



Policy Committee

February 6, 2020
9:00 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order
2. Approval of the October 3, 2019 Policy Committee Minutes (Pages 2-5)
3. Project Matrix (Pages 6-7)
4. Project Presentations (Staff – Company Q&A)
 - a) Barcalo Living & Commerce/Barcalo Buffalo, LLC (Pages 8-53)
5. Adjournment – Next Meeting March 2, 2020 at 9:00 a.m.

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

- MEETING:** October 3, 2019, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York
- PRESENT:** Rev. Mark E. Blue, Richard Cummings, Colleen DiPirro, Hon. William J. Krebs, Hon. Glenn R. Nellis, Laura Smith, David J. State, Lavon Stephens and Maria Whyte
- ABSENT:** Hon. April Baskin, Hon. Byron W. Brown, Hon. Johanna Coleman, Richard Lipsitz, Jr., Brenda W. McDuffie and John J. Mudie
- OTHERS PRESENT:** John Cappellino, Executive Vice President, Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Dawn Boudreau, Compliance Officer; Beth O’Keefe, Business Development Officer; Karen M. Fiala, Assistant Treasurer/Secretary
- GUESTS:** Robert G. Murray, General Counsel; Russell Corigliano, Randy Bernick and Greg Setter on behalf of Rosina Foods; Laurie Eden on behalf of Moog Inc.

There being a quorum present at 9:11 a.m., the Meeting of the Policy Committee was called to order by Mr. Cappellino who presided over the meeting in the absence of the presence of its Chair, Mr. Lipsitz.

MINUTES

The minutes of the August 1, 2019 Policy Committee meeting were presented. Upon motion made by Ms. DiPirro, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s project matrix. Mr. Cappellino directed that the report be received and filed.

PROJECT PRESENTATIONS

Rosina Food Products, Inc., 3100 Clinton Street, West Seneca, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the proposed project known as “the Protein Operation

Expansion” which entails the construction of a 105,000 sq. ft. protein plant including a new high-speed, state of the art production line for the manufacture of a variety of frozen meatballs, sliced sausages and toppings. The new facility will be adjacent to Rosina’s other West Seneca plant that produces pastas and entrees.

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

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$58,000,000 85% = \$49,300,000
Employment	Coincides with 10-year PILOT	Maintain Base: 100 Create 85% of Projected Projected = 40 85% = 34 Recapture Employment = 134
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales tax, mortgage recording tax and real property taxes.

Mr. Cappellino introduced Mr. Corigliano, Mr. Bernick and Mr. Setter who each spoke about the project and provided background for the Committee.

Ms. Whyte spoke in favor of the project.

General discussion ensued.

Mr. State spoke in favor of the project.

Ms. Whyte moved and Ms. DiPirro seconded to approve of the project as proposed and forward to the ECIDA Board for approval. Mr. Cappellino called for the vote and the project was then unanimously approved.

Moog, Inc., 400 Jamison Road, Elma, New York. Mr. Cappellino presented this proposed increase in the amount of sales tax benefits in connection with the expansion of the company's Aircraft Division operations, said expansion having already been approved by the Agency for a sales and use tax exemption benefit in March, 2017. Mr. Cappellino noted that while the overall project scope related to the already approved expansion of Moog's existing East Aurora campus has not changed, Mr. Cappellino did note that Moog is anticipating an increase in total project costs of approximately \$11,700,000. The reason for the increase includes both cost overruns as well as unforeseen circumstances surrounding remediation efforts at the site which led to additional spending.

At the time of Moog's original application, the company indicated 251 employees would be retained as these employees were associated with the Aircraft Division operations. Upon further internal review, the company revised the number to 288 and committed to an additional 42 jobs which was the subject of the first amendment to the original resolution. This second amendment reflects the commitment to an additional 27 jobs associated with this expansion project. Upon project completion, the company expects 357 employees will be associated with the project and additional employment opportunities are anticipated over the next 5 years as well.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$44,300,000 85% = \$37,655,000
Former Employment	Coincides with 10-year PILOT	Maintain Base: 251 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment = 287
Amended Employment	Coincides with 10-year PILOT	Maintain Base: 288 Create 85% of Projected Projected = 69 85% = 58 Recapture Employment = 346

Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-Year PILOT	Adherence to policy
Recapture Period	Coincides with 10-Year PILOT	Recapture of state and local sales tax and real property taxes.

