



Policy Committee

November 5, 2020
9:00 am

Via Conference Call & Live Streaming

1. Call Meeting to Order
2. Approval of the September 3, 2020 Policy Committee Minutes & September 30, 2020 Special Policy Committee Minutes (Pages 2-6)
3. Project Matrix (Page 7)
4. Project Presentations (Staff – Company Q&A)
 - a) Tight Holdings, LLC/Mean Guppy (Pages 8-49)
 - b) Tonawanda Pirson/Gear Motions (Pages 50-85)
5. MWBE Update
6. Adjournment – Next Meeting **December 3, 2020 at 9:00 a.m.**

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

- MEETING:** September 3, 2020, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** Denise Abbott, Hon. April Baskin, Rev. Mark E. Blue, Hon. William J. Krebs, Richard Lipsitz, Jr., Brenda McDuffie, Hon. Glenn R. Nellis, David J. State and Lavon Stephens
- ABSENT:** Hon. Byron W. Brown, Hon. Johanna Coleman, Richard Cummings, Colleen DiPirro, Laura Smith and Maria Whyte
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Karen M. Fiala, Assistant Treasurer/Secretary; Dawn Boudreau, Director of Compliance; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Assistant; Robbie Ann McPherson, Director of Marketing; Pat Smith, Bookkeeper; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Alex Carducci on behalf of the City of Buffalo; Deep Katdare on behalf of Related Affordable; and Terrence Gilbride on behalf of Hodgson Russ

There being a quorum present at 9:05 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the August 6, 2020 Policy Committee meeting were presented. Upon motion made by Mr. Nellis and seconded by Ms. Abbott, the aforementioned Policy Committee meeting minutes were then unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

Related Affordable LLC/Elmwood Square Apartments, 505 Elmwood Avenue (a/k/a 501-505 Elmwood and 258 West Utica), Buffalo, New York. Mr. Cappellino presented this proposed sales tax and mortgage recording tax exemption benefits project also involving the Agency’s issuance of its multi-family housing tax exempt revenue bonds in an amount not to exceed \$9,000,000. The project will involve the acquisition, renovation and upgrading of the facility.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$15,826,891 85% = \$13,452,857
Employment	Same as recapture period	Maintain base: 4 No new jobs projected
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 project completion	Recapture of state and local sales tax, mortgage recording tax

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

COMPLIANCE REPORT 2019

Dawn Boudreau provided the 2019 Compliance Report to the members. Mr. Lipsitz directed that the report be received and filed.

WMBE UPDATE

Mr. Lipsitz noted that a Policy Committee special meeting will be called on September 30, 2020 to continue WMBE policy discussions.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:59 a.m.

Dated: September 3, 2020

Karen M. Fiala, Secretary

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

- MEETING:** September 30, 2020, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue; Johanna Coleman; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn R. Nellis; Laura Smith; David State; Lavon Stephens and Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown; Richard Cummings and Colleen DiPirro
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer/Secretary; Dawn Boudreau, Director of Compliance; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Robbie Ann McPherson, Director of Marketing and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Alex Carducci on behalf of the City of Buffalo; Tuona Batchelor on behalf of Erie County; James Blackwell, Director EEO for Erie County; and Shatorah Donavon on behalf of the City of Buffalo

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

ECIDA POLICY FRAMEWORK DOCUMENT

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

General discussion ensued.

