SF dedicated to a food service component off of the lobby in the original diner/café space, and 40,000+/- SF of market rate residential units in the upper floors of the

building consisting of twenty-two (22) one bedroom units and eleven (11) two bedroom units (the “Improvements”); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”), and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption 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 in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has 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, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on March 24, 2020. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state 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.

Good morning. Thank you all for your time and consideration today. My name is Byron DeLuke and I am the director of development for TM Montante Development. I am here today representing 637 Linwood LLC and 1275 Delaware LLC, which are co-applicants for the proposed project at 1275 Delaware Ave., in the City of Buffalo. The 1275 Delaware Project consists of the adaptive reuse of a vacant, historic building into a mix of commercial and residential space. It represents the next phase of redevelopment at the former Millard Fillmore Gates Circle Hospital site. The existing building is approximately 50,000 square feet. It has been vacant for the past three years and underutilized since shortly after the former hospital was closed due to a state-mandated restructuring in 2012. We are proposing a comprehensive exterior restoration and interior reconstruction to develop residential units on the upper floors and commercial space below. Thirty-three (33) new residential units will be created, consisting of twenty-two (22) one-bedroom units and eleven (11) two-bedroom units. Approximately 9,000 square feet of ground floor and lower level space will be dedicated to professional services or back office commercial tenants, and about 1,000 square feet of ground floor space will be dedicated to a food service component in the original café space. The new café will serve

residents and tenants of the building as well as the surrounding neighborhood. To accommodate the building tenants and visitors to the site, we will construct parking both on-site via seventeen (17) parking spaces immediately adjacent to the building, as well as within the adjacent Gates Circle Parking Ramp. The Gates Circle Parking Ramp is wholly owned by the Montante Group.

The City of Buffalo Planning Board acted as Lead Agency for purposes of environmental review under SEQRA., and at a meeting held November 18, 2019, issued a negative declaration for the project – declaring that no further environmental review was required. At the same meeting, the Planning Board voted to approve the proposed Site Plan for the Project. However, the Project cannot proceed without a public private partnership. The site contains a vacant and distressed building, and extensive environmental remediation and demolition is required prior to any redevelopment. The building has been listed on the National Register and we are pursuing historic tax credits to help finance the project. In addition, we will look to utilize the 485a tax abatement program and have applied to this Agency for sales and mortgage tax abatements. Factoring in these incentives, the initial rate of return is still projected to be a modest three (3) percent. Thus, tax abatements from this Agency are critical in securing bank financing and ensuring that the Project moves forward. The Project would result in an approximately \$12.5 million investment, dozens of short-term construction jobs, and an anticipated twelve (12) permanent jobs upon full occupancy. We will work with community leaders and other neighborhood stakeholder groups to ensure that these construction-related and permanent jobs benefit the local community.

Once again, on behalf of the Applicant, and TM Montante Development, I want to thank you all for your time and consideration today.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:23 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

February 25, 2020, at 10:00 a.m.
at the Erie County Industrial Development Agency's offices located
at 95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

**637 Linwood LLC, 1275 Delaware LLC, and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 1275 Delaware Avenue, Buffalo, New York 14209

Name	Company and/or Address	X box to speak/ comment
Byron DeLuke – TM Montante Development	2760 Kenmore Avenue Tonawanda, New York 14150	X

Short Environmental Assessment Form

Part 1 - Project Information

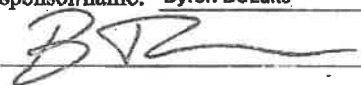
Instructions for Completing

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

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

Part 1 – Project and Sponsor Information			
Name of Action or Project: 1275 Delaware Mixed Use Project			
Project Location (describe, and attach a location map): 1275 Delaware Avenue Buffalo, NY 14209			
Brief Description of Proposed Action: Proposed is a complete building renovation for the existing 6-story building located at 1275 Delaware Avenue in the City of Buffalo. Proposed site improvements are to include new landscaping and lighting, on site parallel parking and traffic pavement markings and signage that will enhance vehicular circulation throughout the site.			
Name of Applicant or Sponsor: TM Montante Development		Telephone: (716) 876-8899	
		E-Mail: bdeluke@montante.com	
Address: 2760 Kenmore Avenue			
City/PO: Buffalo		State: New York	Zip Code: 14150
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input type="checkbox"/>
			YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval:			NO <input type="checkbox"/>
			YES <input type="checkbox"/>
3. a. Total acreage of the site of the proposed action?		0.52 acres	
b. Total acreage to be physically disturbed?		0.15 acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		10.15 acres	
4. Check all land uses that occur on, are adjoining or near the proposed action:			
5. <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify):			
<input type="checkbox"/> Parkland			

5. Is the proposed action,	NO	YES	N/A
a. A permitted use under the zoning regulations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area?	NO	YES	
If Yes, identify: _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Are public transportation services available at or near the site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements?	NO	YES	
If the proposed action will exceed requirements, describe design features and technologies: _____ _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply?	NO	YES	
If No, describe method for providing potable water: _____ _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities?	NO	YES	
If No, describe method for providing wastewater treatment: _____ _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____			

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:		
<input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
Peregrine Falcon	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources?	NO	YES
If Yes,	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a. Will storm water discharges flow to adjacent properties?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If Yes, briefly describe:		
Existing storm drains on site capture stormwater runoff and is conveyed to the existing public sewer system along Delaware Avenue.		
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)?	NO	YES
If Yes, explain the purpose and size of the impoundment:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?	NO	YES
If Yes, describe:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?	NO	YES
If Yes, describe:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Remediation is believed to have occurred on an adjacent property.		
<p>I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor/name: <u>Byron DeLuke</u> Date: <u>10/28/2019</u></p> <p>Signature: <u></u> Title: <u>Director, TM Montante Development</u></p>		

PRINT FORM

Project: 1275 Delaware
 Date: March 25, 2020

Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

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

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

Project: 1275 Delaware
 Date: March 25, 2020

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

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

<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.	
<input checked="" type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.	
Erie County IDA <small>Name of Lead Agency</small>	March 25, 2020 <small>Date</small>
Karen M. Fiala <small>Print or Type Name of Responsible Officer in Lead Agency</small>	Assistant Treasurer <small>Title of Responsible Officer</small>
Karen M. Fiala <small>Signature of Responsible Officer in Lead Agency</small>	_____ <small>Signature of Preparer (if different from Responsible Officer)</small>

PRINT FORM

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**637 LINWOOD LLC, 1275 DELAWARE 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, March 25, 2020 at 9:00 a.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 637 LINWOOD LLC, 1275 DELAWARE 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 AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, 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 adaptive reuse project (the "Project") consisting of: (i) a 0.56+/- acre parcel of land located at 1275 Delaware Avenue, City of Buffalo, Erie County New York (the "Land") together with an existing 50,000+/- SF 6-story

multi-tenant building (the “Existing Improvements”); (ii) the renovation, upgrading and equipping of the Existing Improvements thereon to consist of 9,000+/- SF of ground floor and garden level space dedicated to commercial space for professional services or back office use, along with 1,000+/- SF dedicated to a food service component off of the lobby in the original diner/café space, and 40,000+/- SF of market rate residential units in the upper floors of the building consisting of twenty-two (22) one bedroom units and eleven (11) two bedroom units (the “Improvements”); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”), and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on February 25, 2020, at 10:00 a.m., at Agency’s offices located at 95 Perry Street, Suite 403, Buffalo, New York 14203, 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 Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility and (b) a mortgage recording tax exemption benefit for the financing related to the Project (the sales and use tax exemption benefit and the mortgage recording tax exemption benefit are hereinafter collectively referred to as the “Financial Assistance”); and

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

WHEREAS, the City of Buffalo 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 uncoordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, determined that the Project was an Unlisted Action, and issued a negative declaration (“Negative Declaration”) under SEQR on November 18, 2019, 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 March 5, 2020 resolution to approve the project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

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

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

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

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

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

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

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

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

(I) The Agency hereby approves the subleasing of space in the Project as so described within, and consistent with, the Application and authorizes the Company to proceed with the Project as herein authorized; and

(J) The Project involves an “Unlisted Action” as said term is defined pursuant to 6 N.Y.C.R.R. Section 617.2(ak) of the SEQR regulations because the Project does not exceed 25 percent of any threshold established purchase to 6 N.Y.C.R.R. Section 617.4(b)(4)-(10). The Agency has conducted an uncoordinated review of the Project pursuant to 6 N.Y.C.R.R. Section 617.6(b)(4)(i). Based upon a comprehensive and thorough review by the Agency of the EAF and related documents delivered by the Company to the Agency, the Planning Board’s Negative Declaration, the criteria set forth in 6 N.Y.C.R.R. Section 617.7 of the SEQR regulations, and the additional representations made by the Company to the Agency in connection with the Project, the Agency hereby finds that no air quality impacts are anticipated and there will be no impacts on surface water or groundwater quality or quantity, that the project is served by public transportation and no substantial changes in existing traffic are anticipated, that there will be no changes in noise, odor, or lighting because the area consists of commercial, industrial and residential mixed uses, there will be no impacts on flora, fauna, or critical environmental areas, the project is consistent with the City’s current plans and goals including adaptively reusing existing buildings into mixed-uses, the project will restore and preserve a property listed on the National Register of Historic Places such that no adverse impacts to the structure are anticipated, that there will be no impacts on energy consumption and no impacts on aesthetic resources. The Project will not encourage a large number of people to congregate on the site, nor will two or more elements of the Project, when considered together, result in a substantial adverse impact on the environment. The Project will not have a potential significant adverse environmental impact warranting the preparation of an environmental impact statement. The Agency thus issues a “negative declaration” as that term is defined pursuant 6 N.Y.C.R.R. Section 617.2(y); and

(K) The Project is compliant with the Countywide IDA Eligibility Policy, constitutes a commercial facility as defined in the General Municipal Law and will promote employment opportunities and prevent economic deterioration in the City of Buffalo. The Agency has reviewed the opinion of the State Comptroller (OSC Op. 85-51) and hereby specifically finds that the Project will create temporary construction jobs and approximately eight (8) full-time jobs and four (4) part-time jobs, and, by adaptively reusing a vacant, declining and aged structure and rehabilitating it for partial residential use, will be a physical and economic improvement to this sensitive area of the City of Buffalo; and

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

(i) Distressed Census Tracts: The property is located in census tract 169, which is considered highly distressed under the State statute.

- (ii) Age of Structure: The building was constructed in the late 1950's.
- (iii) Elimination of Slum and Blight: The building has been vacant for 3 years and underutilized since the former Millard Fillmore Gates Circle Hospital closed as part of a state-mandated restructuring in 2012. The building is surrounded by several other highly distressed census tracts.
- (iv) Building or Facility Vacancy: The facility is vacant with no income being generated;
- (v) Redevelopment Supports or aligns with Regional or Local Development Plans: The project complies with the investment and growth criteria of the Framework for Regional Growth.
- (vi) Environmental or Safety Issues: The building will require environmental remediation and an update of all mechanical systems. Lead based paint and asbestos containing material are likely associated with the walls, floors and piping within the building. Other potentially hazardous materials such as PCB's may be associated with elevator motors, window caulk, a film development recycling system, and a potential transformer area. X-ray machines requiring proper disposal of radioactive sources were also discovered in the building.
- (vii) LEED/Renewable Resources: Not applicable.
- (viii) Building or site has Historic designation: The developer is working with SHPO on this redevelopment project.
- (ix) Site or Structure has delinquent Property or other local Taxes: Taxes are current.
- (x) MBE/WBE Utilization: See Company's Statement attached.
- (xi) Demonstrated support of local government: The City Planning Board has approved the project.
- (xii) Project/Developer's Return on Investment: The developer has supplied a ROI which indicates a below average rate of return on the investment.
- (xiii) Impediments to Conventionally Financing Project: There is considerable risk associated with the project because the site currently contains a vacant and distressed building which will require environmental remediation, exterior rehabilitation and a complete interior reconstruction. The tax abatements are critical in ensuring that private sector lending institutions underwrite the project.
- (ix) Transit Oriented Development: The facility is accessible on the Delaware bus line #25.

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

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition,

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

With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an estimated amount up to \$3,831,058.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$335,218.00. The Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

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 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 taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits 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 later of two (2) years following either (i) the construction completion date, or (ii) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$10,591,844.00 (which represents the product of 85% multiplied by \$12,460,993.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment - the number of current full time equivalent ("FTE") employees in the then current year at the Facility; and
 - that the Company has created and maintained FTE employment at the Facility equal to 8.5 FTE employees [representing 85% multiplied by 10 (being the 8 new FTE employee positions plus 4 new part-time equivalent ("PTE") employees (with 2 PTE employees counting as 1 FTE employee) as 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 on a quarterly basis to the Agency, 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) related documents; provided, however, that 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.

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: March 25, 2020



1275 Delaware Ad Reuse

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name	1275 Delaware Adaptive Reuse
Applicant Name	1275 Delaware LLC/637 Linwood LLC as tenants in common
Applicant Address	2760 Kenmore Ave
Applicant Address 2	
Applicant City	Tonawanda
Applicant State	New York
Applicant Zip	14150
Phone	7168768899
Fax	
E-mail	bdeluke@montante.com
Website	
Federal ID#	37-1775664
NAICS Code	531390
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	637 Linwood LLC, 1275 Delaware LLC or affiliate
Federal ID#	37-1775664, 84-4275077
State and Year of Incorporation/Organization	NY 2015, NY 2020
List of stockholders, members, or partners of Real Estate Holding Company	Montante Group LLC - 100%

Individual Completing Application

Name	Byron DeLuke
Title	Director of Development
Address	2760 Kenmore Ave
Address 2	
City	Tonawanda
State	New York
Zip	14150

Phone

7168768899

Fax

E-Mail

bdeiluke@montante.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	Jason Yots
Firm Name	Borelli & Yots PLLC
Address	170 Florida Street
Address 2	
City	Buffalo
State	New York
Zip	14208
Phone	5854541905
Fax	
E-Mail	jasonyots@borelliyots.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business	Limited Liability Company
Type of Ownership	
Year Established	2015
State of Organization	New York

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

Please include name and % of ownership.