Mr. Cappellino introduced Moog representative, Ms. Eden, who spoke on behalf of the company and provided additional background of the project.

General discussion ensued.

Mr. Nellis moved and Ms. Smith seconded to approve of the project as proposed and forward to the ECIDA Board of Directors for approval. Mr. Cappellino called for the vote and the project was then unanimously approved.

Mr. Blue queried if the Agency can monitor MWBE commitments and goals. Mr. Cappellino responded that he has discussed MWBE monitoring with the Chair of the Policy Committee and he will follow up.

There being no further business to discuss, Mr. Cappellino adjourned the meeting at 10:08 a.m.

Dated: October 3, 2019

Karen M. Fiala, Secretary

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	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	Roar Logistics	Jan-19	\$3,425,000	85% threshold \$2,911,250	49	85%-New 12 jobs	14	PILOT Sales Tax	YES	Period of PILOT 7 Years	Amendatory	\$298,000		YES
1	Related Affordable	Feb-19	\$23,599,613	85% threshold \$20,059,671	5		0	Mortgage Sales Tax	YES	2 Years after Project Completion	Private Activity Bond \$13,300,000	\$480,835		YES
1	McGuire/CAO	Feb-19	\$9,416,936	85% threshold \$8,004,395	37	85%-New 2 jobs	2	PILOT Mortgage Sales Tax	YES	Period of PILOT 7 Years		\$962,250		YES
1	McKesson	Mar-19	\$18,200,000	85% threshold \$15,470,000	62	85%-New 13 jobs	13	Sales Tax	YES	2 Years after Project Completion		\$1,330,000		YES
1	Steuben Foods, Inc.	Mar-19	\$16,854,183	85% threshold \$14,326,055	555	85%-New 23 jobs	27	PILOT Sales Tax	YES	Period of PILOT 10 Years		\$1,255,756		YES
1	Unifrax 1, LLC	Mar-19	\$36,000,000	85% threshold \$30,600,000	27	85%-New 8 jobs	10	PILOT Mortgage Sales Tax	YES	Period of PILOT 7 Years		\$2,603,750		YES
1	CPI Process Systems	May-19	\$3,100,000	85% threshold \$2,635,000	12	85%-New 2 jobs	2	PILOT Mortgage Sales Tax	YES	Period of PILOT 10 Years		\$323,250		YES
1	Buffalo Material Handling	Jun-19	\$1,315,000	85% threshold \$1,117,750	30	85%-New 2 jobs	3	PILOT Mortgage Sales Tax	YES	Period of PILOT 7 Years		\$191,000		YES
1	Fisher Price	Jul-19	\$4,025,058	85% threshold \$3,421,299	274	85%-New 4 jobs	5	Sales Tax	Yes	2 Years after Project Completion		\$262,500		YES
1	Derby Warehousing	Jul-19	\$1,332,000	85% threshold \$1,132,000	6	85%-New 1 job	1	PILOT Sales Tax	Yes	Period of PILOT 7 Years		\$144,641		YES
1	201 Ellicott/Braymiller	Aug-19	\$6,901,900	85% threshold \$5,866,615	0	85%-New 38 jobs	45	PILOT Mortgage Sales Tax	Yes	Period of PILOT 7 Years		\$607,513		YES
1	Hertel Pacific/Cypress North	Aug-19	\$935,160	85% threshold \$794,886	16	85%-New 2 jobs	2	PILOT Mortgage Sales Tax	Yes	Period of PILOT 7 Years		\$76,875		YES
1	Time Release Sciences	Aug-19	\$22,700,000	85% threshold \$19,295,000	103	85%-New 17 jobs	20	PILOT Mortgage Sales Tax	Yes	Period of PILOT 10 Years		\$4,185,167		YES
1	Rosina Protien Plant Expansion	Oct-19	\$58,000,000	85% threshold \$49,300,000	100	85%-New 34 jobs	40	PILOT Mortgage Sales Tax	Yes	Period of PILOT 10 Years		\$4,422,500		YES
1	Moog, Inc.	Oct-19	\$44,300,000	85% threshold \$37,655,000	251	85%-New 36 jobs	42	PILOT Sales Tax	Yes	Period of PILOT 10 Years	Amendatory	\$2,784,000		YES
1	Niagara Wind Power/Erie Wind	Nov-19	\$21,464,287	85% threshold \$18,244,643	3		0	Custom PILOT	yes	Period of PILOT 15 Years				YES