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

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

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

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

Dated: September 30, 2020

Karen M. Fiala, Secretary

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval	Project Amount	Investment	Jobs Retained	Factors		Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Adaptive Reuse	Pay Equity
						Job Creation	Jobs Created							
1	Barcalo Living & Commerce	Feb-20	\$34,727,449	85% threshold \$29,518,331	9	85% -New 25 Jobs	30	Mortgage Sales Tax	Yes	2 Years after Project Completion		\$1,003,750	Adaptive Reuse	YES
1	3310 Benzling Road, LLC/Marathon Drains	Mar-20	\$725,000	85% threshold \$616,250	15	85% -New 2 Jobs	2	PILOT Sales Tax	Yes	Period of PILOT 7 Years		\$92,000		YES
1	637 Linwood, LLC/1275 Delaware, LLC	Mar-20	\$12,460,993	85% threshold \$10,591,844	0	85% -New 8 Jobs	10	Mortgage Sales Tax	Yes	2 Years after Project Completion		\$580,911	Adaptive Reuse	YES
1	Jernal's Seneca, LLC	Mar-20	\$45,000,000	85% threshold \$38,250,000	0	85% -New 4.5 Jobs	5	Mortgage	Yes	2 Years after Project Completion		\$337,500		YES
1	Steuben Foods Incorporated	Mar-20	\$25,621,494	85% threshold 21,778,269	604	85% -New 17 Jobs	20	PILOT Sales Tax	Yes	Period of PILOT 10 Years		\$967,505		YES
1	6700 Transit Road, LLC/Big Ditch	May-20	\$32,300,055	85% threshold \$27,455,046	0	85% -New 142 FTE Jobs	168	PILOT Sales Tax Mortgage	Yes	Period of PILOT 10 Years		\$1,883,581		YES
1	Kamax, LLC/Raine Logistics, LLC	Jun-20	\$2,214,000	85% threshold \$1,881,900	12	85% -New 1 Job	1	PILOT Sales Tax Mortgage	Yes	Period of PILOT 7 Years		\$424,250		YES
1	Great Point Opportunity Fund B OOZB, LLC	Aug-20	\$15,984,800	85% threshold \$13,587,080	0	85% -New 10 Jobs	12	PILOT Sales Tax Mortgage	Yes	Period of PILOT 7 Years		\$1,172,625		YES
1	Related Affordable/Filmwood Square Apartments	Sep-20	\$15,826,891	85% threshold \$13,452,857	4	no new jobs	0	Mortgage Sales Tax	Yes	2 Years after Project Completion		\$392,500		YES
1	Fisher Price	Oct-20	\$4,925,058	85% threshold \$4,186,299	274	85% -New 4 Jobs	5	Sales Tax	Yes	2 Years after Project Completion	Amendatory	\$341,277		Yes
Count			Project Amount	Investment	Jobs Retained	Job Creation	Jobs Created					Incentive Amount		
2			\$47,188,442		9		40					\$1,384,661		
9			\$189,785,740		918		253					\$6,995,899		

Adaptive Reuse 2020 Sub Total	2		\$47,188,442		9		40					\$1,384,661		
-------------------------------------	---	--	--------------	--	---	--	----	--	--	--	--	-------------	--	--

2020 Total	9		\$189,785,740		918		253					\$6,995,899		
---------------	---	--	---------------	--	-----	--	-----	--	--	--	--	-------------	--	--

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

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

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

EMPLOYMENT

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

PROJECT HISTORY

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

Project Title: Tight Holdings, LLC/Mean Guppy

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

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

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

Company Description

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

Project Description

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

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

Retail Determination

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

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

New Tax Revenue Estimated

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

Draft Recapture Material Terms

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

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has retained 34 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

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

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 170 which is considered highly distressed under the State statute.
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	The building is over 100 years old as it was constructed in the 1920's
Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes elimination of slum and blight	The facility has been vacant for approximately 8 years. It had previously been used as the Ken-Ton Fabricators showroom. It was originally built by the Ford Motor Company to showcase model T's in the 1920's. The project will serve to eliminate slum and blight as the property is located in a distressed census tract.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.	The facility is vacant with no income being generated.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth.
Environmental or Safety Issues.	The building is vacant and the roof is starting to cave in. The building contains lead based paint. Asbestos was remediated in the 1980's by the prior owner.
LEED/Renewable resources	Not applicable.
Building or site has historic designation	Not applicable.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	See attached company statement.