637 Linwood LLC is 100% owned by Montante Group. Those holding more than 25% of Montante Group: Matt Montante, Dan Montante, Kevin Montante

Applicant Business Description

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

The LLC's (637 Linwood LLC and 1275 Delaware, LLC - the "Company") are real estate holding companies fully owned by Montante Group, which focuses on developing smart, distinctive commercial residential and mixed-use projects. It was formed for the purpose of redeveloping the vacant building located at 1275 Delaware Avenue as a mixed-use project, including a mix of residential and commercial space. Montante Group is also redeveloping the adjacent former Millard Fillmore Gates Hospital site into Lancaster Square; a mixed-use, urban place featuring neighborhood retail, residential units, and commercial office space. The 1275 Delaware Project complements this overall development.

Estimated % of sales within Erie County	100
Estimated % of sales outside Erie County but within New York State	0
Estimated % of sales outside New York State but within the U.S.	0
Estimated % of sales outside the U.S.	0

(*Percentage to equal 100%)

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

100

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Tonawanda, NY

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

No

In which Municipality will the proposed project be located

Buffalo, NY

Address

1275 Delaware Avenue, Buffalo NY 14202

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

100.23-2-1.11

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

2020 Erie County: \$6157.40; 19/20 Buffalo: \$23591.95; 19/20 Sewer: \$1309.18

Assessed value of land

\$800000 assessed value - no breakout between land and building

Assessed value of building(s)

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

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

Yes

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

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

No

Describe the present use of the Proposed Project site

Vacant building

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, and/or

equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The Project includes the adaptive reuse of a vacant, 50,000 square foot building located at 1275 Delaware Ave. The building has been vacant for the past three years and underutilized since shortly after the former Millard Fillmore Hospital was closed due to a state-mandated restructuring in 2012. The Company will redevelop the vacant building into a mixed-use development that includes new residential units on the upper floors and commercial space below. The new residential units will be market rate, consisting of twenty-two (22) one-bedroom units and eleven (11) two-bedroom units. Approximately 9,000 square feet of ground floor and garden level space will be dedicated to commercial space for a professional services or back office user. Approximately 1,000 square feet of ground floor space will be dedicated to a food service component off of the lobby in the original diner/café space. Based upon the anticipated uses, the Company is anticipating the creation of 8 full time jobs and 4 part time jobs upon full occupancy. The building has been accepted onto the National Register and the Company is pursuing historic tax credits to help finance the Project.

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 cannot proceed without tax abatements.

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

The Applicant needs to secure financial assistance before it can secure private construction loans to fund construction at 1275 Delaware. There is considerable risk associated with the project because the site currently contains a vacant and distressed building, which will require environmental remediation, exterior rehabilitation, and a complete interior reconstruction. Factoring in sales and mortgage tax abatements, the Applicant is projecting a below-market 3 percent initial rate of return. Thus, the tax abatements are critical in ensuring that private sector lending institutions underwrite the Project. Should the Project move forward, it will result in an approximately \$12.5 million investment, dozens of short term construction-related jobs, and approximately 8 full time jobs and 4 part time jobs upon full occupancy. The applicant will work with community leaders and other neighborhood stakeholder groups to ensure that construction-related and permanent jobs generated by the redevelopment effort will benefit the local community.

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?

The Applicant needs to secure financial assistance before it can secure private construction loans to fund construction at 1275 Delaware. Without financial assistance the Project will not move forward. The 1275 Delaware building will remain vacant and deteriorating, additional private sector investment will not be secured at the project site, and the short-term construction-related and permanent jobs will not be realized.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

Presently the site includes a vacant building. It is zoned N1-C, Gates Circle PUD. Zoning allows for up to ten (10) story mixed use buildings, including commercial and retail uses that are proposed. The Project has received a negative declaration under SEQRA and site plan approval by the Buffalo Planning Board.

Describe required zoning/land use, if different

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

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the

development/use of the property?

Yes

If yes, please explain

The site contains a vacant building initially constructed in the 1950s. The building will have to be remediated of certain environmental contaminants, including lead and asbestos, prior to interior reconstruction. As a result, considerable risk is associated with the project. Factoring in sales and mortgage tax abatements, the Applicant is projecting a below-market 3 percent initial rate of return. Thus, the tax abatements are critical in ensuring that private sector lending institutions underwrite the Project.

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

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

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

No

If yes, please explain.

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

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

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

Please check any and all end uses as identified below.

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

- | | | |
|---------------------------------------------|-------------------------|-------------------------------------------|
| No Manufacturing | Yes Multi-Tenant | Yes Mixed Use |
| Yes Acquisition of Existing Facility | Yes Commercial | No Facility for the Aging |
| Yes Housing | Yes Back Office | No Civic Facility (not for profit) |
| No Equipment Purchase | Yes Retail | No Other |

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

\$ 1,950,000	50,000 square feet	1 acres
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New Building Construction

\$ 0	square feet
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New Building addition(s)

\$ 0	square feet
------	-------------

Infrastructure Work

\$ 0

Renovation

\$ 7,662,116	square feet
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Manufacturing Equipment

\$ 0

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

\$ 0

Soft Costs: (professional services, etc.)

\$ 2,848,877

Other Cost

\$ 0

Explain Other Costs**Total Cost**

\$ 12,460,993

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

\$ 0

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

Yes

If Yes, describe particulars:

Yes. Land acquisition and some soft costs related to entitlements and design development (architecture and engineering work).

Sources of Funds for Project Costs:**Equity (excluding equity that is attributed to grants/tax credits):**

\$ 3,373,852

Bank Financing:

\$ 6,092,414

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):

\$ 2,994,727

Identify each state and federal grant/credit:

Historic tax credits: \$2,894,727 Utility grants: \$100,000

Total Sources of Funds for Project Costs:

\$12,460,993

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

Yes

Mortgage Recording Tax Exemption Benefit:

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

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

\$ 6,092,414

Lender Name, if Known

Bank on Buffalo

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

\$45,693

Construction Cost Breakdown:

Total Cost of Construction

\$ 7,662,116

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

Cost for materials

\$ 3,831,058

% sourced in Erie County

100%

% sourced in State

100% (including Erie County)

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

\$ 3,831,058

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

\$ 335,218

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:

485a

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

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	1,000 square feet	\$ 153,242	2

Office	9,000 square feet	\$ 1,379,181	18
Specify Other	40000 - residential square feet	\$ 6,129,693	80

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates).

Start date : acquisition of equipment or construction of facilities

4/1/2020

End date : Estimated completion date of project

4/1/2021

Project occupancy : estimated starting date of operations

5/1/2021

Have construction contracts been signed?

No

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
Full time	0	0	8	8
Part time	0	0	4	4
Total	0	0	12	

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be

filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	0	\$ 0	\$ 0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	12	\$ 32,500	\$ 0	\$ 17,500	\$ 0

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

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

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

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 330,000

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)

\$ 32,500

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

\$ 17,500

Estimated salary range of jobs to be created

From (Full Time)

\$ 30,000

To (Full Time) \$ 35,000

From (Part Time)

\$ 15,000

To (Part Time) \$ 20,000

Time)

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

No

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

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

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

No

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

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

Yes

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

485a; historic tax credits; utility grants

Section III: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility

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

The Project is an infill development on a site that contains 50,000 square feet of vacant building space that was formerly utilized for medical offices servicing clients at the adjacent Millard Fillmore Gates Hospital. Once that site closed as part of a state-mandated restructuring plan, the 1275 Delaware building was vacated. It now sits vacant and deteriorated. The Project will enhance the quality of life for area residents by creating linkages to transportation and parking infrastructure, providing employment opportunities, and expanding the availability of goods and services in the neighborhood. The Project further complies with the City's Comprehensive Plan which seeks compact, pedestrian-friendly, and mixed-use development.

Have any tenant leases been entered into for this project?

No

If yes, please fill out the Tenant Information section of this application, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new project site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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 **Section IV: Tenant Information**

Section V: Environmental Questionnaire

General Background Information

Address of Premises 1275 Delaware Avenue, Buffalo NY 14202

Name and Address of Owner of Premises 637 Linwood LLC; 2760 Kenmore Avenue, Tonawanda NY 14150

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

The parcel is located on Delaware Avenue in the City of Buffalo. It includes an approximately 50,000 square foot building and associated infrastructure. The building was initially constructed in the 1950s and is currently vacant.

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 parcel is located on Delaware Avenue in the City of Buffalo. It includes an approximately 50,000 square foot building and associated infrastructure. The building was initially constructed in the 1950s and is currently vacant.

Describe all known former uses of the Premises

1275 Delaware was constructed from 1956-1958 as a medical office building. It was constructed to provide a centralized office building for practicing physicians connected to the adjacent Millard Fillmore Hospital and was mostly occupied by various medical practitioners and associated tenants until it was vacated in 2017. In addition to the medical office uses, a small ground floor café has operated under various owners for much of the building history.

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

Existing storm drains on site capture stormwater runoff, which is then conveyed to the existing public sewer system along Delaware Avenue. The proposed action will also connect to existing public water supply and wastewater utility.

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

AMD Environmental Consultants, Inc (AMD) was retained to inspect the building located at 1275 Delaware Avenue in Buffalo, NY

for the presence of materials suspected of containing asbestos in areas of planned renovations. The scope of services included the identification of suspect asbestos containing building materials in areas of planned renovations; sampling and analysis of the suspect materials; and identifying the locations, estimated quantities, and condition of the confirmed asbestos containing materials. Sampling and analysis of the suspect materials under Polarized Light Microscopy (PLM) ,and where necessary, under Transmission Electron Microscopy (TEM), revealed the following materials as asbestos containing building materials (ACBM): various floor tiles and brown flooring throughout, tar on mud fittings, boiler insulation, and silk insulation.

Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

No

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

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

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

No

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

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

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

Section VII: Adaptive Reuse Projects

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

What is the age of the structure (in years)? 62

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

If vacant, number of years vacant. 3

If underutilized, number of years underutilized. 0

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

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) No

If yes, please provide dollar amount of income being generated, if any \$ No income being generated

If apartments are planned in the facility, please indicate the following:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	22	659-760	\$ 1100-1500
2 Bedroom	11	927-1235	\$ 1650-2500
3 Bedroom	0		\$
Other	0		\$

Does the site have historical significance? Yes

Are you applying for either State/Federal Historical Tax Credit Programs? Yes

If yes, provide estimated value of tax credits \$ 2,894,727

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

The site has been vacant for 3 years and underutilized since the former Millard Fillmore Gates Circle Hospital closed as part of a state-mandated restructuring in 2012. There is considerable risk associated with the project because the site currently contains a vacant and distressed building, which will require environmental remediation, exterior rehabilitation, and a complete interior reconstruction. Factoring in sales and mortgage tax abatements, the Applicant is projecting an approximately 3 percent initial rate of return. Thus, the tax abatements are critical in ensuring that private sector lending institutions underwrite the Project. Should the Project move forward, it will result in a significant private sector investment, dozens of short term construction-related jobs, and approximately 10 new full time equivalents at full occupancy. The applicant will work with community leaders and other neighborhood stakeholder groups to ensure that construction-related and permanent jobs generated by the redevelopment effort will benefit the local community.

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

The project has already received site plan approval by the City of Buffalo Planning Board. The building has also been listed on the National Register and the Project will be a historic tax credit project.

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

The 1275 Delaware Project is located in Census Tract 169, which is adjacent to highly distressed Census Tract 168. The site has been vacant for 3 years and underutilized since the former Millard Fillmore Gates Circle Hospital closed as part of a state-mandated restructuring in 2012. There is considerable risk associated with the project because the site currently contains a vacant and distressed building, which will require environmental remediation, exterior rehabilitation, and a complete interior reconstruction. Further, the building has been listed on the National Register and is of historical significance. The Company is

completing a historic rehab and is seeking historic tax credits to complete the project in line with National Park Service and SHPO requirements. Based on proposed uses, the Project is projected to result in dozens of short term construction-related jobs, and approximately 10 new full time equivalents at full occupancy. The applicant will work with community leaders and other neighborhood stakeholder groups to ensure that construction-related and permanent jobs generated by the redevelopment effort will benefit the local community.

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Section IX: Retail Determination

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

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 20 %

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

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

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

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

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

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

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

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

If yes, explain

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

Jemal's Seneca, LLC
\$45,000,000
INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Jemal's Seneca, LLC																
<ul style="list-style-type: none"> • NAICS Section - 531110 	Project Address: 1 Seneca Street Buffalo, New York 14203 (Buffalo School District)																
COMPANY INCENTIVES	Agency Request																
<ul style="list-style-type: none"> • Approximately \$337,500 in mortgage tax exemption 	A mortgage recording tax exemption in connection with the redevelopment of the former HSBC building.																
EMPLOYMENT	<table style="width: 100%; border: none;"> <tr> <td style="padding-left: 40px;">Building Renovation</td> <td style="text-align: right;">\$25,000,000</td> </tr> <tr> <td style="padding-left: 40px;">Infrastructure</td> <td style="text-align: right;">\$15,225,000</td> </tr> <tr> <td style="padding-left: 40px;">Equipment</td> <td style="text-align: right;">\$ 4,000,000</td> </tr> <tr> <td style="padding-left: 40px;">Soft Costs</td> <td style="text-align: right;">\$ 275,000</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 40px;">Total Project Cost</td> <td style="text-align: right;">\$45,000,000</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 40px;">85%</td> <td style="text-align: right;">\$38,250,000</td> </tr> </table>	Building Renovation	\$25,000,000	Infrastructure	\$15,225,000	Equipment	\$ 4,000,000	Soft Costs	\$ 275,000			Total Project Cost	\$45,000,000			85%	\$38,250,000
Building Renovation	\$25,000,000																
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Equipment	\$ 4,000,000																
Soft Costs	\$ 275,000																
Total Project Cost	\$45,000,000																
85%	\$38,250,000																
<ul style="list-style-type: none"> • Projected New Jobs - 5 FTE • Estimated Construction Jobs - 294 • Annual payroll: \$325,000 • Estimated salary of jobs to be created: \$65,000 	Company Description																
PROJECT HISTORY	Jemal's Seneca, LLC is in the process of the redevelopment and re-occupancy of the vacant 1.2 million square foot Seneca One complex which consists of a vacant 38-story tower, two 4-story annex buildings to the south and west of the tower and a plaza area surrounding these buildings. The LLC is 99% owned by Douglas Jemal and 1% owned by Paul Millstein.																
<ul style="list-style-type: none"> • 03/02/2020 - Public hearing held. Transcript attached. • 03/25/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 03/25/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors • 03/25/2020 - Board Resolution to authorize ECIDA to enter into Payment in Lieu of Taxes Increment Financing ("PIF") for a period of 25 years to fund Accelerator Fund projects as well as other infrastructure improvements 	<p style="text-align: center;">Project Description</p> <p>The redevelopment plan will serve to provide needed commercial Class A office space to Buffalo's growing IT hub and stabilize an iconic Buffalo commercial complex. Approximately \$15,000,000 in infrastructure improvements are planned which includes elevator work, fire protection work, internet and technology improvements, plumbing and storm/sanitary systems.</p> <p>ECIDA's involvement is limited to providing a mortgage recording tax exemption on the property.</p> <p>The ECIDA, at the request of the City of Buffalo, will enter into a PILOT Agreement with the developer for a 25-year term. The PILOT Agreement will provide for full tax payments to both the County and City. All City of Buffalo PILOT payments will be directed to be paid to the ECIDA. The ECIDA will create a separate fund for the Accelerator Fund projects as well as other critical downtown streetscape improvements and will reimburse the City for these infrastructure improvements. The City of Buffalo estimates the dollar amount of revenue generated through the PIF over the 25-year term to be approximately \$40,000,000.</p>																

Retail Determination

Project Use	Sq. Ft.	Cost	% of Project Costs
Vacant/Commercial	1,200,000	\$45,000,000	100%

Should the Board determine that the project is a retail project as it was located in a highly distressed area in the compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County will provide written confirmation confirming the financial assistance.