Count	Project Name	Start Date	Project Amount	Investment	Jobs Retained	Job Creation	Factors	Jobs Created	Mortgage Sales Tax	2 Years after Project Completion	Incentive Amount	Adaptive Reuse
1	Fedder Lofts, LLC	Jun-19	\$25,725,000	85% threshold \$21,866,250	0	85% -New jobs 2	2	2	Mortgage Sales Tax	YES	\$972,500	Adaptive Reuse
1	Buffalo High Technology Campus	Jul-19	\$7,877,447	85% threshold \$6,695,829	0	85% -New jobs 3	4	4	PILOT Mortgage Sales Tax	Yes	\$572,348	Adaptive Reuse
1	Michigan Seneca Group	Aug-19	\$5,712,000	85% threshold \$4,855,200	1	85% -New jobs 30	35	35	Mortgage Sales Tax	Yes	\$326,463	Adaptive Reuse
3	Adaptive Reuse 2019 Sub Total		\$39,314,447		1		41	41			\$1,971,311	
19	2019 Total		\$310,883,584		1530		228	228			\$21,899,348	

Barcalo Living & Commerce/Barcalo Buffalo, LLC
\$34,727,449
INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Barcalo Living & Commerce/Barcalo Buffalo, LLC										
<ul style="list-style-type: none"> • NAICS Section - 531110 	Project Address: 225 Louisiana Street Buffalo, New York 14204 (Buffalo School District)										
COMPANY INCENTIVES	Agency Request										
<ul style="list-style-type: none"> • Approximately \$857,500 in sales tax savings • Up to 3/4 of 1% of the final mortgage amount estimated at \$146,250 	A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of the former Barcalo manufacturing plant.										
EMPLOYMENT	<table> <tr> <td>Building Acquisition</td> <td align="right">\$ 2,100,000</td> </tr> <tr> <td>Renovation</td> <td align="right">\$25,975,000</td> </tr> <tr> <td>Soft Costs/Other</td> <td align="right">\$ 6,652,449</td> </tr> <tr> <td>Total Project Cost</td> <td align="right">\$34,727,449</td> </tr> <tr> <td>85%</td> <td align="right">\$29,518,331</td> </tr> </table>	Building Acquisition	\$ 2,100,000	Renovation	\$25,975,000	Soft Costs/Other	\$ 6,652,449	Total Project Cost	\$34,727,449	85%	\$29,518,331
Building Acquisition	\$ 2,100,000										
Renovation	\$25,975,000										
Soft Costs/Other	\$ 6,652,449										
Total Project Cost	\$34,727,449										
85%	\$29,518,331										
<ul style="list-style-type: none"> • Current Jobs = 9 FTE • Projected New Jobs = 25 FT 10 PT • Total Jobs 2 Years After Project Completion = 34 FT 10 PT • Annual payroll: \$1,640,000 • Estimated salary of jobs to be created: \$41,000 • Estimated salary of jobs to be retained: \$45,000 	Company Description										
PROJECT HISTORY	<p>The applicant - Barcalo Buffalo, LLC is a real estate development partnership with substantial experience in redeveloping historic buildings and returning them to a productive mix of uses. The applicant has experience developing both housing and commercial projects. Barcalo Buffalo, LLC is managed by the Frizlen Group (Karl Frizlen) and BRD Construction (Mike and Dennis Masters).</p> <p align="center">Project Description</p> <p>The project entails the adaptive re-use of the former 175,000 sq. ft. Barcalo Manufacturing plant in the Old First Ward into a mixed-use structure containing approximately 30,000 sq. ft. of commercial and light industrial space and 118 residential units.</p> <p>The project site is largely vacant with a small number of artists and other users renting space at well below market rate.</p> <p>The project will involve the replacement of major portions of the existing roof, replacement of 600 windows with units that both comply with historic design guidelines and provide modern insulation, the replacement/reconstruction of the second floor that was severely damaged by fire and installation of new utilities and mechanical systems. Significant environmental and asbestos remediation is also required.</p> <p>The developer anticipates a variety of tenants for the planned commercial space including a restaurant, brewery, fitness operator, artists, start-ups, small retail operations and a laundromat accessible to both tenants and the surrounding community; the latter which was developed in response to neighborhood outreach conducted by the development team.</p> <p>The Frizlen Development Group intends to relocate both their development and property management staff of 9 to the building once the redevelopment is complete.</p> <p>The project will also include 46 units (roughly 25,000 sq. ft.) of indoor parking to be made available to tenants.</p> <p>The development team intends for this project to complement the public transit operations (including bus service on Louisiana and Ohio Streets and bicycle infrastructure on Ohio Street) that already exists near the project.</p>										
<ul style="list-style-type: none"> • 01/23/2020 - Public hearing held. Transcript attached. • 02/26/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 02/26/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors 											