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

November 18, 2020

Return on Investment – Tight Holdings, LLC/Mean Guppy

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

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

ROI

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

Stated ROI for the project with ECIDA assistance is 3.4%

Stated ROI for the project without ECIDA assistance is 2.9%

MBE/WBE Utilization



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

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

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

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

PILOT Estimate Table Worksheet-Tight Holdings, LLC/Mean Guppy -2020

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

*Apply equalization rate to value

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

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

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

Calculate %

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

Cost-Benefit Analysis for Tight Holdings, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Tight Holdings, LLC/Mean Guppy

TOTAL INVESTED
\$2.2 Million

LOCATION
2505 Main St, Buffalo, NY 14214

TIMELINE
7 Years

F1 FIGURE 1

Discounted* Net Benefits for Tight Holdings, LLC by Year

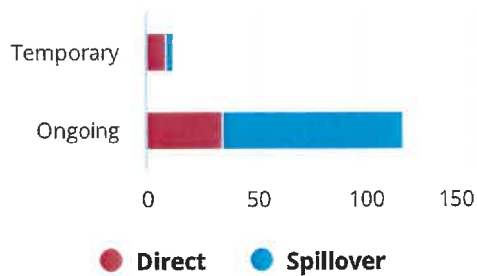
Total Net Benefits: \$42,752,000



Discounted at 2%

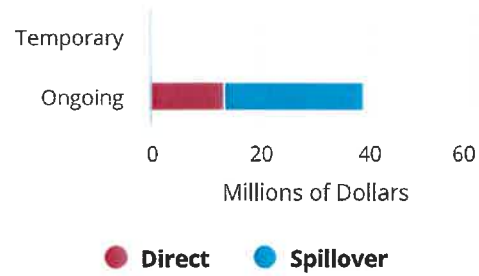
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

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

TABLE 1

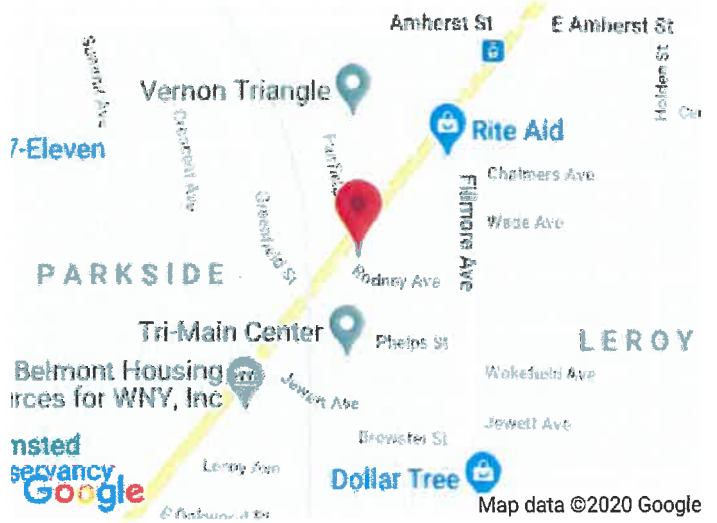
Proposed Investments

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

May not sum to total due to rounding.

FIGURE 4

Location of Investment



Cost-Benefit Analysis

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

TABLE 2

Estimated Costs or Incentives

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

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

May not sum to total due to rounding.

* Discounted at 2%

 TABLE 3

State & Regional Impact (Life of Project)

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

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

May not sum to total due to rounding.

TABLE 4

Benefit to Cost Ratio

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

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

May not sum to total due to rounding.

* Discounted at 2%

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

VIRTUAL PUBLIC HEARING SCRIPT

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

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

ATTENDANCE:

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

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

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

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Tight Holdings LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in [The Buffalo News](#) on Monday, October 19, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a 0.47+/- acre parcel of land located at 2505 Main Street, City of Buffalo, Erie County, New York (the "Land") improved with the existing 26,000+/- SF, one (1) story building formerly known as the Ken-Ton Fabricators building (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements thereon for design and engineering space and for 5 non-revenue producing housing units for temporary employee housing, as well as a café and dining area for staff (the "Improvements"); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other

tangible personal property (the “Equipment”, and collectively with the Land, Existing Improvements and the Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