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 = \$45,000,000 85% = \$38,250,000
Employment	Same as recapture period	Create 85% of Projected Projected = 5 FTE 85% = 4.5 Recapture Employment = 4.5
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after mortgage closing	Mortgage Tax

Recapture applies to:
Mortgage Recording Tax

Recapture

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

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

EVALUATIVE CRITERIA – Community Development

Jemal’s Seneca, LLC

Evaluative Criteria

Notes

Distressed Census Tracts	The property is located in census tract 165 which is considered highly distressed under the State statute.
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	Project represents renovation of an existing facility. Construction commenced in 1969 and was completed in 1972.
Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes elimination of slum and blight	Elimination of slum and blight: The project sits within census tract 165 which is considered highly distressed. M&T's tech hub will be a driving force in rejuvenating the tower and the surrounding area. The tower has been appx. 90% vacant since 2014.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.	The facility is not presently generating any significant rental income since its currently under re-construction.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth.
Environmental or Safety Issues.	Approximately \$15,000,000 in infrastructure improvements are planned which includes elevator work, fire protection work, internet and technology improvements, plumbing and storm/sanitary systems.
LEED/Renewable resources	N/A
Building or site has historic designation	N/A
Site or structure has delinquent property or other local taxes	Taxes are current.
MBE/WBE utilization	The applicant strives to hire from the local workforce and to use good faith efforts to utilize MBE/WBE contractors. Further, the applicant fully complies with all applicable state and federal employment laws.
Demonstrated support of local gov't.	The overall plan for infrastructure improvements along the Main Street corridor has long been a goal of the City and a possible PIF arrangement will serve to advance that goal.
Project/developer’s return on investment	N/A
Impediments to conventionally financing project	N/A

Transit Oriented Development	The facility is serviced by the Metro Rail and multiple bus lines.
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March 25, 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- Jemal's Seneca, 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
\$40,725,000	N/A			

*Apply equalization rate to value

PILOT: N/A

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

***** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff**

Percentage of Project Costs financed from Public Sector Table Worksheet:

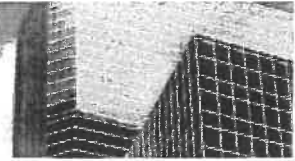
Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$45,000,000	\$0	\$0	\$337,500	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 0.75 %



**YOUR GROWTH
IS OUR BUSINESS**



Internal Report: Jemal's Seneca, LLC - Jemal's Seneca, LLC

Table 1: Basic Information

Project Name	Jemal's Seneca, LLC
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District	Buffalo
Project Cost	\$44,500,000
Construction Budget	\$40,225,000
Direct Employment Expected	5
Direct Labor Income	\$325,000
Direct Construction Jobs	294
Direct Construction Labor Income	\$15,459,460
Total Labor Income	\$15,784,460

Table 2: Estimated State & Regional Benefits *

Region	
New Property Tax Revenue (PILOT or Improvements)	\$7,081,047
Property Tax Revenue	\$2,667,212
Sales Tax Revenue	\$366,059
State	
Income Tax Revenue	\$1,015,508
Sales Tax Revenue	\$308,260
TOTAL Estimated Revenue	\$11,438,084

Table 3: Estimated Project Incentives *

Property Tax Savings	\$0
Sales Tax Savings	\$0
Mortgage Tax Savings	\$337,500
TOTAL Estimated Incentives	\$2,447,344

Table 4: Employment Breakdown

Project	
Direct**	5
Indirect***	6
Induced****	3
Construction	
Direct	294
Indirect	107

Table 5: Ratios

Benefit to Cost Ratio	4.7:1
Overall ROI	15.9:1

* 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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Phillips Lytle LLP

February 6, 2020

Via E-mail

John Cappellino
Executive Vice President
Erie County Industrial Development Agency
95 Perry Street
Suite 403
Buffalo, NY 14203

Re: Erie County Industrial Development Agency ("Agency")
Application for Financial Assistance ("Application")
submitted by Jemal's Seneca LLC ("Applicant")

Dear Mr. Cappellino:

As you know, this Firm represents the Applicant with regard to the Application. Please consider this letter to be an addendum to the Application. The Applicant is requesting a payment-in-lieu of real estate taxes equal to 100% of the otherwise applicable real estate taxes (calculated as if the Agency were not involved in the project) for a term of 25 years. The Applicant is not requesting any sales and use tax exemption.

Thank you.

Very truly yours,

Phillips Lytle LLP

By 

Milan K. Tyler

Doc #4787288.1

ATTORNEYS AT LAW

MILAN K. TYLER, PARTNER MTYLER@PHILLIPSLYCLE.COM



The City of Buffalo Common Council

1413 City Hall
Buffalo, NY 14202

SUBMITTED

AGENDA ITEM (ID # 11701)

Meeting: 03/03/20 02:00 PM
Department: Strategic Planning
Category: Permission Request
Prepared By: Rebecca Gandour
Initiator: Rebecca Gandour
Sponsors:
DOC ID: 11701

Seneca One PIF

PILOT Increment Financing (“PIF”) is a municipal economic development self-financing tool which allows a taxing jurisdiction, such as the City to commit future PILOT increment revenues to specific economic development initiatives proximate to the project generating the revenue. The base assessed value of the property is set at the current assessed level, and as such the taxing jurisdiction receives property tax payments as it does currently. As development and investment occur, and as the assessed value of real property increases, the additional PILOT or “tax” revenues generated above the current base assessed level (the “PIF Increment”) can be used by the City for public infrastructure and other public improvements.

Douglas Development, through Jemal’s Seneca L.L.C. (“Company”) is redeveloping Seneca One Project (the “Project”) consisting of approximately 1,200,000 square feet, across a 38-story former office building and additional buildings and annexes at 1 Seneca Street, 3 Seneca Street, and 222 Main Street, in Buffalo, New York. The Project consists of residential, retail, and commercial class A office space.

The Project is eligible for New York State Real Property Tax Law (“RPTL”) Section 485-a real property tax exemption. If the 485-a tax exemption were utilized by the Company, it would save approximately \$15,200,000 in real property taxes over a twenty-five year period. The Company has agreed not to pursue the 485-a exemption, and instead pursue a PIF structure whereby full tax level payments are made.

The Company and City of Buffalo have requested the ECIDA to assist with the Seneca One Project. The Project is located within the Accelerator Fund District (the “District”) as described and identified within Exhibit A as attached hereto. In connection with the Project and the continued and ongoing infrastructure needs at and within the District, the Company and the City have requested that the Accelerator Fund (the “District Fund”) be established by ECIDA to facilitate the construction and equipping of certain related public infrastructure improvements and public streetscape improvements in the District including but not limited to public transportation station improvements and/ or enhancements, pavement and sidewalks, track panels and rails, light rail rapid transit system related improvements and/or related control systems, streetscape enhancements, utilities work, and design and administration costs (the “Infrastructure Improvements”). Infrastructure Improvements are limited by what can be funded under IDA authority.

The funding of the Infrastructure Improvements is beyond the ability of any single development project of the City and cannot be reasonably anticipated from state and federal grant programs and can only be accomplished through a true public-private partnership with the cooperation and support of the Company, the City, and the ECIDA. The Company will make PILOT payments to ECIDA, ECIDA will create the District Fund as contemplated herein, deposit the appropriate amount of the PILOT payment into the District Fund, and the ECIDA will reimburse, only to the extent of the funds deposited into the District Fund, the City for the cost of Infrastructure

Improvements in the District as contemplated herein and as determined by the City, including but not limited to bond payments for the District.

In recognition of the foregoing and in furtherance of the anticipated significant positive financial impacts within the City associated with the Project and the Infrastructure Improvements, the Company has requested that the City and the ECIDA establish a PILOT Increment Financing Structure (the "PIF Structure") requiring that the Company make a PILOT payment, during a twenty-five year term of a PILOT Agreement affecting the Project, equal to the then applicable current year full taxes that would normally be paid as if the ECIDA did not hold an interest in the Project, where the resulting difference, or "increment" between the full taxes and base value - the PIF Increment - is then used to finance the District Fund for purposes of funding the cost of Infrastructure Improvements within the District. A draft Infrastructure Fund Agreement, to be executed by the Company, the City, and the ECIDA, is attached hereto as Exhibit B, and contains the understandings of the parties necessary to initiate establishment of the PIF Structure.

In order for the ECIDA to utilize the PIF Increment as so desired by the Company and the City as contemplated herein, the ECIDA is required, pursuant to Section 858(15) of the New York General Municipal Law to secure the consent of the City of Buffalo.

The Office of Strategic Planning is requesting that Your Honorable Body:

Section 1. Determine and find that the Seneca One Project and the related Infrastructure Improvements are beneficial for the residents of the City and that the One Seneca Project and Infrastructure Improvements will promote the general health and welfare of the residents of the City.

Section 2. Support the PIF Structure and consent to the City's participation in the District Fund and the use of the PIF Increment to fund the costs of the Infrastructure Improvements related to the Project for the benefit of the District and authorize the ECIDA to retain the PIF Increment for purposes of paying the costs related to the Infrastructure Improvements.

Section 3. Authorize the Mayor of the City to execute and deliver the Infrastructure Fund Agreement and authorize the Mayor and other pertinent City personnel to take all steps and actions and to execute and/or develop, negotiate and process the necessary documents and agreements and or modifications thereto all as shall be reasonably necessary to facilitate the PIF objectives and all of the foregoing as are determined to be appropriate by the Corporation Counsel.

ATTACHMENTS:

- Exhibit A (PDF)
- Exhibit B (PDF)

Accelerator Fund District





CITY OF BUFFALO
OFFICE OF THE MAYOR

BYRON W. BROWN
MAYOR

March 3, 2020

Mr. Steven W. Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Jemal's Seneca, LLC
Seneca One Redevelopment Project

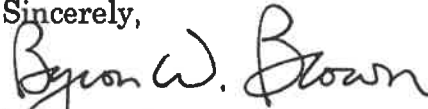
Dear Mr. Weathers:

I am writing to support Jemal's Seneca, LLC's application to the Erie County Industrial Development Agency (ECIDA) for an exemption from the Mortgage Tax as it relates to the redevelopment of the Seneca One building and the creation of additional—and much needed—class A office space, housing and retail space in Buffalo's central business district. This application is an important component of the PILOT Increment Financing (PIF) arrangement the City, ECIDA and Jemal's Seneca, LLC have worked to create. The PIF, which is being driven by the millions Douglas Development could have saved in tax breaks but is instead forgoing, will serve as an innovative vehicle for other critical infrastructure and placemaking investments that are necessary to maintaining and accelerating downtown Buffalo's resurgence.

The renovation of Seneca One is a vital component of this ongoing effort because of the role it is playing in the redevelopment of lower Main Street into a tech hub that will serve as a regional economic engine. Jemal's Seneca, LLC's ability to secure M&T Bank's commitment to place 1,500 new information technology jobs at Seneca One, as well as the relocation of 43 North's headquarters and the creation of high-demand accessible downtown housing inside the building are indications of the early success of this effort that have the potential to serve as catalysts for future growth. My Administration will support and maintain that momentum with the creation of an Accelerator Fund and other initiatives like, Race for Place, the Mobility Fund, and the Main Street Knowledge Corridor that will build on the accomplishments the revitalization of Seneca One have already generated and the promise of the tech hub it will lay the foundation for.

The long-term effects of this project will help reshape our City and place Buffalo on a path towards long-term economic growth and innovation. It will also help the City attract the talent and new residents that will drive Buffalo's renaissance for decades to come. Thank you for your consideration of Jemal's Seneca, LLC's application.

Sincerely,

A handwritten signature in black ink that reads "Byron W. Brown". The signature is written in a cursive style with a large, prominent "B" at the beginning.

Byron W. Brown
Mayor

PUBLIC HEARING SCRIPT

**Jemal's Seneca, L.L.C. 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 March 2, 2020 at 10:00 a.m.,
at the Erie County Industrial Development Agency's office located at
95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE:

Lindsey Haubenreich – Phillips Lytle

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 public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Jemal's Seneca, L.L.C. 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 Friday, February 21, 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 located at 1 Seneca Street, 3 Seneca Street, and 222 Main Street, City of Buffalo, Erie County, New York (the "Land") improved thereon with the approximately 1.2 million square foot Seneca One complex (the "Existing Improvements"); (ii) the renovation, updating and equipping of the Existing Improvements to provide needed commercial class A office space (but excluding tenant-specific fit and finish items), renovating and updating core and shell interior improvements, and other improvements (elevator work, fire protection, internet and technology, plumbing and storm/sanitary systems, lobby, mechanical spaces, cafeteria, and basement

spaces) (the “Improvements”); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and collectively with the Land, the Existing Improvements, and the Improvements, the “Facility”).

The Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Facility in the form of mortgage recording tax exemption benefits consistent with the policies of the Agency.

The Company has requested, in cooperation with the City of Buffalo (the “City”), that the Agency and the Company enter into a non-standard payment-in-lieu-of-tax (“PILOT”) agreement whereby the Company will make a PILOT payment equal to 100% of the otherwise applicable real estate taxes, calculated as if the Facility was owned directly by the Company and was not tax exempt due to the status of the Agency. As such, the Company will be required to make payments to the Agency for the benefit of the City beginning in the 2021-2022 tax fiscal year running through the 2045-2046 tax fiscal year, equal to the amount that would otherwise be payable as real estate taxes as if the Agency did not have an interest in the Facility and no abatement was provided. During this same time period, the Company will make payments to Erie County, beginning in the 2022 tax fiscal year, and running through the 2046 tax fiscal year, equal to the amount that would otherwise be payable as real estate taxes as if the Agency did not have an interest in the Facility and no abatement was provided. Upon direction from the City, a portion of PILOT payments allocable to the Improvements received for the benefit of the City, as described above, shall be applied by the Agency to the City’s Accelerator Fund to facilitate the construction and equipping of certain City approved Project related public infrastructure improvements and public streetscape improvements within the Buffalo Infrastructure Accelerator District. As described herein, the requested PILOT Agreement deviates from the Agency’s Uniform Tax Exemption Policy because the contemplated PILOT Agreement is for a term other than the standard Agency PILOT term, and will set the payments-in-lieu-of-tax payments with respect to the Facility in an amount equal to the amount that would otherwise be payable as real estate taxes as if the Agency did not have an interest in the Facility, said amount being greater than what would otherwise be made under the standard Agency PILOT. To the extent the Financial Assistance deviates from the policies of the Agency, the Agency's policies and procedures for deviation have been complied with.

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written comment to submit for the record, you may leave one on the Agency's website at www.ecidany.com or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on March 24, 2020. There are no limitations on written comments.

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

Hearing Officer: If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.

The Hearing Officer calls on those who raise their hand.

Good morning my name is Lindsey Haubenreich from Phillips Lytle. I am appearing on behalf of the applicant. For the last three (3) years, Seneca One, a vacant 1.2 Million square foot office complex in the heart of downtown Buffalo has been redeveloped to provide class A office space to Buffalo's growing IT hub. As the tallest building in Buffalo, the redevelopment of Seneca One is critical to the economic health of the City. Approximately \$50 million dollars have already been invested in this iconic property, but more work remains to be done. Applicant has applied to the Agency for a mortgage tax exemption for a portion of the project costs. Applicant is not requesting any sales tax or property tax breaks, its request is limited to the mortgage tax exemption. In fact, applicant is waving its ability to obtain a 485-a exemption.

Applicant is also requesting, in cooperation with the City of Buffalo, that the Agency enter into a non-standard payment-in-lieu of-taxes) a PILOT agreement with the Applicant and to establish a PILOT increment financing fund or PIF. The PIF would facilitate public infrastructure in downtown Buffalo, including a portion of the Cars Sharing Main Street project, along with other vital infrastructure work, which has been undertaken by the City of Buffalo. The Agency's financial assistance is necessary in order to ensure that Seneca One is able to contribute to the Cars Sharing Main Street project.

6. ADJOURNMENT:

As there were no further comments, the Hearing Officer closed the public hearing at 10:10 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

March 2, 2020, at 10:00 a.m.
at the Erie County Industrial Development Agency's office located at
95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

**Jemal's Seneca, L.L.C. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 1 Seneca Street, 3 Seneca Street and 222 Main Street, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Lindsey Haubenreich	Philips Lytle One Canal Side 125 Main Street, Buffalo, New York 14203	X

Short Environmental Assessment Form

Part 1 - Project Information

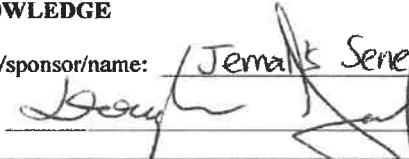
Instructions for Completing

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

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

Part 1 – Project and Sponsor Information			
Name of Action or Project: Seneca One Redevelopment Project			
Project Location (describe, and attach a location map): 1 Seneca Street, Buffalo, NY 14203			
Brief Description of Proposed Action: The Project consists of a mortgage on the property to address general renovations of the Seneca One complex to provide needed commercial class A office space to service the growing IT hub and other commercial tenants within the City of Buffalo. The Project will also include various associated improvements including to the lobby, mechanical spaces, a cafeteria and basement spaces. The Project includes core and shell interior improvements, however it does not include tenant-specific fit and finish items. Approximately \$15,000,000 in infrastructure improvements, including elevator work, fire protection work, internet and technology improvements, plumbing, and storm/sanitary systems is included in the Project. End users will include various businesses seeking to locate class A office space in the heart of downtown Buffalo and/or in the IT hub. The Project does not include work previously undertaken with respect to other sections of the tower which are already leased to Manufacturers and Traders Trust Company ("M&T") or the conversion of portions of the annex buildings to residential. M&T estimates that it will bring more than 2,500 employees to the tower complex over the next few years. The Applicant intends to utilize the momentum of the M&T lease in concert with this Project to attract additional tenants to the IT hub and, ultimately, bring additional new residential space and life to Buffalo's downtown. This momentum is helping to attract 43North, the latest potential addition to the tech hub (not yet committed). Our understanding is that there are ongoing discussions with the City of Buffalo and Erie County regarding a PILOT Incremental Financing (PIF) District to fund the Cars on Main Street project as well as other downtown critical streetscape and infrastructure improvements.			
Name of Applicant or Sponsor: Jemal's Seneca LLC		Telephone: 202-638-6300 E-Mail: djemal@douglasdev.com	
Address: 702 H. Street NW, Suite 400			
City/PO: Washington DC		State: N/A	Zip Code: 20001
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.		NO <input type="checkbox"/>	YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval: PIF Approval - City of Buffalo		NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>
3. a. Total acreage of the site of the proposed action?		4.53 acres	
b. Total acreage to be physically disturbed?		n/a acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		4.53 acres	
4. Check all land uses that occur on, are adjoining or near the proposed action:			
5. <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify):			
<input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations? b. Consistent with the adopted comprehensive plan?	NO	YES	N/A
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels? b. Are public transportation services available at or near the site of the proposed action? c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: The proposed action will meet any applicable state energy code requirements. _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? Several adjacent properties are eligible for listing on National or State Register of Historic Places. None will be impacted by the Project	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?			Previously disturbed site
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:		
<input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
Peregrine Falcon Project consists of interior renovations which will not impact local wildlife.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources?	NO	YES
If Yes, The site is previously developed and consists of impermeable surfaces.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a. Will storm water discharges flow to adjacent properties?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If Yes, briefly describe: Stormwater discharges will be directed to existing City runoff and storm drains.		
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)?	NO	YES
If Yes, explain the purpose and size of the impoundment:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?	NO	YES
If Yes, describe:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?	NO	YES
If Yes, describe: The Project site is located in the heart of downtown Buffalo, as such several properties in the vicinity of the Project have a history of remediation. The Project will not be adversely impacted by such properties, and will have no effect on same.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor/name: <u>Jemal's Seneca L.L.C. / Douglas Jemal</u> Date: <u>1/8/2020</u>		
Signature: <u></u> Title: <u>Managing Member</u>		

PRINT FORM

Project: Jamal's Seneca
 Date: March 25, 2020

Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

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

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

Project: Jemal's Seneca

Date: March 25, 2020

Short Environmental Assessment Form Part 3 Determination of Significance

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

Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

<u>Erie County IDA</u>	<u>March 25, 2020</u>
Name of Lead Agency	Date
<u>Karen M. Fiala</u>	<u>Asst. Treasurer</u>
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
<u>Karen M. Fiala</u>	
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

PRINT FORM

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**JEMAL'S SENECA L.L.C., 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, March 25, 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 JEMAL'S SENECA L.L.C. 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) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; (v) APPROVING A DEVIATION FROM THE UNIFORM TAX EXEMPTION POLICY OF THE AGENCY WITH RESPECT TO A PAYMENT-IN-LIEU-OF-TAX AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PILOT AGREEMENT, A 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, JEMAL'S SENECA, L.L.C., AND/OR INDIVIDUAL(S) OR AFFILIATES, SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (individually and/or collectively, the "Company") 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 located at 1 Seneca Street, 3 Seneca Street, and 222 Main Street, City of Buffalo, Erie County, New York (the "Land") improved thereon

with the approximately 1.2 million square foot Seneca One complex (the “Existing Improvements”); (ii) the renovation, updating and equipping of the Existing Improvements to provide needed commercial class A office space (but excluding tenant-specific fit and finish items), renovating and updating core and shell interior improvements, and other improvements (elevator work, fire protection, internet and technology, plumbing and storm/sanitary systems, lobby, mechanical spaces, cafeteria, and basement spaces) (the “Improvements”); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and collectively with the Land, the Existing Improvements, and the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on March 2, 2020, at 10:00 a.m., at the Agency’s offices located at 95 Perry Street-Suite 403, Buffalo, New York 14203, 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, the Project constitutes a "retail" project as defined under Section 862(2)(a) of the Act and as such requires additional findings; and

WHEREAS, the Agency must, prior to providing any Financial Assistance to such a "retail" Project, find that: (1) the Project is likely to attract a significant number of visitors from outside the economic development region in which the Project is located as established by Section 230 of the New York Economic Development Law; or (2) the predominant purpose of the Project would be to make available goods or services which would not, but for the Project, be reasonably accessible to residents of the City of Buffalo because of a lack of reasonably accessible retail trade facilities offering such goods or services; or (3) the Project is located in a “Highly Distressed Area” as such term is defined in Section 854(18) of the Act, and

WHEREAS, if the Agency makes a retail finding based on item (2) or (3), as described in the immediately preceding Whereas clause, then, in addition, the Agency must also find that the undertaking of the Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State; and thereafter, the chief executive officer of the County of Erie, New York, shall confirm the proposed action of the Agency; and

WHEREAS, the Project is located within a “Highly Distressed Area” as such term is defined in Section 854(18) of the Act; and

WHEREAS, it is contemplated that the Agency will (i) execute and deliver a Financial Assistance Project Agreement (the “Project Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of a

mortgage recording tax exemption benefit for the financing related to the Project, hereinafter referred to as the “Financial Assistance”); and

WHEREAS, commensurate with the submission of the Application to the Agency, the City of Buffalo (the “City”) and the Company have requested that the Agency consider approving of a deviation from the Agency’s Uniform Tax Exemption Policy (“UTEP”) to apply a Payment-in-Lieu-of-Taxes Increment Financing (“PIF”) structure upon the Project pursuant to a certain 25-year term Payment-in-Lieu-of-Taxes Agreement by and between the Agency and the Company (the “PILOT Agreement”), providing that a portion of the payments made by the Company thereunder, with the consent of the City, would be made available to fund the construction and equipping of certain Project related public infrastructure improvements and public streetscape improvements (the “Infrastructure Improvements) within the City’s Accelerator Fund District (the “District”), said Infrastructure Improvements including but not limited to public transportation station improvements and/or enhancements, pavement and sidewalks, track panels and rails, light rapid transit system related improvements and/or related control systems, streetscape enhancements, utilities work, and design and administration costs; and

WHEREAS, the requested PIF structure provides for: (i) the Company to agree to forgo making application for the New York Real Property Tax Law Section 485-a real property tax exemption; (ii) a non-standard PILOT Agreement with a term greater than the standard 7 or 10 year benefit period, as described below; (iii) an allocation of payments in lieu of taxes to the City in an amount that is not in proportion to the amount of real property tax and other taxes which would have been received by the City had the project not been tax exempt due to the status of the Agency being involved in the Project; (iv) the Company to make payments to Erie County (the “County”) with respect to the County PILOT payment during the term of the PILOT Agreement equal to the amount that would otherwise be payable as real estate taxes if the Company owned the Project with no abatement provided by the Agency; and (v) the Company to make payments to the Agency with respect to the City PILOT payments during the term of the PILOT Agreement equal to the amount that would otherwise be payable as real estate taxes if the Company owned the Project with no abatement provided by the Agency (the “City Full PILOT Payment”) where after the Agency shall create the District Fund (the “Fund”) and apply said City Full PILOT Payments to the Fund (collectively, the “PILOT Deviation”). The portion of the City Full PILOT payment consisting of the Project’s existing Land and Existing Improvements PILOT payment components shall be remitted to the City of Buffalo. The City will provide the Agency with a City invoice (the “City Invoice”) with respect to costs incurred by the City for the Infrastructure Improvements, and the Agency shall remit payment of said invoiced amount from the Fund, to pay for or reimburse costs incurred by the City for the Infrastructure Improvements; and

WHEREAS, Notice Letters detailing the PILOT Deviation were mailed or delivered to the chief executive officers of each Affected Tax Jurisdiction on February 21, 2020; and

WHEREAS, on March 17, 2020, the Common Council of the City consented to the use of the PIF structure, the PILOT Agreement, and the PILOT Deviation as described herein with

respect to the Project for purposes of making such payments for the costs of Project related Infrastructure Improvements contemplated within the District; and

WHEREAS, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act (“SEQR”), Article 8 of the Environmental Conservation Act and the regulations promulgated therein at 6 N.Y.C.R.R. Part 617, the Company has submitted to the Agency a Short Environmental Assessment Form (the “EAF”) setting forth the potential environmental impacts relating to the Project; and