The residential units will be priced with a mix of rents some at between 70-90% of AMI affordability. Rental rates and square Footages are listed below:

# of Units	Sq. Ft.	Rent Range
55	610-800	\$921 - \$1,200
56	818-1,250	\$1,227 - \$1,880
7	1,460 - 1,511	\$2,190 - \$2,267

Retail Determination

Project Use	Sq. Ft.	Cost	% pf Project Cost
Commercial/Retail	30,000	\$2,250,000	9%
Residential	145,000	\$23,725,000	91%
Total	175,000	\$25,975,000	100%

***Since the retail component of the project represents 9% of the project costs no sign off is required.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 485-a abatement period	Additional Local Revenue Over 485-a abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$9,600,000	\$844,400	\$541,800	\$271,000
Combined Tax Rate: \$35.50				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$32,727,449 85% = \$29,518,331
Employment	Same as recapture period	Maintain Base: 9 Create 85% of Projected Projected =30 FTE 85% = 25 Recapture Employment = 34
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with Recapture Period	Adherence to Policy
Unpaid Tax	Coincides with Recapture Period	Adherence to Policy
Recapture Period	2 years after project completion	State and Local Sales Taxes, Mortgage Tax

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained base of 9 FTE and created 30 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

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

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

PILOT Estimate Table Worksheet- Barcalo Buffalo, LLC – 2020

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$25,975,000	\$9,600,000	\$7.33	\$28.22	

*Apply equalization rate to value

PILOT: N/A

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

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$34,727,449	\$0	\$857,500	\$146,250	\$11,058,878

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 34.7 %

ADAPTIVE REUSE REPORT AND EVALUATIVE CRITERIA
BARCALO BUFFALO, LLC

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 5 which is not considered highly distressed
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	The buildings were constructed in the early 1900'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 project site consists of 6 different buildings constructed at various times during the early 1900's with approximately 26% of space currently occupied. While the census tract is not considered highly distressed, there are surrounding areas that are highly distressed and an investment of \$35,000,000 will hopefully serve as a catalyst for further development.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.	While there are tenants in the building, all leases expire at the end of 2019 and are at below market rates.
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.	Due to the contamination resulting from the site's former industrial use, the project will incur significant environmental remediation costs in order to achieve a complete cleanup. Brownfield tax credits will be utilized for this project.
LEED/Renewable resources	NA
Building or site has historic designation	The developer is working with SHPO on this redevelopment project.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	BRD Construction encourages M/WBE participation in bidding projects and has set forth a program for proper procedures when soliciting bids and awarding contracts. See attached.