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

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

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

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

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

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

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

6. ADJOURNMENT:

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

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

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

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

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

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

617.20
Appendix B
Short Environmental Assessment Form

Instructions for Completing

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

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

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

<p>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)?</p> <p>If Yes, explain purpose and size: _____</p> <p>_____</p>	<p>NO</p> <p><input checked="" type="checkbox"/></p>	<p>YES</p> <p><input 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 AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor name: <u>Leo Schultz</u> Date: <u>9/1/2020</u></p> <p>Signature: <u><i>Leo Schultz</i></u></p>		

Project: Tight Holdings LLC
 Date: November 18, 2020

Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

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

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

Project: Tight Holdings LLC
 Date: November 18, 2020

Short Environmental Assessment Form Part 3 Determination of Significance

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

- 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> Name of Lead Agency	<u>November 18, 2020</u> Date
<u>KAREN M. FIALA</u> Print or Type Name of Responsible Officer in Lead Agency	<u>Vice President</u> Title of Responsible Officer
<u>Karen M. Fiala</u> Signature of Responsible Officer in Lead Agency	_____ Signature of Preparer (if different from Responsible Officer)



2505 Main Application

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

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

Applicant Information - Company Receiving Benefit

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

Business Organization

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

Individual Completing Application

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

Zip 14220
Phone (716) 969-0945
Fax
E-Mail leo@tightholdings.com

Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney Steve Bengart
Firm Name Bengart & DeMarco
Address 2655 Sheridan Dr
Address 2
City Tonawanda
State New York
Zip 14150
Phone
Fax
E-Mail

Benefits Requested (select all that apply)

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

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

Applicant Business Description

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

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

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

(*Percentage to equal 100%)

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

100

Describe vendors within Erie County for major purchases

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

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

2505 Main St

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

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

SBL Number(s) for proposed Project

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

\$6500

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

Land

\$

Building(s)

\$ 375,000.00

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

Yes

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

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

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

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

Municipality or Municipalities of current operations

Buffalo

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

Yes

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

No

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

No

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

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

Yes

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

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

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

Yes

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

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

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

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

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

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

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

Yes

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

The site will sit vacant. Project will not happen.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

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

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

No

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

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

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

Yes

Describe the present zoning/land use

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

Describe required zoning/land use, if different

No zoning changes required.

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

None.

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

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

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

No

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

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

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

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

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

Retail Sales Yes

Services Yes

Please check any and all end uses as identified below.

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

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

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

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

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

No

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

Standard

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

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities

11/30/2020

End date : Estimated completion date of project

12/31/2022

Project occupancy : estimated starting date of occupancy

1/1/2021

Project Information

Estimated costs in connection with Project

Land and/or Building Acquisition

\$ 375,000

26,000 square feet

1 acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 0 square feet

Reconstruction/Renovation

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

Manufacturing Equipment

\$ 0

Infrastructure Work

\$ 0

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

\$ 500,000

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

\$ 80,000

Other Cost

\$ 60,000

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

Total Cost 2,215,000

Construction Cost Breakdown:

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

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 1,200,000

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

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

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

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

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

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 2,450,000
Bank Financing:	\$ 0
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	0
Total Sources of Funds for Project Costs:	\$2,450,000
Have you secured financing for the project?	Yes

Mortgage Recording Tax Exemption Benefit:

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

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

Real Property Tax Benefit:

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

If possible, we would like to participate in the 485 program. This is important to us to allow the project to make sense operationally.

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

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

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

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

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

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

Salary and Fringe Benefits for Jobs to be Retained and Created

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

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

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

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

Payroll Information

Annual Payroll at Proposed Project Site upon completion
7,000,000

Estimated average annual salary of jobs to be retained (Full Time)
85,000

Estimated average annual salary of jobs to be retained (Part Time)
0

Estimated average annual salary of jobs to be created (Full Time)
120,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	50,000	To (Full Time)	100,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

Name and Address of Owner of Premises

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

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

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

Describe all known former uses of the Premises

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

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

wastes?

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

None

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

None

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

None

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

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

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

Will be occupied by engineering firm.

Have any tenant leases been entered into for this project?

Yes

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

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

*fill out table for each tenant and known future tenants

Section VI: Retail Determination

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

Please answer the following:

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

Yes

If yes, complete the Retail Questionnaire Supplement below.