WHEREAS, in accordance with the National Environmental Policy Act of 1969 and the federal regulations promulgated therein at 23 CFR Part 771 (“NEPA”), the Project related Infrastructure Improvement components previously received Findings of No Significant Impact from the U.S Department of Transportation, Federal Highway Administration, on October 28, 2009 and March 23, 2016 determining that the Project’s related Infrastructure Improvement components did not result in any significant environmental impacts; 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 other correspondence submitted by the Company to the Agency, correspondence submitted by the City to the Agency for the purposes of establishing the Fund via utilization of the PIF structure and the related PILOT Agreement, public hearing comments, if any, Agency Policy Committee review and recommendations of the Project and its March 5, 2020 resolution to approve the Project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

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

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

(C) 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

(D) 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

(E) The Project is located within a "Highly Distressed Area" as such term is defined in Section 854(18) of the Act and therefore can qualify for Financial Assistance under Section 862(2)(b)(ii) of the Act. In accordance with the foregoing, and pursuant to Section 862(2)(c) of the Act, the Agency hereby finds that the undertaking of the Project will serve the public purposes of the Act by preserving permanent, private sector jobs and/or increasing the overall number of permanent, private sector jobs in the State. Also in further compliance with Section 862(2)(c) of the Act, prior to providing Financial Assistance to the project, the Chief Executive Officer of the County of Erie shall confirm that the Project will serve the public purpose of the Act by preserving permanent private sector jobs or increasing the overall number of permanent, private sector jobs in the State of New York; 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; and

(I) The Agency hereby approves the subleasing of space in the Project consistent with the activities described in the Application and authorizes the Company to proceed with the Project as herein authorized; and

(J) The Project is an "Unlisted Action" as that term is defined pursuant to 6 N.Y.C.R.R. § 617.2(ak) of the SEQR regulations. The Agency is acting as Lead Agency pursuant to SEQR and has conducted an uncoordinated review of the Project pursuant to 6 N.Y.C.R.R. § 617.6(b)(4)(i), taking into consideration the Findings of No Significant Impacts issued for the Project's related Infrastructure Improvements by the U.S. Department of Transportation, Federal Highway Administration, on October 28, 2009 and March 23, 2016 ("FONSI"). Upon reviewing the EAF prepared by the Company and the FONSI, the Agency determines that the Project will not result in a potential significant adverse environmental impact;

and therefore issues a Negative Declaration for the Project pursuant to 6 N.Y.C.R.R. § 617.7 of the SEQR regulations; and

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

(i) Distressed Census Tracts: The property is located in census tract 165, which is considered highly distressed under the State statute.

(ii) Age of Structure (must be at least 20 years old and present functional challenges to redevelopment): Project represents renovation of an existing facility. Construction commenced in 1969 and was completed in 1972.

(iii) Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes elimination of slum and blight: Elimination of slum and blight: The project sits within census tract 165, which is considered highly distressed. M&T's tech hub will be a driving force in rejuvenating the tower and the surrounding area. The tower has been approximately 90% vacant since 2014.

(iv) Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class): The facility is not presently generating any significant rental income since its currently under reconstruction.

(v) Redevelopment supports or aligns with Regional or Local Development Plans: The project complies with the investment and growth criteria of the Framework for Regional Growth.

(vi) Environmental or Safety Issues: Approximately \$15,000,000 in infrastructure improvements are planned, which includes elevator work, fire protection work, internet and technology improvements, plumbing, and storm/sanitary systems.

(vii) LEED/Renewable resources: Not applicable.

(viii) Building or site has historic designation: Not applicable.

(ix) Site or structure has delinquent property or other local taxes: Taxes are current.

(x) MBE/WBE Utilization: The Company strives to hire from the local workforce and to use good faith efforts to utilize MBE/WBE contractors. Further, the Company fully complies with all applicable state and federal employment laws.

(xi) Demonstrated support of local government: The overall plan for infrastructure improvements along the Main Street corridor has long been a goal of the City of Buffalo and a possible PIF arrangement will serve to advance that goal.

(xii) Project/Developer's Return on Investment: Not applicable.

(xiii) Impediments to conventionally financing project: Not applicable.

(xiv) Transit Oriented Development: The project is serviced by the Metro Rail and multiple bus lines.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein, and further authorizes and approves the PILOT Deviation consisting of the PIF structure, the PILOT Agreement terms and conditions, and the establishment of the Fund, all as described herein, as related to the District and the Project related Infrastructure Improvements located therein. In making this determination to approve of the PILOT Deviation request, the Agency has considered the following factors as required by the Act and its UTEP, no single one of which is determinative:

- The extent to which the project will create or retain permanent, private sector jobs. The Company has represented that construction jobs will be created during the construction time period, and that 5 full-time employee positions related to the operation of the Facility will be created.
- The estimated value of tax exemptions to be provided. If the PILOT Request and Proposed PILOT Agreement is approved, no real property tax exemption benefit will be provided to the Company.
- Whether affected taxing jurisdictions shall be reimbursed by the Project occupant if the Project does not fulfill the purposes for which an exemption was provided. The Company will be subject to potential Financial Assistance recapture with respect to the mortgage recording tax exemption benefit for which it has applied for in the event it does not adhere to the Agency's standard material terms and conditions of receipt of Financial Assistance.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity. The impact of the Project is a positive one on the community, as it will continue to promote job opportunities, general prosperity and economic welfare for the residents of Erie County and the City of Buffalo.
- The amount of private sector investment generated or likely to be generated by the proposed project. The total private sector investment in the Project is expected to exceed approximately \$45,000,000.
- The demonstrated public support for a proposed project. The City of Buffalo has expressed its support for the Project.
- The likelihood of accomplishing the proposed project in a timely fashion. It is anticipated that Project construction will begin immediately upon approval of the deviation request and will be completed in 2024.
- The effect of the proposed project upon the environment. Given that a Finding of No Significant Impact has been issued by the U.S. Department of Transportation under

NEPA with respect to the Infrastructure Improvements that may result from the Project, and based upon the Agency's issuance of its Negative Declaration with respect to the Project under SEQR, it is likely that the Project will not result in any adverse environmental impact.

- The extent to which the Project will require the provision for additional services. This Project will not require any additional services beyond those already in existence.
- The extent to which the Project will provide additional sources of revenue for municipalities and school districts. The Project is a positive one economically, in that the proposed PILOT Agreement payments will be greater than what would be collected in the event the Project is not undertaken and in the event the Company opted to take advantage of the real property tax abatement available to it under Section 485-a of the New York State Real Property Tax Law.

Section 3. Pursuant to the policies of the Agency, the Agency may recover or recapture from the Company any mortgage recording tax exemption benefits taken or purported to be taken by the Company if it is determined that: (i) the Company has made a material false statement on its application for Financial Assistance; (ii) the mortgage recording tax exemption benefits are taken in cases where the Company 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 (iii) the mortgage recording tax exemption 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 must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance and promptly pay over any such amounts to the Agency that the Agency demands.

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 two (2) years following the mortgage closing and related provision of the Agency's mortgage recording tax exemption benefit, 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 \$38,250,000.00 (which represents the product of 85% multiplied by \$45,000,000.00, 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 FTE employment at the Facility equal to 4.5 FTE employees [representing the product of 85% multiplied by 5 (being the total number of new FTE employee positions as 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 on a quarterly basis to the Agency, 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) the Project 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, (D) the PILOT Agreement, as described herein, and (E) related documents; provided, however, that 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.

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, PILOT 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: March 25, 2020



Seneca One Redevelopment Project

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name	Seneca One Redevelopment Project
Applicant Name	Jemal's Seneca L.L.C.
Applicant Address	Jemal's Seneca L.L.C., c/o Douglas Development Corporation, 702 H. Street NW Suite 400
Applicant Address 2	Not Applicable
Applicant City	Washington D.C.
Applicant State	District of Columbia
Applicant Zip	20001
Phone	202 841 8684
Fax	202 638 0303
E-mail	pmillstein@douglasdev.com
Website	https://douglasdevelopment.com/properties/seneca-one/
Federal ID#	81-4012354
NAICS Code	531110
Will a Real Estate Holding Company be utilized to own the Project property/facility	No
What is the name of the Real Estate Holding Company	Not Applicable
Federal ID#	Not Applicable
State and Year of Incorporation/Organization	Not Applicable
List of stockholders, members, or partners of Real Estate Holding Company	Not Applicable

Individual Completing Application

Name	Paul Millstein
Title	Member and Authorized Agent
Address	Douglas Development Corporation, 702 H. Street NW, Suite 400, Attn: Paul Millstein
Address 2	
City	Washington D.C.
State	District of Columbia
Zip	20001

Phone

202-841-8684

Fax

202-638-0303

E-Mail

pmillstein@douglasdev.com

Company Contact (if different from individual completing application).

Name Not Applicable
Title Not Applicable
Address Not Applicable
Address 2 Not Applicable
City Not Applicable
State
Zip Not Applicable
Phone Not Applicable
Fax Not Applicable
E-Mail Not Applicable

Company Counsel

Name of Attorney Adam S. Walters, Milan K. Tyler
Firm Name Phillips Lytle LLP
Address One Canalside, 125 Main Street
Address 2 Not Applicable
City Buffalo
State New York
Zip 14203
Phone 716-847-7023; 212-508-0439
Fax 716-852-6100; 516-742-3910
E-Mail awalters@phillipslytle.com;
 mtyler@phillipslytle.com

Identify the assistance being requested of the Agency.

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

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

Business Organization

Type of Business Limited Liability Company
Type of Ownership
Year Established 2016
State of Organization New York

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

Please include name and % of ownership.

Douglas Jemal 99% Paul Millstein 1%

Applicant Business Description

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

Jemal's Seneca L.L.C. ("Applicant") has undertaken the redevelopment and reoccupancy of the vacant 1.2 million square foot Seneca One complex which consists of a vacant 38 story office tower, two 4 story annex buildings to the south and west of the Tower, and a plaza area surrounding these buildings. The redevelopment of the Seneca One complex will serve to provide needed commercial class A office space to Buffalo's growing IT hub and stabilize an iconic Buffalo commercial complex. The Seneca One complex is a Transit Oriented Development with the Niagara Frontier Transportation Authority Metro Line and 21 bus lines within 1/4 mile. Being a short walk to Canalside and Harborcenter, the Project will serve to link Buffalo's front porch with a revived Main Street corridor and the City's more established entertainment districts. Additionally, the Applicant seeks to ensure that the Main Street corridor benefits from the Cars on Main Street initiative, along with other vital infrastructure work, which has been undertaken by the City of Buffalo.

Estimated % of sales within Erie County	100
Estimated % of sales outside Erie County but within New York State	0
Estimated % of sales outside New York State but within the U.S.	0
Estimated % of sales outside the U.S.	0

(*Percentage to equal 100%)

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

50%-75% List to be provided under separate cover.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo

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

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

1 Seneca Street, 222 Main Street, 3 Seneca Street

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

111.17-6-4,111.17-6-3 and 111.17-6-1.111/A

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

259,956

Assessed value of land

18,327,400

Assessed value of building(s)

12,998,300

Are Real Property Taxes current?

Yes

If no please explain

Not Applicable

Town/City/Village of Project Site

Buffalo

School District of Project Site

City of Buffalo Public Schools

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

Yes

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

Please note that SBL 111.17-6-1.111/A is owned by the City of Buffalo with a reversionary interest vested in the Applicant.

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

No

Describe the present use of the Proposed Project site

The Project site consists of Seneca One tower which has been vacant for several years and will remain mostly vacant pending redevelopment.

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

The Project consists of a mortgage on the property for the renovation of the Seneca One complex to provide needed commercial class A office space to service the growing IT hub and other commercial tenants within the City of Buffalo. The Project will also include various associated improvements including to the lobby, mechanical spaces, a cafeteria and basement spaces. The Project includes core and shell interior improvements, however it does not include tenant-specific fit and finish items. Approximately \$15,000,000 in infrastructure improvements, including elevator work, fire protection work, internet and technology improvements, plumbing, and storm/sanitary systems is included in the Project. End users will include various businesses seeking to locate class A office space in the heart of downtown Buffalo and/or in the IT hub. The Project does not include work previously undertaken with respect to other sections of the tower which are already leased to Manufacturers and Traders Trust Company ("M&T") or the conversion of portions of the annex buildings to residential. M&T estimates that it will bring more than 2,500 employees to the tower complex over the next few years. The Applicant intends to utilize the momentum of the M&T lease in concert with this Project to attract additional tenants to the IT hub and, ultimately, bring additional new residential space and life to Buffalo's downtown. It is anticipated that this momentum will attract 43North, the latest potential addition to the tech hub (not yet committed but anticipated to bring in 100 additional employees), and other tenants to the tower complex. Our understanding is that there are ongoing discussions with the City of Buffalo and Erie County regarding a PILOT Incremental Financing (PIF) District to fund the Cars on Main Street project as well as other downtown critical streetscape and infrastructure improvements.

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:

Not Applicable

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

The Applicant has previously invested significant time and money into the redevelopment of the Seneca One complex without any type of governmental financial assistance. The Project work which remains consists of a massive redevelopment of portions of Seneca One Tower which have been left vacant for several years. Prior to the Applicant's acquisition of the Seneca One complex, the vacant building was a tremendous drag on the Downtown office market and some in the community suggested that the only solution would be demolishing the same. Without the Agency's financial assistance, the huge costs associated with the Project render it prohibitively expensive. In addition, the Agency's Financial Assistance is necessary in order to ensure that the Applicant is able to contribute to the Cars on Main Street initiative, as well as other vital infrastructure work, which will service Buffalo's Main Street Corridor.

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

Yes

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

In the event that the Applicant is unable to obtain Financial Assistance for the Project, the Project might not be able to proceed in a timely manner. As a result, large portions of Buffalo's largest building might remain vacant for some period of time. This would also undermine all of the good work Applicant has already performed in transforming the vacant and formerly stark site into a usable, social IT hub. The Applicant would also be unable to contribute to the development of the Cars on Main Street initiative and other vital public infrastructure work. As a result, Erie County would lose an opportunity to see millions of dollars invested into its largest urban area, in addition to its most prominent man-made landmark.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Not Applicable.

Site Characteristics

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

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 0 square feet acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$ 15,225,000

Renovation

\$ 25,500,000 1,200,000 square feet

Manufacturing Equipment

\$ 0

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

\$ 4,000,000

Soft Costs: (professional services, etc.)