Demonstrated support of local gov't.	The City Planning Board has approved the project. Mayor Brown has supplied a letter in support of the project.
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project.	The dual historic-brownfield nature of the project makes it a particularly challenging location to redevelop. Without financial assistance, the development team would be forced to increase rents in order to ensure project viability. It is unclear if the market could support such higher rents, which may cause the project to be unable to obtain the financing required to implement the project. As a result, the building would continue to remain largely vacant and fail to realize its potential as a catalyst for further development and revitalization of the Old First Ward.
Transit Oriented Development	The facility is accessible on the 14,16,42 & 74 bus lines

February 26, 2020

Return on Investment – Barcalo Buffalo, LLC

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value \$857,500
- ECIDA Mortgage Recording Tax Abatement approximate value \$146,250

ROI

Barcalo Buffalo, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 4.1%

Stated ROI for the project without ECIDA assistance is 3.7%



82 Pearl Street
Buffalo, NY 14202
Phone: 716-847-0042
Fax: 716-847-0089

MWBE Procedures

In order to promote the successful utilization of minority and women-owned business enterprises, BRD has set forth the following program for proper procedures when soliciting bids and awarding contracts.

1. MWBE contractors must be State Certified. This list is on the server, but a directory of State Certified MWBE contractors can be found at the following link:
<https://ny.newnycontracts.com/FrontEnd/VendorSearchPublic.asp>

2. Invitations to Bid can be sent to MWBE's through ProCore, and can be incorporated into the full invite list. ProCore will alert BRD if emails/faxes are not getting through to contractors. Invitations to Bid should include the following language:

BRD is the General Contractor for construction of the [Name of Project and Location]. This will be an open shop and taxable project [adjust as necessary]. This will be a [Brief Description of the project]. Bids will be due [date and time].

MWBE Participation Goals: 15% MBE, 15% WBE, 30% TOTAL

To Access Drawings:

1. Via ProCore Bidding Software.
 2. If you need full size drawings printed, BRD will be happy to supply them.
 3. Drawings are available for viewing at our offices at 82 Pearl St during business hours.
3. In conjunction with Invitations to Bid, Bid Solicitation Notices should be placed in the Buffalo News. Ads should mirror the ITB and include all pertinent contact information. Place an ad by calling 856-5555.
 4. After the Invitation to bid is sent, a direct email should be sent to all MWBE contractors. Email body should follow this format:

Please confirm receipt of the Invitation to Bid for the [Name of Project]. Documents may be accessed the following ways:

1. Through ProCore Bidding Software.
2. If you need full size drawings printed, BRD will be happy to supply them.
3. Viewing at our office during business hours - 8am to 4:30pm

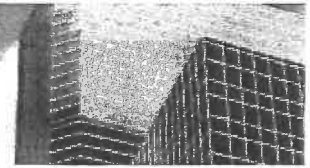
BRD encourages MWBE participation on this project. Please respond as to whether you will be bidding. If you have already submitted pricing, please disregard this message.

4. If you receive a "Not Bidding" response, follow up with another email as follows:

Is there a specific reason why you won't be bidding? Is there anything we can do to facilitate things for you? We'd really like to work with you on this project.



**YOUR GROWTH
IS OUR BUSINESS**



Internal Report: Barcalo Living & Commerce - / Barcalo Buffalo, LLC

Table 1: Basic Information

Project Name	/ Barcalo Buffalo, LLC
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District	Buffalo
Project Cost	\$34,727,449
Construction Budget	\$25,975,000
Direct Employment Expected	39 (30 created and 9 retained)
Direct Labor Income	\$1,677,000
Direct Construction Jobs	190
Direct Construction Labor Income	\$9,982,833
Total Labor Income	\$11,659,833

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$4,572,534
Property Tax Revenue	\$48,899
Sales Tax Revenue	\$775,448
State	
Income Tax Revenue	\$2,026,214
Sales Tax Revenue	\$653,009
TOTAL Estimated Revenue	\$8,076,104

Table 3: Estimated Project Incentives*

Property Tax Savings	\$0
Sales Tax Savings	\$1,136,406
Mortgage Tax Savings	\$146,250
TOTAL Estimated Incentives	\$1,282,656

Table 4: Employment Breakdown

Project	
Direct**	39 (30 created and 9 retained)
Indirect***	46
Induced****	26
Construction	
Direct	190
Indirect	69