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

<BLANK>

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

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

7 %

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

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

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

No

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

No

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

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

No

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

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

Yes

If yes, explain

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

Is the project located in a Highly Distressed Area?

Yes

Section VII: Adaptive Reuse Projects

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

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

Yes

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

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

Yes

If vacant, number of years vacant.

8

If underutilized, number of years underutilized.

8

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

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

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

No

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

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

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

Does the site have historical significance?

Yes

If yes, please indicate historical designation

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

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

No

If yes, provide estimated value of tax credits

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

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

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

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

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

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

Indicate census tract of project location

Indicate how project will eliminate slum and blight

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

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

Section VIII: Inter-Municipal Move Determination

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

Current Address

640 Ellicott St

City/Town

Buffalo

State

New York

Zip Code

14203

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

No

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

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

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

 **Section IX: Senior Housing**

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

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

No

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

ELIGIBILITY	Project Title: Tonawanda Pirson, LLC/Gear Motions														
<ul style="list-style-type: none"> • NAICS Section - 531110/333612 	Project Address: North Youngmann Commerce Park, Pirson Parkway Tonawanda, New York 14150 (Kenmore-Town of Tonawanda Union Free School District)														
COMPANY INCENTIVES	Agency Request														
<ul style="list-style-type: none"> • Approximately \$197,064 in sales tax savings • Approximately \$873,828 in real property tax savings • Approximately \$28,474 in mortgage tax savings 	A sales tax, real property tax and mortgage tax exemption in connection with the construction of a 56,000 facility to be used by Gear Motions.														
EMPLOYMENT	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Land</td> <td style="width: 50%; text-align: right;">\$ 400,040</td> </tr> <tr> <td>Building</td> <td style="text-align: right;">\$3,075,250</td> </tr> <tr> <td>Infrastructure</td> <td style="text-align: right;">\$ 721,388</td> </tr> <tr> <td>Soft Costs</td> <td style="text-align: right;">\$ 102,362</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td>Total Project Cost</td> <td style="text-align: right;">\$4,299,040</td> </tr> <tr> <td>85%</td> <td style="text-align: right;">\$3,654,184</td> </tr> </table>	Land	\$ 400,040	Building	\$3,075,250	Infrastructure	\$ 721,388	Soft Costs	\$ 102,362			Total Project Cost	\$4,299,040	85%	\$3,654,184
Land	\$ 400,040														
Building	\$3,075,250														
Infrastructure	\$ 721,388														
Soft Costs	\$ 102,362														
Total Project Cost	\$4,299,040														
85%	\$3,654,184														
PROJECT HISTORY	Company Description														
<ul style="list-style-type: none"> • Retained Jobs - 35 • Projected New Jobs - 2 • Total Jobs After Project Completion - 37 • Annual payroll: \$1,898,825 • Estimated salary of jobs to be created: \$48,392 • Estimated salary of jobs to be retained: \$54,252 	<p>Pirson Parkway, LLC was formed by Jim and Greg Zaepfel to undertake the proposed project. This project would represent the third building constructed by the developers in the North Youngmann Industrial Park.</p> <p>Gear Motions will occupy the facility. Gear Motions is a leading gear manufacturer specializing in applying custom cut and ground gears for original equipment manufacturers throughout the world. They are employee owned with 4 divisions - 3 in the Buffalo area and one in Syracuse. The Buffalo area divisions are located on Niagara Street in the City of Buffalo and Military Road in the Town of Tonawanda.</p>														
<ul style="list-style-type: none"> • 8/18/2015 - No SEQRA review required as project is consistent with the original environmental impact statement approved by the Town. • 11/02/2020 - Public hearing held. • 11/18/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors 	Project Description														
	<p>The project consists of the construction of an approximately 56,000 sq. ft. manufacturing facility that will be leased to Gear Motions. The company will be combining both the Niagara Street and Military Road operations into one facility within the industrial park. The combination of the operations will allow the company to capture additional best practices, share resources and reduce costs. The company has worked with Invest Buffalo Niagara over the past year on the project.</p> <p>The movement from the City of Buffalo results in an Inter-Municipal Move and in accordance with our policy we have informed the Mayor of the company's intention and have provided a list of properties which were reviewed both inside and outside of Erie County.</p>														