\$ 100,000

Other Cost

\$ 175,000

Explain Other Costs

Permit costs.

Total Cost

\$ 45,000,000

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

\$ 35,000,000

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

No

If Yes, describe particulars:

Not Applicable.

Sources of Funds for Project Costs:

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

\$ 0

Bank Financing:

\$ 45,000,000

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

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

\$ 0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

\$45,000,000

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

No

Mortgage Recording Tax Exemption Benefit:

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

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

\$ 45,000,000

Lender Name, if Known

BankOnBuffalo and M&T Bank

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

\$337,500

Construction Cost Breakdown:

Total Cost of Construction

\$ 44,725,000

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

Cost for materials

\$ 29,750,000

% sourced in Erie County

50%

% sourced in State

85% (including Erie County)

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

\$ 0

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

\$ 0

Real Property Tax Benefit:

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

While no real property tax benefit will apply to the Project, our understanding is that there are ongoing discussions with the City of Buffalo and Erie County regarding a PILOT Incremental Financing (PIF) District to fund the Cars on Main Street project as well as other downtown critical infrastructure improvements.

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

		Cost	% of Total Cost
Manufacturing/Processing	0 square feet	\$ 0	0
Warehouse	0 square feet	\$ 0	0
Research & Development	0 square feet	\$ 0	0
Commercial	0 square feet	\$ 0	0

Retail	0 square feet	\$ 0	0
Office	1,125,000 square feet	\$ 30,000,000	67
Specify Other	75,000 square feet	\$ 15,000,000	33

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

Not Applicable.

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

2/1/2020

End date : Estimated completion date of project

12/31/2024

Project occupancy : estimated starting date of operations

2/1/2020

Have construction contracts been signed?

Yes

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

No

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
Full time	0	0	5	5
Part time	0	0	0	5

Total

0

0

5

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

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	0	\$ 0	\$ 0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	5	\$ 65,000	\$ 9,750	\$ 0	\$ 0

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

Address	Not Applicable	Not Applicable	Not Applicable
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

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

No

Payroll Information**Annual Payroll at Proposed Project Site**

\$ 325,000

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)

\$ 65,000

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

\$ 0

Estimated salary range of jobs to be created

From (Full Time)	\$ 65,000	To (Full Time)	\$ 125,000
From (Part Time)	\$ 0	To (Part Time)	\$ 0

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

No

If yes, please explain and identify out-of-state locations investigated**What competitive factors led you to inquire about sites outside of New York State?**

Not Applicable

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

Not Applicable.

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

No

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

Please note, if this Application for Financial Assistance is not approved, the Applicant anticipates filing for 485a benefits.

Section III: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

For Single Use Facility.

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility.

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

The redevelopment of the Seneca One complex will serve to provide needed commercial class A office space to Buffalo's growing IT hub. Additionally, the Applicant seeks to ensure that the Main Street corridor benefits from the Cars on Main Street initiative which has been undertaken by the City of Buffalo. The Seneca One complex has remained vacant for a number of years, and the redevelopment of the same will serve to further invigorate downtown Buffalo's ongoing renaissance.

Have any tenant leases been entered into for this project?

No

If yes, please fill out the Tenant Information section of this application, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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Section IV: Tenant Information

Section V: Environmental Questionnaire

General Background Information

Address of Premises 1 Seneca Street, 222 Main Street, 3 Seneca Street, Buffalo, NY 14203
Name and Address of Owner of Premises Jemal's Seneca L.L.C. Douglas Development Corporation 702 H. Street NW Suite 400 Washington D.C. 20001

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

The Premises is located in the heart of downtown Buffalo. The Project area consists of Seneca One tower, along with associated areas for renovations and improvements including the lobby, mechanical spaces, a cafeteria, and basement spaces.

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 is dominated by the Seneca One complex, a 1.2 million square foot complex which consists of a vacant 38 story office tower, two 4 story annex buildings to the south and west of the Tower, a plaza area surrounding these buildings, and a city-owned parking garage in which the Applicant has a reversionary interest. Construction for the Seneca One tower commenced in 1969 and was completed in 1972. Significant redevelopment of the lower levels of the tower and annex buildings have already taken place, though such redevelopment is not included in the scope of the Project for the purposes of this Application. The Seneca One complex is a Transit Oriented Development with the Niagara Frontier Transportation Authority Metro Line and 21 bus lines within 1/4 mile. Being a short walk to Canalside and Harborcenter, the Project will serve to link Buffalo's front porch with a revived Main Street corridor and the City's more established entertainment districts. The Seneca One Complex has historically served as commercial class A office space with limited retail space and residential space available in the non-Project areas. Following the completion of the Project, the Project area will continue to serve commercial class A office space.

Describe all known former uses of the Premises

The Seneca One Complex has historically served as commercial class A office space with limited retail space available in the non-Project areas. Following the completion of the Project, the Project area will continue to serve commercial class A office space.

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

Yes

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

Manufacturers and Traders Trust Company ("M&T") currently leases portions of the premises not affiliated with the Project. The leased space will be utilized as a datacenter. M&T estimates that it will bring more than 2,500 employees to the tower over the next few years. The Applicant intends to utilize the momentum of the M&T lease in concert with this Project to attract additional tenants to the IT hub and, ultimately, bring additional life to Buffalo's downtown.

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

Yes

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

Please see attached SEAF.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

Due to the age of the building, various asbestos containing materials were utilized in the original construction as was typical during the time period. As required by Federal, State, and local law, all asbestos containing materials will be surveyed, handled and disposed of in a manner consistent with all Federal, State, and local law.

Section VI: Inter-Municipal Move Determination

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

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

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

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

While it is not possible to guarantee which entities will serve as future tenants at the premises following the completion of the Project, it is possible that some will be relocated tenants from other areas of the state, county, or City of Buffalo. Nonetheless, the Agency's Financial Assistance is necessary to fund the improvements to the building core and shell which are necessary in order to make the Project competitive with other downtown office spaces. Without such Financial Assistance, the massive cost of the Project would make such improvements prohibitively expensive.

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain While it is not possible to guarantee which entities will serve as future tenants at the premises following the completion of the Project, it is possible that some will be relocated tenants from other areas of the state, county, or City of Buffalo. Nonetheless, the Agency's Financial Assistance is necessary to fund the improvements to the building core and shell which are necessary in order to make the Project competitive with other downtown office spaces. Without such Financial Assistance, the massive cost of the Project would make such improvements prohibitively expensive.

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.)

While it is not possible to guarantee which entities will serve as future tenants at the premises following the completion of the Project, it is possible that some will be relocated tenants from other areas of the state, county, or City of Buffalo. Nonetheless, the Agency's Financial Assistance is necessary to fund the improvements to the building core and shell which are necessary in order to make the Project competitive with other downtown office spaces. Without such Financial Assistance, the massive cost of the Project would make such improvements prohibitively expensive.

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.)

The Seneca One tower was chosen as the specific and only site for the Project.

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

No

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

Not Applicable.

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

Not Applicable.

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.

The Seneca One tower was chosen as the specific and only site for the Project.

Section VII: Adaptive Reuse Projects

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

What is the age of the structure (in years)? 47

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

If vacant, number of years vacant. 4

If underutilized, number of years underutilized. 6

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

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) Yes

If yes, please provide dollar amount of income being generated, if any \$ \$0

If apartments are planned in the facility, please indicate the following:

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

Does the site have historical significance? No

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

If yes, provide estimated value of tax credits \$ Not Applicable.

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

The Applicant has previously invested significant time and money into the redevelopment of the Seneca One complex. The Project work which remains consists of a massive redevelopment of portions of the Seneca One complex which have been left vacant for years. Prior to the Applicant's acquisition of the Seneca One complex, discussions were underway with respect to demolishing the same. Without the Agency's financial contribution, the huge costs associated with the Project render it prohibitively expensive. In addition, the Agency's Financial Assistance is necessary in order to ensure that the Applicant is able to contribute to the Cars on Main Street initiative which will service Buffalo's Main Street Corridor.

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

We expect to receive support from the City of Buffalo for Cars on Main and other public infrastructure through the creation of a PIF District.

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

The Applicant is seeking Financial Assistance from the Agency in order to facilitate a PIF program to partially fund the Cars on Main Street initiative undertaken by the City of Buffalo. The Applicant has previously invested significant time and money into the redevelopment of the Seneca One complex. The Project work which remains consists of a massive redevelopment of portions of the Seneca One complex which have been left vacant for years. Prior to the Applicant's acquisition of the Seneca One complex, discussions were underway with respect to demolishing the same. Without the Agency's financial contribution, the huge costs associated with the Project render it prohibitively expensive. In addition, the Agency's Financial Assistance is necessary in order to ensure that the Applicant is able to contribute to the Cars on Main Street initiative which will service Buffalo's Main Street Corridor. In the event that the Applicant is unable to obtain Financial Assistance for the Project, the Project would be unable to proceed. As a result, Buffalo's largest building would remain vacant and fall into a further state of disrepair. This would also undermine all of the good work Applicant has already performed in transforming the vacant and formerly stark site into a usable, social IT hub. The Applicant would be unable to contribute to the development of the Cars on Main Street initiative. As a result,

Erie County would lose an opportunity to see millions of dollars invested into its largest urban area, in addition to its most prominent man-made landmark.

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Section IX: Retail Determination

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

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 80 %

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

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

Will the project be operated by a not-for-profit corporation? No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? No

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

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? No

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

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

If yes, explain

The Applicant expects several hundred jobs to eventually be created at the Project Site.

Is the project located in a Highly Distressed Area? Yes

Steuben Foods, Inc.
\$25,621,494
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 311500
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$276,000 in real property tax savings. • Approximately \$691,505 in sales tax savings
EMPLOYMENT
<ul style="list-style-type: none"> • Current Jobs: 604 FT 20 PT • Projected New Jobs: 20 FT • Estimated salary of jobs to be created: \$45,095 • Estimated salary of jobs to be retained: \$53,428
PROJECT HISTORY
<ul style="list-style-type: none"> • 03/16/2020 - Public hearing held. Transcript attached. • 03/25/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 03/25/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Steuben Foods, Inc.
Project Address: 1150 Maple Road
Elma, New York 14059
(Iroquois Central School District)

Agency Request

A sales tax and real property tax exemption in connection with the buildout of an existing 26,000 sq. ft. facility as well as construction of a 7,700 sq. ft. addition to Steuben's existing manufacturing facility.

New Building Addition	\$ 2,350,092
Renovation	\$13,455,742
Manufacturing Equipment	\$ 5,344,500
Soft Costs/Other	\$ 4,471,160
Total Project Costs	\$25,621,494
85%	\$21,778,269

Company Description

Steuben Foods, Inc, is a high tech food and beverage manufacturer founded in 1981. It processes and packages a variety of dairy and plant based foods and beverages in its over 400,000 sq. ft. manufacturing facility in Elma, New York. These products generally are packaged in aseptic or extended shelf life containers.

In December, 2016 Steuben completed an 80,000 sq. ft. expansion of its existing low-acid aseptic processing and packaging facility, which included 20,000 sq. ft. of manufacturing space and equipment to specifically process grains, nuts, and seeds.

In 2020, Steuben completed an approximately 87,000 sq. ft. expansion of its existing warehouse.

National and international sales account for approximately 70% of sales.

Project Description

The project includes the buildout of approximately 26,000 sq. ft. in Steuben's existing facility along with construction of a 7,700 sq. ft. addition.

The project will allow Steuben to increase its capacity to receive and separately store multiple streams of fluid milk. Additionally, the project will increase Steuben's overall product processing and production capacity. The project also includes the purchase and installation of various beverage and dairy processing and storage equipment.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 10-Year Abatement Period	Additional Local Revenue Over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$70,000	\$18,000	\$56,000	\$35,000
Combined Tax Rate: \$498.76				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount: \$25,621,494 85% : \$21,778,269
Employment	Coincides with 10-Year PILOT	Maintain Base: 604 FT and 20 PT Create 85% of Projected Projected: 20 FT 85%: 17 Recapture Employment: 621 FT and 20 PT
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity/Unpaid Tax	Coincides with 10-Year PILOT	Adherence to Policy
Recapture Period	PILOT Term	Recapture of State and Local Sales Taxes, Real Property Taxes

Recapture applies to:
State and Local Sales Taxes
Real Property 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 equal to or greater than 85% of the amount proposed; ii) confirm company has maintained 604 FT and 20 PT employees and created an additional 20 jobs iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Site/Project History

- Early 1970's - Western Electric began development of a 200 acre site in Elma, New York
- 1976 - Western Electric abandons site
- 1980 - ECIDA purchases site for \$500,000 in back taxes with money loaned to it by the Regional Development Corporation
- 1983 - ECIDA identifies Steuben as a potential tenant for 150 acres
- 1983 - \$5,500,000 Urban Development Action Grant used for site work and building renovations
- 1983 - \$700,000 EDA grant along with an Erie County grant for sewer facility
- 1983 - \$750,000 RDC Loan
- 1983 - ECIDA and Steuben sign a 30-year lease for the property with two 30-year renewal options
- 1998 - \$500,000 RDC Loan
- 1999 - \$750,000 Lease/Leaseback Inducement Resolution approved by the Board of Directors
- 2006 - \$9,250,000 Lease/Leaseback Inducement Resolution approved by the Board of Directors
- 2009 - Steuben exercises option to purchase the 150 acre site for \$6,000,000 less all of the rental payments made (excluding PILOT payments) paid by Steuben under the lease agreement
- 2010 - \$46,625,000 - Lease/Leaseback Inducement Resolution approved by the Board of Directors
- 2019 - \$16,854,198 Lease/Leaseback Inducement Resolution approved by the Board of Directors

ADDENDUM TO PROJECT LOG

STEUBEN FOODS

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$28,394 Company estimated average salary of jobs to be created: \$45,095
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside Erie County and within NYS: 1% Outside NYS and within U.S.: 55% International: 14%
In Region Purchases (% of overall purchases)	Approximately 17%
Research & Development Activities	R&D operating expenses are currently estimated at 5%. Steuben formulates and researches new products at the Maple Road facility where several scientists are currently employed. These individuals oversee the research and food development department.
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	Site is zoned industrial.
LEED/Renewable Resources	N/A
Retention/Flight Risk	Recapture criteria currently in place requires a company this size to retain 95% of its base FTE jobs.
MBE/WBE Utilization	Steuben is an equal employment opportunity employer and all decisions related to the employment process, along with the selection of vendors and contractors, is made without regard to race, color, creed, religion, gender, national origin, age, sexual orientation, disability, veteran status, or predisposed genetic or carrier status. The company's philosophy on equal opportunity has been an integral part of the operation of our facility located in Elma and is valued as the reason for our success. Through this process we have benefitted from a diverse employment roster. Just a few notable examples include the co-President of our company, along with the head of the research department, both of which are women, and our growing roster of over five PhD scientists, each of which is a minority.