Table 5: Ratios

Benefit to Cost Ratio	6.3:1
Overall ROI	51.8:1

* Figures over 10 years and discounted by 3.49%

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

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

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

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CITY OF BUFFALO
OFFICE OF THE MAYOR

BYRON W. BROWN
MAYOR

January 17, 2020

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

Re: Barcalo Buffalo, LLC
Barcalo Living & Commerce

Dear Mr. Weathers:

The City of Buffalo supports Barcalo Buffalo LLC's application to the Erie County Industrial Development Agency to redevelop the former Barcalo Manufacturing Plant at 225 Louisiana Street in Buffalo. We believe that this mixed-use redevelopment project will strengthen the City of Buffalo and its appeal to new businesses and residents.

Buffalo is a great place to do business, and is a city that values its historic structures. The adaptive reuse of the Barcalo Manufacturing Plant will bring approximately 30-35,000 square feet of commercial and light industrial space to good use with anticipated tenants including a restaurant, laundromat, retail space, and a brewery. The project will also offer 118 residential units and is intended to be the new home of the Frizlen Development Group.

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

Sincerely,

Byron W. Brown
Mayor

PUBLIC HEARING SCRIPT

**Barcalo Buffalo 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 January 23, 2020 at 10:00 a.m.,
at the Erie County Industrial Development Agency's offices
located at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE:

Martha Heidinger
Evelyn Goslinski
Kirsten Klettke
Karl Frizlen
Garret Wyckoff
Jacqueline Skinner
Patrick Gormley

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Barcalo Buffalo 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, January 13, 2020.

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

Hearing Officer: The proposed adaptive reuse project (the "Project") at the historic former Barcalo Manufacturing Plant in Buffalo's Old First Ward consisting of:
(i) five (5) parcels of land located at 175, 177, 225 and 245 Louisiana

Street and 96 Kentucky Street in the City of Buffalo, Erie County, New York (the “Land”) together with an existing 175,000+/- SF multi-tenant building (the “Existing Improvements”); (ii) the renovation, upgrading and equipping of the Existing Improvements thereon to house 118 apartments consisting of fifty-five (55) 1-bedroom units, fifty-six (56) 2-bedroom units, and seven (7) 3-bedroom units; 30,000+/- of office, retail, restaurant, lounge/reception/tenant areas, artist studios, light manufacturing space, and 46+/- indoor parking spaces for tenants; and the redevelopment and construction of 92 additional parking spaces and a bio retention area (the “Improvements”), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”).

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

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

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

If you have a written statement or comment to submit for the record, you may leave it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on February 25, 2020. There are no limitations on written statements or comments.

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

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

The Hearing Officer calls on those who raise their hand.

Karl Frizlen – I am the architect & developer and I am also representing the investors. I recognize some of you from the meetings we have had, the community meetings. We have had 4 community meetings over the past 1.5 years. We were very clear that we wanted to have a transparent process and I think we have succeeded in doing that. I would be willing to answer any of your questions. I think you are mostly familiar with the project. It has developed into a

\$35M project now. It's a large project as you all know here in the neighborhood and you living across and within a few hundred feet.

We are excited to get going on this project. This building is empty, it had been occupied only to about 15-20% when we got involved about 2.5 years ago well about 2 years ago and now in the meantime it is empty, and everybody has moved out. It will be a mixed-use project as you know with 118 apartments as Grant said and about 35,000 sq. ft. of commercial space. We have some tenants for it already like my operation, my office, my architect and development office are going down there and it will take a good portion of it, otherwise it will be mostly tenants. Supporting businesses like a cafeteria, workout area, a workout center. We are also going to put a laundromat in there that is accessible to the public because this was one of the comments in the first meeting because we were putting it out what would you like to see and then we got some comments back from you. A laundromat, a commercially run laundromat mat is going to be incorporated into the building.

The most concerns that we have had in the past was of course is parking. We have 2 lots as Grant has said to the North & South of the property and we accommodate approximately 100 parking spaces on the surface parking lots and about 45 parking spaces indoors of the facility and that's all accessible from Kentucky. Kentucky is going to get a total retrofit of street improvements. We are engaging with the city in that process. There will be curbs, sidewalks and trees and there is nothing like that there now as you know on the building side. There will be only 2 curb cuts, one is going to go into the parking garage and the other is going out of the parking garage, kind of a loop. So, I think that's probably it. I'm open to questions or comments. Garret is there anything else?