New Tax Revenue Estimated

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

Draft Recapture Material Terms

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

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 35 jobs and created 2 FT jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

ADDENDUM TO PROJECT LOG
 TONAWANDA PIRSON/GEAR MOTIONS

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

November 18, 2020

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

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

PILOT Estimate Table Worksheet-Tonawanda Pirson/Gear Motions - 2020

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

*Apply equalization rate to value

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

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

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

Calculate %

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

Cost-Benefit Analysis for Tonawanda Pirson LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Tonawanda Pirson LLC

TOTAL INVESTED
\$4.3 Million

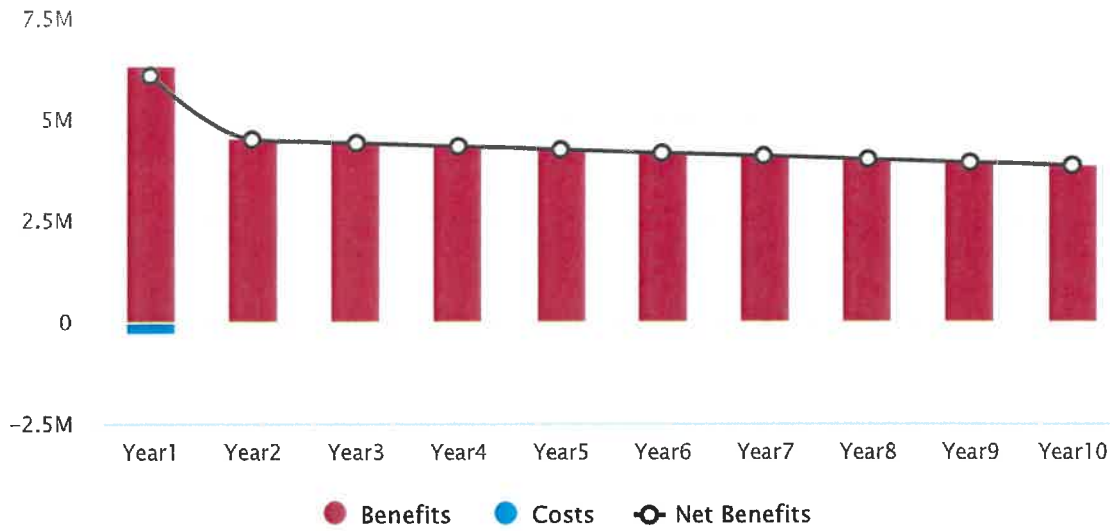
LOCATION
**North Youngmann
Commerce Park, Pirson
Parkway, Tonawanda,
NY 14150**

TIMELINE
10 Years

FIGURE 1

Discounted* Net Benefits for Tonawanda Pirson LLC by Year

Total Net Benefits: \$43,605,000



Discounted at 2%

FIGURE 2

Total Jobs

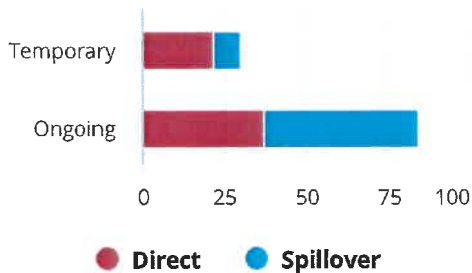
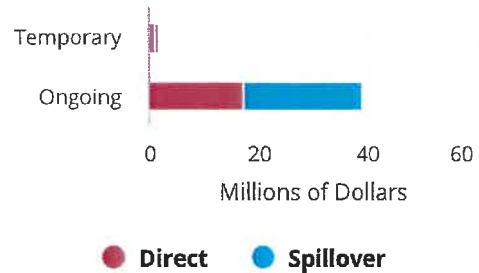