Workforce Access – Proximity to Public
Transportation

Bus route 70

March 25, 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-Steuben Foods- 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
\$15,805,834	\$70,000	\$120.24	\$5.84	\$372.68

*Apply equalization rate to value

N/A

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$842	\$41	\$2,609	\$3,491	\$34,913	\$31,422
2	10%	\$842	\$41	\$2,609	\$3,491	\$34,913	\$31,422
3	10%	\$842	\$41	\$2,609	\$3,491	\$34,913	\$31,422
4	20%	\$1,683	\$82	\$5,218	\$6,983	\$34,913	\$27,931
5	20%	\$1,683	\$82	\$5,218	\$6,983	\$34,913	\$27,931
6	20%	\$1,683	\$82	\$5,218	\$6,983	\$34,913	\$27,931
7	30%	\$2,525	\$123	\$7,826	\$10,474	\$34,913	\$24,439
8	30%	\$2,525	\$123	\$7,826	\$10,474	\$34,913	\$24,439
9	30%	\$2,525	\$123	\$7,826	\$10,474	\$34,913	\$24,439
10	30%	\$2,525	\$123	\$7,826	\$10,474	\$34,913	\$24,439
Total		\$17,675	\$858	\$54,784	\$73,318	\$349,132	\$275,814

***** 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.)
\$25,621,494	\$276,000	\$691,505	\$0	\$714,000

Calculate %

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



YOUR GROWTH
IS OUR BUSINESS



Internal Report: Steuben Foods, Inc. - Steuben Foods, Inc.

Table 1: Basic Information

Project Name	Steuben Foods, Inc.
Project Industry	(311) Food Manufacturing
Municipality	Elma Town
School District	Iroquois
Project Cost	\$25,621,494
Construction Budget	\$15,805,834
Direct Employment Expected	634 (20 created and 614 retained)
Direct Labor Income	\$23,295,696
Direct Construction Jobs	116
Direct Construction Labor Income	\$6,074,572
Total Labor Income	\$29,370,268

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$73,304
Property Tax Revenue	\$1,712,737
Sales Tax Revenue	\$11,926,115
State	
Income Tax Revenue	\$28,982,186
Sales Tax Revenue	\$10,043,044
TOTAL Estimated Revenue	\$52,737,386

Table 3: Estimated Project Incentives*

Property Tax Savings	\$289,114
Sales Tax Savings	\$691,505
TOTAL Estimated Incentives	\$980,619

Table 4: Employment Breakdown

Project	
Direct**	634 (20 created and 614 retained)
Indirect***	1,072
Induced****	639
Construction	
Direct	116
Indirect	42

Table 5: Ratios

Benefit to Cost Ratio	53.8:1
Overall ROI	968.2:1

* 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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PUBLIC HEARING SCRIPT

**Steuben Foods, Incorporated 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 March 16, 2020 at 10:00 a.m.,
at the Town of Elma Town Hall, 1600 Bowen Road (Court Room), Elma, NY 14059

ATTENDANCE:

Tyson Prince – Steuben Foods, Inc.
Sean McIntyre – Steuben Foods, Inc.

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 Beth O’Keefe 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 public hearing. This public hearing is being live-streamed and made accessible on the Agency’s website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Steuben Foods, Incorporated and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Monday, March 2, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the construction and equipping of a 7,645+/- SF silo hall and additional unloading bays for receiving dairy and beverage ingredients and the renovation and equipping of 25,000+/- SF in the existing facility to be utilized to support increased production capacity for both dairy and non-dairy low acid beverages located at 1150 Maple Road, Town of Elma, Erie County, New York (the “Improvements”); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal

property (the “Equipment”); and, collectively with the Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has 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, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on March 24, 2020. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state 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.

Good afternoon, my name is Tyson Prince and I am employed by Steuben as in-house counsel. Steuben’s manufacturing facility has been located here in the Town of Elma for over 30 years. Our production currently produces an array of dairy and non-dairy beverages, along with broths and plant-based ingredients, and we have a sterling quality and safety record. We are once again looking to expand our facility here in Elma by planning to renovate existing space to increase overall production capacity and to install a number of different pieces of production equipment and machinery. When this project is finished, we expect to create approximately 20 skilled manufacturing jobs to keep up with the increased production. Notably, this project is needed to remain competitive and keep up with the increased production demand from both current and prospective customers. The project does represent a very large cost to Steuben, as we currently estimate the cost of investing in the project to be approximately \$25 million. The ECIDA incentives requested are necessary so that Steuben can fully invest in the project and helps avoid the potential for us to have to consider cuts or alternative locations. With these incentives Steuben will be able to continue to grow and create the jobs previously mentioned. We appreciate the ECIDA’s assistance and its commitment to grow businesses and jobs here in Erie County. We also appreciate the support the Town of Elma has shown us over the years and look forward to continuing to grow here with the assistance of the ECIDA incentives.

6. ADJOURNMENT:

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

**SIGN IN SHEET
PUBLIC HEARING**

February 27, 2020, at 2:00 p.m.
at the Town of Elma Town Hall, 1600 Bowen Road (Court Room), Elma, NY 14059
regarding:

**Steuben Foods, Incorporated and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 1150 Maple Road, Elma, New York 14059

Name	Company and/or Address	X box to speak/ comment
Tyson Prince	Steuben Foods, Inc. 1150 Maple Road Elma, New York 14059	X
Sean McIntyre	Steuben Foods, Inc. 1150 Maple Road Elma, New York 14059	

Short Environmental Assessment Form

Part 1 - Project Information

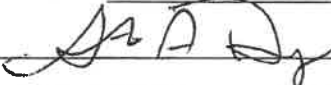
Instructions for Completing

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

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

Part 1 – Project and Sponsor Information			
Steuben Foods, Inc. 1150 Maple Road, Elma, NY 14059			
Name of Action or Project: Gen V - 24 silo Tank Hall Addition and new trash & Farm Tank addition on the south side of the Facility			
Project Location (describe, and attach a location map): South Side of facility. Reference attached drawing "GA-1 Gen 5 General Arrangement Drawing 2020-02-18"			
Brief Description of Proposed Action: > 7, 645sf Addition of South Tank Hall for 24 silos in the future; only 12 will be installed during the initial build-out. > 1,506sf addition of trash dock and farm tank enclosure. > Previously approved south addition was for 28,925sf and 10 silos; new application is for 14 additional silos and significant reduction in building addition area.			
Name of Applicant or Sponsor: Steven Depew		Telephone: 716-655-4000 E-Mail: sdepew@steubenfoods.com	
Address: 1150 Maple Road			
City/PO: Elma		State: NY	Zip Code: 14059
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.		NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval: NYDEC- SEQR, NYDEC-SPDES		NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>
3. a. Total acreage of the site of the proposed action?		5.51 acres	
b. Total acreage to be physically disturbed?		3.15 acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		153.78 acres	
4. Check all land uses that occur on, are adjoining or near the proposed action:			
5. <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input checked="" type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify):			
<input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations? b. Consistent with the adopted comprehensive plan?	NO	YES	N/A
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels? Traffic will increase from 23 trucks per day to 30-35 over 24 hour period b. Are public transportation services available at or near the site of the proposed action? c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____ _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____ Utilize existing water service	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____ Through water conservation, Steuben intends to stay below current permitted limit of 1M gallons per day	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

<p>14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:</p> <p><input type="checkbox"/> Shoreline <input checked="" type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional</p> <p><input checked="" type="checkbox"/> Wetland <input type="checkbox"/> Urban <input type="checkbox"/> Suburban</p>		
<p>15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?</p> <p style="text-align: right;">Northern Long-Eared Bat</p>	<p>NO</p> <p><input type="checkbox"/></p>	<p>YES</p> <p><input checked="" type="checkbox"/></p>
<p>16. Is the project site located in the 100-year flood plan?</p>	<p>NO</p> <p><input checked="" type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>17. Will the proposed action create storm water discharge, either from point or non-point sources?</p> <p>If Yes,</p> <p style="padding-left: 40px;">a. Will storm water discharges flow to adjacent properties?</p> <p style="padding-left: 40px;">b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?</p> <p>If Yes, briefly describe:</p> <p>_____</p> <p>Proposed shallow dry swales in accordance with NYDEC SMDM</p> <p>_____</p>	<p>NO</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>YES</p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>
<p>18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)?</p> <p>If Yes, explain the purpose and size of the impoundment:</p> <p>Proposed dry swales are designed to drain through outlet control structures</p> <p>_____</p>	<p>NO</p> <p><input type="checkbox"/></p>	<p>YES</p> <p><input checked="" type="checkbox"/></p>
<p>19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?</p> <p>If Yes, describe: _____</p> <p>_____</p>	<p>NO</p> <p><input checked="" type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?</p> <p>If Yes, describe: _____</p> <p>_____</p>	<p>NO</p> <p><input checked="" type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor/name: <u>Steven Depew</u> Date: <u>3/9/20</u></p> <p>Signature: <u></u> Title: <u>General Manager</u></p>		

PRINT FORM

Project: Staeben Foods
 Date: March 25, 2020

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

Part 2 is to be completed by the Lead Agency.

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

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

Project: Steuben Foods
 Date: March 25, 2020

Short Environmental Assessment Form
Part 3 Determination of Significance

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

<input type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.
<input checked="" type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.
<u>Essex County IDA</u>	<u>March 25, 2020</u>
Name of Lead Agency	Date
<u>Karen M. Fiala</u>	<u>Asst. Treasurer</u>
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
<u>Karen M. Fiala</u>	
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

PRINT FORM

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**STEUBEN FOODS, INCORPORATED, 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, March 25, 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 STEUBEN FOODS, INCORPORATED, 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 AND (B) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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

WHEREAS, the Company has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the construction and equipping of a 7,645+/- SF silo hall and additional unloading bays for receiving dairy and beverage ingredients and the renovation and equipping of

25,000+/- SF in the existing facility to be utilized to support increased production capacity for both dairy and non-dairy low acid beverages located at 1150 Maple Road, Town of Elma, Erie County, New York (the “Improvements”); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”); and, collectively with the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on March 16, 2020 at 10:00 a.m. at the Town of Elma Town Hall, 1600 Bowen Road (Court Room), Elma, NY 14059, 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 Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility and (b) a partial abatement from real property taxes benefit through a ten (10) year term PILOT Agreement for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

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

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 March 5, 2020 resolution to approve the project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

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

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

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

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

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

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

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

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

(I) The Agency hereby approves the subleasing of space in the Project to the Sub-Tenant and authorizes the Company to proceed with the Project as herein authorized; and

(J) The Project involves an "Unlisted Action" as said term is defined pursuant to 6 N.Y.C.R.R. Section 617.2(ak) of the SEQR regulations. The Agency has conducted an uncoordinated review of the Project pursuant to 6 N.Y.C.R.R. Section 617.6(b)(4)(i). Based

upon a comprehensive and thorough review by the Agency of the EAF and related documents delivered by the Company to the Agency, the criteria set forth in 6 N.Y.C.R.R. Section 617.7 of the SEQR regulations, and the additional representations made by the Company to the Agency in connection with the Project, the Agency: (i) hereby finds that the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (iv) construction related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; and (vi) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action. The Agency thus issues a "negative declaration" as that term is defined pursuant 6 N.Y.C.R.R. Section 617.2(y); and

(K) The Project qualifies for Agency Financial Assistance as it is compliant with and 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 (% sales/customers outside area): Sales outside Erie County and within NYS: 1%; Sales outside NYS and within U.S.: 55%; and International Sales: 14%.

(iii) In Region Purchases (% of overall purchases): In Region Purchases are approximately 17%.

(iv) Research and Development Activities: R&D operating expenses are currently estimated at 5%. Steuben formulates and researches new products at the Maple Road facility where several scientists are currently employed. These individuals oversee the research and food development department.

(v) Investment in Energy Efficiency: Not applicable.

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

(vii) LEED/Renewable Resources: Not Applicable.

(viii) Retention/Flight Risk: Recapture criteria currently in place requires a company of this size to retain 95% of its base FTE jobs.

(ix) MBE/WBE Utilization: The Company is an equal employment opportunity employer and all decisions related to the employment process, along with the selection of vendors and contractors, is made without regard to race, color, creed, religion, gender, national origin, age, sexual orientation, disability, veteran status, or predisposed genetic or carrier status. The Company's philosophy on equal opportunity has been an integral part of the operation of their facility located in Elma and is valued as the reason for their success. Through this process they have benefitted from a diverse employment roster. A few notable examples include the Co-President of the Company,

along with the head of the Research Department, both of which are women, and their growing roster of over five (5) PHD scientists, each of which is a minority.

(L) Workforce Access – Proximity to Public Transportation: The facility is on bus route 70.

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

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

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 \$7,902,917.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$691,505.00. The Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

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

Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (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 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 \$21,778,269.00 (which represents the product of 85% multiplied by \$25,621,494.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 604 existing full time equivalent (“FTE”) employees and at least 20 existing part-time equivalent (“PTE”) employees located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE/PTE”); and
 - the number of current FTE/PTE employees in the then current year at the Facility; and
 - that the Company has maintained and created FTE/PTE employment at the Facility equal to 621 FTE employees and 20 PTE employees [the 621 FTE employees being calculated by taking the sum of the Baseline FTE of 604 plus the product of 85% multiplied by 20 (being the total number of new FTE employee positions as 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 on a quarterly basis to the Agency, 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. 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 6. 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 7. 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: March 25, 2020



Steuben Growth Project

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name Steuben Foods Inc.'s Capacity Growth Project
Applicant Name Steuben Foods, Inc.
Applicant Address 1150 Maple Road
Applicant Address 2
Applicant City Elma
Applicant State New York
Applicant Zip 14059
Phone 7166554000
Fax 718-291-0560
E-mail Tprince@steubenfoods.com
Website www.steubenfoods.com
Federal ID# 22-2407431
NAICS Code 311500
Will a Real Estate Holding Company be utilized to own the Project property/facility No
What is the name of the Real Estate Holding Company
Federal ID#
State and Year of Incorporation/Organization
List of stockholders, members, or partners of Real Estate Holding Company

Individual Completing Application

Name Tyson Prince
Title Corporate Counsel
Address 1150 Maple Road
Address 2
City Elma
State New York
Zip 14059

Phone

716-655-4000 Ext. 357

Fax

716-655-4078

E-Mail

Tprince@steubenfoods.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 Tyson Prince
Firm Name Corporate Counsel for Steuben Foods, Inc.
Address 1150 Maple Road
Address 2
City Elma
State New York
Zip 14059
Phone 716-655-4000 Ext. 357
Fax 716-655-4078
E-Mail Tprince@steubenfoods.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business Corporation
Type of Ownership
Year Established 1981
State of Organization New York

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

Please include name and % of ownership.

Steuben Foods Management LLC - 51% (Class A voting) Schwartz 2018 Sprinkle Trust u/t/a 3/22/18 - 49% (Class A voting) Henry Schwartz Revocable Trust u/t/a 3/29/12 - 51% (Class B non-voting) Schwartz 2018 Sprinkle Trust u/t/a 3/22/18 (Class B nonvoting)

Applicant Business Description

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

Steuben Foods, Inc. ("Steuben") is a food and beverage manufacturer founded in 1981. It processes and packages a variety of dairy and plant based foods and beverages in its over 500,000 square foot facility located in Elma, New York. Generally, these products are packaged in aseptic or extended shelf life containers. Steuben's production capabilities and products include, but are not limited to the following: Almond Milk, Coffee Creamers, Drinkable Yogurt, Flavored Milk, Horchata, Non-Alcoholic Drink Mixers, Shakes, Soy milk, Sweetened Condensed Milk, Cereal Beverages, Custard Bases, Energy Drinks, Gravy, Ice Cream Mix, RTD Coffee/Tea, Smoothies, Sport Protein, Weight Control Drinks, Coconut Milk, Dairy/Soy Frappe, Evaporated Milk, High-Protein Drinks, Meal Replacement Drinks, Sauces, Soups, and Stocks/Broth. Steuben co-manufactures products for a variety of customers, including some of the largest food companies in the world. Given confidentiality obligations in place with a variety of its customers, it must refrain from naming specific customers in a document available to the general public. In December 2016, Steuben Foods completed an 80,000 square foot expansion of its existing low-acid aseptic processing and packaging facility which included 20,000 square feet of manufacturing space and equipment to specifically process grains, nuts, and seeds. In January 2020 Steuben Foods completed an approximately 87,000 square foot expansion of its existing warehouse space in its Elma, New York facility. To date Steuben has used its unique patented plant processing technology to process various nuts, including almonds, hazelnuts, cashews, and walnuts, transforming them into a highly nutritious and digestible beverage product referred to as "Milked Nuts." These products offer substantially more nuts than the leading brands of plant based beverages, such as "almond milks" that contain formulated almond flavored waters. The novel Steuben processed plant based products are nutritionally complete and provide the nutritional value of a handful of nuts in an eight ounce serving. Notably, Steuben's research and development team is headed by renowned food scientist, Dr. Cheryl Mitchell, who received the Women Entrepreneur of the Year Award from the State of California for her lifetime achievements in foods. Dr. Mitchell has since relocated to New York, bringing her expertise in plant based foods to Steuben. Steuben is now looking at opportunities to expand and grow its facility again in Erie County, New York.

Estimated % of sales within Erie County	30
Estimated % of sales outside Erie County but within New York State	1
Estimated % of sales outside New York State but within the U.S.	55
Estimated % of sales outside the U.S.	14

(*Percentage to equal 100%)

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

Steuben sources approximately 17% of its supplies, raw materials, and vendor services from companies that have a presence in Erie County.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Elma, New York

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

Yes

In which Municipality will the proposed project be located

Elma, New York

Address

1150 Maple Road

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

155.00-2-5.111

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

\$303,516 (2019 School and County Tax Combined)

Assessed value of land

Assessed value of building(s)

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Elma, New York

School District of Project Site

IROQUOIS CENTRAL#1

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

Yes

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

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

No

Describe the present use of the Proposed Project site

Steuben Foods, Inc. currently has its manufacturing facility located at the proposed site.

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

(This information is critical in determining project eligibility)

Steuben is pursuing growth of its capacity by expanding its dairy receiving, storage, and processing capabilities, along with its overall liquid blend storage and production capacity at its facility located in Elma, New York. The completion of the project will, in part, allow Steuben to increase its capacity to receive and separately store multiple streams of fluid milk. The fluid milk received will be packaged for third-party customers in extended shelf life flexible paperboard containers and low acid aseptic shelf stable flexible paperboard containers. Additionally, the project will increase Steuben's overall product processing and production capacity for both dairy and non-dairy low acid beverages. The expanded capacity for receiving raw milk, pasteurizing, and standardization, is necessary to support volume growth for both existing and potential new customers. Specifically, the project includes, but is not limited to, the construction of a silo hall and additional unloading bays for receiving dairy and beverage ingredients. Additionally, the project plan includes the renovation of approximately 25,000 square feet in Steuben's existing facility to support increased production capacity. The project envisions purchases and installation of various beverage and dairy processing and storage equipment, including but not limited to additional 25,000 gallon silos, converting existing tanks to pasteurized tanks, adding clean in place units, blend tanks and mixers, heat exchangers, homogenizers, pumps, special tank agitators, and various building modifications to support the same. As a result of the project, Steuben estimates it will hire approximately 20 additional full-time skilled manufacturing employees based on the resulting increased production. These jobs include mechanical machine maintenance positions and machine operator positions.

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 represents a significant cost to Steuben, and without financial assistance from the Agency, it will be forced to implement cuts to its proposed scope. While some parts of the project may be completed without Agency support, funding from the Agency is crucial to allow Steuben to fully invest and pursue the project in its entirety to spur further growth and advanced manufacturing job creation in Erie County.

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

The project is necessary to allow Steuben to remain competitive in the low acid aseptic manufacturing space, particularly with many aseptic food manufacturing competitors located outside of New York state. There are existing and prospective customers that have requested additional dairy and beverage production capacity at Steuben's facility, and completing the project in its entirety is necessary to ensure Steuben is able to take on the commitments each of these customer's require. The Agency's assistance will allow Steuben to invest in the construction and equipment purchases that will lead to the creation of twenty skilled jobs, including skilled machine operators and equipment maintenance positions. Notably, Steuben has received incentives in the past from ECIDA in connection with expansion projects, which has allowed it to remain competitive and expand its employment here in Erie County. In each of these instances, Steuben has complied with its obligations and promises made to ECIDA in connection with such funding.

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

Yes

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

Steuben will implement cuts to the scope of the project. These cuts will likely result in it being unable to accommodate certain capacity demands made on it by current and prospective customers.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

The property is currently zoned as Industrial.

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

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

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

Yes

If yes, please explain.

While the location of the Plant expansion may not specifically involve research activities, Steuben formulates and researches a number of new products at its facility at 1150 Maple Road, where it currently employs over five PhD scientists who oversee its research and food development department. It holds a number of patents, including patents related to aseptic filling and processing grains, nuts, and seeds. Steuben's unique patented plant processing technology allows it to extract all the nutrients and separate it from the fiber in nuts, grains, and seeds. It has used this technology to create various new plant based products. These products offer substantially more nutrition than the leading brands of plant based beverages, such as "almond milks" that contain formulated almond flavored waters. As an example, Steuben has developed a "Milked Almond" product which has up to four times more nuts per eight ounce serving than the leading brands. The novel Steuben processed plant based products are nutritionally complete. Additionally, Steuben has successfully manufactured whole grain rice and oat products providing a full serving of brown rice or whole oats per single serving of the beverage. Additionally, Steuben is a research partner with the New York Department of Agriculture and Markets.

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

Approximately 5%

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

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

Please check any and all end uses as identified below.

Retail Sales No Services No

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

- Yes Manufacturing**
- No Multi-Tenant**
- No Mixed Use**
- No Acquisition of Existing Facility**
- No Commercial**
- No Facility for the Aging**
- No Housing**
- No Back Office**
- No Civic Facility (not for profit)**
- No Equipment Purchase**
- No Retail**
- No Other**

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 0 square feet acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 2,350,092 7,645 square feet

Infrastructure Work

\$ 0

Renovation

\$ 13,455,742 25,545 square feet

Manufacturing Equipment

\$ 5,344,500

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

\$ 0

Soft Costs: (professional services, etc.)

\$ 3,641,864

Other Cost

\$ 829,296

Explain Other Costs

Planning, design and engineering work

Total Cost

\$ 25,621,494

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

\$ 0

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

Yes

If Yes, describe particulars:

Design, preliminary engineering, and site preparation costs have been incurred.

Sources of Funds for Project Costs:

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

\$

Bank Financing:

\$ 25,621,494

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

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

\$ 0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

\$25,621,494

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

Yes

Mortgage Recording Tax Exemption Benefit:

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

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

\$

Lender Name, if Known

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

\$0

Construction Cost Breakdown:

Total Cost of Construction

\$ 15,805,834

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

Cost for materials

\$ 7,902,917

% sourced in Erie County

80%

% sourced in State

80% (including Erie County)

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

\$ 7,902,917

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

\$ 691,505

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:

Not applicable.

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

		Cost	% of Total Cost
Manufacturing/Processing	33,190 square feet	\$ 25,621,494	100
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0

Specify Other

square feet \$ 0 0

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

3/30/2020

End date : Estimated completion date of project

12/31/2021

Project occupancy : estimated starting date of operations

12/31/2021

Have construction contracts been signed?

No

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

Yes

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
Full time	604	604	20	20
Part time	21	21	0	0
Total	625	625	20	

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

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	88	\$ 0	\$ 0	\$ 0	\$ 0
Professional	15	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	47	\$ 0	\$ 0	\$ 0	\$ 0
Production	480	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	1	\$ 0	\$ 0	\$ 0	\$ 0
Other	14	\$ 0	\$ 0	\$ 0	\$ 0

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

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

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

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 0

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

\$ 53,428

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

\$ 28,394

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

\$ 45,095

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

\$ 0

Estimated salary range of jobs to be created

From (Full Time)	\$ 44,174	To (Full Time)	\$ 56,478
From (Part Time)	\$ 0	To (Part Time)	\$ 0

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

No

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

No. [Note, confidential payroll, salary, and benefits is left blank above and has been provided in a separate attachment submitted with this application.]

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

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

Yes

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

We filed a CFA with Empire State Development in July of 2019 for a grant associated with some aspects of this project and have received notification that Steuben is eligible to potentially receive a \$714,000 grant. We also received excelsior tax credits from Empire State Development in the amount of \$714,000, however, the project submissions to ESD included a warehouse expansion that is not included in this project application.

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

No

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

Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility.

Occupant Name Steuben Foods, Inc.
Address 1150 Maple Road
Contact Person Steuben Foods. Inc.
Phone 7166554000
Fax 716-655-4078
E-Mail Tprince@steubenfoods.com
Federal ID # 22-2407431
SIC/NAICS Code 311500

Multi-Tenant Facility.

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

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out the Tenant Information section of this application, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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Section IV: Tenant Information

Section V: Environmental Questionnaire

General Background Information

Address of Premises 1150 Maple Road, Elma, NY 14059

Name and Address of Owner of Premises Steuben Foods, Inc. 1150 Maple Road, Elma, NY 14059

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

Flat graded site with minimal modifications to the existing topography. The total site is 153.78 acres. There are 2.06 acres of wetlands located at the north perimeter on the site between Jamison Road and the North Truck Parking area.

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 original construction was started in the mid-1970's by Western Electric. The structural steel and insulated metal panel clad building shell that was constructed in the mid-1970's was abandoned by Western Electric in 1976. The shell building has a flat TPO roof and structural steel is designed on a 25 ft x 50 ft column line grid. The interior roof height is 24 feet clear under the steel bar joists. a 120,000 square foot portion of the shell building was renovated in 1985 for yogurt production and additional expansions were completed between the period of 1989 to 2019 to expand the building to its current size of over 500,000 square feet. The facility is dedicated to the processing and packaging of both extended shelf life and aseptic dairy based and non-dairy based beverages packaged in flexible containers and plastic bottles.

Describe all known former uses of the Premises

N/A

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

Yes

If yes, please provide copies of the permits.

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

Yes, Chemical bulk storage, air permit for boiler operation, stormwater, and wastewater permits are attached.

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

N/A

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

No

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

Discharge Into Waterbodies

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

N/A

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

1. Food process equipment cleaning water - to DSM 2. Food Process condensate water - to DSM 3. Boiler Blowdown water - to DSM 4. Reverse Osmosis System concentrate water - to DSM 5. Stormwater from parking lot and from the roof.

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?

Yes

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

Air emissions from boiler covered under the attached air permit.

Are any of the air emission sources permitted?

Yes

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

Above ground tanks: 300 gallon diesel fuel tank for emergency generator - 7,000 gallon vegetable oil tank - 110 gallon miscellaneous oil tanks - 6,000 gallon sodium hydroxide tank - 4,100 gallon nitric acid tank - 1,000 gallon sodium hydroxide tank - two (2) 300 gallon sodium hydroxide tanks - Two (2) 300 gallon Nitric Acid Tanks

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

Yes. See attached asbestos survey and remediation documents.

Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

No

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

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

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?

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

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

Section VII: Adaptive Reuse Projects

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

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

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

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) <BLANK>

If yes, please provide dollar amount of income being generated, if any \$

If apartments are planned in the facility, please indicate the following:

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

Does the site have historical significance? <BLANK>

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

If yes, provide estimated value of tax credits \$

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

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

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

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Section IX: Retail Determination

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

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