FIGURE 3

Total Payroll



Proposed Investment

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

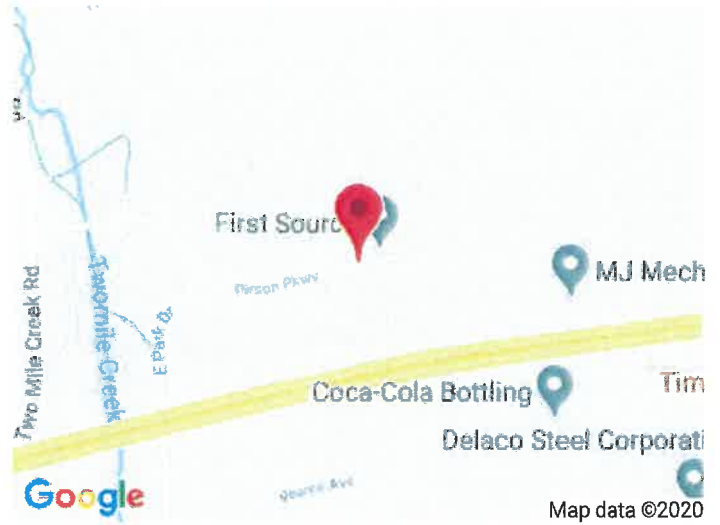
TABLE 1

Proposed Investments

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

FIGURE 4

Location of Investment



May not sum to total due to rounding.

Cost-Benefit Analysis

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

TABLE 2


Estimated Costs or Incentives

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

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

May not sum to total due to rounding.

* Discounted at 2%

 TABLE 3

State & Regional Impact (Life of Project)

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

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

May not sum to total due to rounding.

TABLE 4

Benefit to Cost Ratio

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

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

May not sum to total due to rounding.

* Discounted at 2%

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



Gear Motions

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

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

Individual Completing Application

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

10/21/2020

The Erie County Industrial Development Agency (ECIDA)

Phone

716-632-7230

Fax

716-632-4947

E-Mail

sbeiter@zaepfel.com

Company Contact (if different from individual completing application)

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney	Jonathan Schechter
Firm Name	Gross Shuman Brizdle
Address	465 Main Street
Address 2	Suite 600
City	Buffalo
State	New York
Zip	14203
Phone	716-854-4300
Fax	716-854-2787
E-Mail	jschechter@gross-shuman.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business	Limited Liability Company
Type of Ownership	
Year Established	2013
State of Organization	New York

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

Please include name and % of ownership.

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

Applicant Business Description

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

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

Estimated % of sales within Erie County	5%
Estimated % of sales outside Erie County but within New York State	11%
Estimated % of sales outside New York State but within the U.S.	80%
Estimated % of sales outside the U.S.	4%

(*Percentage to equal 100%)

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

21% for tenant 90% for developer

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Tonawanda and Buffalo

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

Yes

In which Municipality will the proposed project be located

Tonawanda

Address

Pirson Parkway (land parcel on Two Mile Creek)

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

Yes

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

Yes

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

SBL Number for Property upon which proposed Project will be located

To be assigned

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

part of larger parcel

Assessed value of land

Assessed value of building(s)

0

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Town of Tonawanda

School District of Project Site

Kenmore-Tonawanda

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

Yes

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

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

Yes

Describe the present use of the Proposed Project site

Vacant Land

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

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

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

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

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

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

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

Yes

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

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

Project conforms to current zoning of Waterfront Industrial.

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes - details to be provided.

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

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

No

If yes, please explain.

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

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

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

Please check any and all end uses as identified below.

Retail Sales No **Services** No

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

- | | | |
|--------------------------------------------|------------------------|-------------------------------------------|
| Yes Manufacturing | No 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

\$ 400,040 square feet 6 acres

New Building Construction

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

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$ 721,388

Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

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

\$ 0

Soft Costs: (professional services, etc.)

\$ 102,362

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 4,299,040

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

\$ 0

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

No

If Yes, describe particulars:

Sources of Funds for Project Costs:

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

\$ 759,327

Bank Financing:

\$ 3,010,336

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

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

\$ 0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

\$3,769,663

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

No

Mortgage Recording Tax Exemption Benefit:

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

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

\$ 3,796,638

Lender Name, if Known

1,518,655

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

\$28,474

Construction Cost Breakdown:

Total Cost of Construction

\$ 3,990,138

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

Cost for materials

\$ 1,518,655

% sourced in Erie County

80%%

% sourced in State

90%% (including Erie County)

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

\$ 2,252,155

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

\$ 197,064

Real Property Tax Benefit:

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

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

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

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates).

Start date : acquisition of equipment or construction of facilities

12/1/2020

End date : Estimated completion date of project

6/1/2021

Project occupancy : estimated starting date of operations

6/1/2021

Have construction contracts been signed?

No

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

No

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

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

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

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

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

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

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

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

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

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

Yes

Payroll Information

Annual Payroll at Proposed Project Site

\$ 1,898,825

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

\$ 54,252

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

\$ 0

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

\$ 48,392

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

\$ 0

Estimated salary range of jobs to be created

From (Full Time)	\$ 48,000	To (Full Time)	\$ 50,000
From (Part Time)	\$ 0	To (Part Time)	\$ 0

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

No

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

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

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

No

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

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

No

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

Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility.

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

Multi-Tenant Facility.

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

Have any tenant leases been entered into for this project?

<BLANK>

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

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

Section IV: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Gear Motions Incorporated

Property Address:

1750 Milton Avenue

City/Town/Village

Syracuse, NY 13209

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

Amount of space to be leased (square feet)

55,943

What percentage of the building does this represent?

100

Are terms of lease:

NET

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

Estimated date of occupancy

12/1/2020

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Gear Motions Incorporated

Local Contact Person:

Dean Burrows

Title:

President and CEO

Current Address:

1750 Milton Avenue, Syracuse, NY 13209

Phone:

315-447-4025

Fax:

315-488-0196

E-Mail:

Dean.Burrows@gearmotions.com

Website:

www.garmotions.com

Company President/General Manager:

Dean Burrows

Number of employees moving to new project location:

Full-Time:

35

Part-Time:

0

Total:

35

Do you anticipate increasing employment within the next two years?

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

Full-Time:

2

Part-Time:

0

Total:

2

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

PRECISION GEAR MANUFACTURER. THE NAICS CODE IS 333612. SALES IN ERIE COUNTY ARE 4.6% SALES IN THE UNITED STATES IN 2019 WAS 95.4%

Attach additional information as necessary.

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

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

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

55,943

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

62,000

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

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

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

Yes

Where is company relocating from?

Address:

OGI: 1120 NIAGARA STREET / NGC: 941 MILITARY ROAD

City/Town/Village:

BUFFALO / BUFFALO

State:

NY / NY

Zip:

14213 / 14217

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

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

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

BOTH EXISTING FACILITIES VACATED WILL BE SOLD.

If leased, when does lease expire?

1/1/2015

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

Yes

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

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

Is location necessary to:

Discourage your company from moving out of New York State

Yes

Maintain your company's competitiveness within the industry:

Yes

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

Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility
No

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods
No

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

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

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

If no, why not?

Will present location be your company's headquarters?
No

If No, Where is the location of HQ:

City:

SYRACUSE

State:

NEW YORK

Form Completed By:

DEAN BURROWS

Relationship to Company:

PRESIDENT, GEAR MOTIONS

Section V: Environmental Questionnaire

General Background Information

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

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

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

Property known as "Mudflats"

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

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

Describe all known former uses of the Premises

Vacant

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

No

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

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

Yes

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

History of radioactive materials from the Landfill site.

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

Yes

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

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

None

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

None

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

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

None

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

<BLANK>

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section VI: Inter-Municipal Move Determination

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

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

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

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

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

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

Within New York State Yes

Within Erie County Yes

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

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

Yes

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

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

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

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

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

Yes

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

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

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

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

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

SEE ATTACHED

Section VII: Adaptive Reuse Projects

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

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

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

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

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

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

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

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

Does the site have historical significance? No

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

If yes, provide estimated value of tax credits \$

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

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

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

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

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Section IX: Retail Determination

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

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

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

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

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

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

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

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

If yes, explain

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