Garret Wyckoff – I am with Urban Vantage. I am a consultant working with Karl and the development group on this project. I think you covered pretty much everything we wanted to add. We are excited about this project. I think there is a lot of potential down there.

Grant Lesswing – State your name

Martha Heidinger – I have two questions. One of my questions is in the news article you stated a brewery. That was never mentioned in any of the meetings. A brewery is going to bring a huge increase to the already parking problem. That was my one question and my next question is what would your projected revenues be without the tax breaks?

Karl Frizlen – Let me comment. Garret can you address the second question?

Garret Wyckoff – Yes

Karl Frizlen – Let me comment to the brewery. It has been coined as the brewery district. We have absolutely no potential tenant and no we haven't put out the word.

Martha Heidinger -- But it's in the paper

Karl Frizlen – So that's the word

Martha Heidinger – Right

Karl Frizlen – We are still trying to catch feelers on that. So, nothing has been decided. I will keep the community updated if anything will happen. I am planning to have on a continual basis these community meetings and I am going to arrange that with the ward.

Martha Heidinger - The only problem the last community meeting you shut us off before the time was up. Your advocate or whatever he was. We were supposed to be there until 7:00 p.m. and he shut the meeting down at 6:30 p.m. when we started asking questions and didn't have the answers for.

Karl Frizlen – This was a meeting as I recall we had in December

Martha Heidinger – I've been to all of them

Karl Frizlen – Ok. I think the last meeting was in December or late November

Martha Heidinger – There was one in December when it snowed.

Karl Frizlen – Ok yeah

Martha Heidinger – And it was supposed to be from 6:00 p.m. – 7:00 p.m. and he shut the meeting down at 6:30 p.m. because we were asking questions.

Karl Frizlen – I think there was another event after that happened and you needed the room or something, I don't know exactly but it wasn't because of us that it was shut down, it was basically the need for the space any how I want to keep you updated on any commercial leasing that we are planning to have.

Martha Heidinger - Because we really don't need another brewery down there. No, we do not.

Evelyn Goslinski - I second that

Karl Frizlen – Ok. I will make a note of that

Garret Wyckoff – I was wondering if you could clarify. Well can you specifically give me the context.

Martha Heidinger – I just want to know what the difference would be if you got the tax breaks. Like what's your projected revenue as opposed to not getting the tax breaks.

Garret Wyckoff – The value of the potential tax breaks I think are in the application itself like the estimated mortgage tax exemption. The benefit is about \$146,250. So, it's less of a question of revenue changing versus helping to cover some of the costs that would make the project balance out in terms of funding. The actual value of these exemptions is in the application.

Evelyn Goslinski - Can I interject while we are on this subject?

Grant Lesswing – State your name

Evelyn Goslinski – I live at 163 Kentucky. I am here but I have neighbors and relatives that also live on the street that can't make it because they are at the hospital for treatments or what have you. Concerning that \$146,000 now is that per year, every time taxes are due or is it over x amount of years?

Garret Wyckoff – This is a mortgage recording tax exemption which is a one-time fee when the mortgage is registered. The property taxes are being pursued as a 485(a) exemption which is not part of the ECIDA process.

Evelyn Goslinski – So, Why? What makes it so special that they get exempted because it's a projected project? I don't understand. When we all buy homes, we don't get tax exemptions from our property or mortgage tax. I just don't understand.

Karl Frizlen – First of all why are we here. There is an exemption for two items. One is the mortgage tax exemption. Basically, we are talking out over \$20M loan and a certain percentage of that you have to pay mortgage tax.

Evelyn Goslinski – Right

Karl Frizlen – I believe it applies only for commercial properties. I don't think it applies to residential properties.

Grant Lesswing – Right

Karl Frizlen – That is because it is a commercial mortgage tax exemption. The second part here with the ECIDA which why we are here is the sales tax exemption. The construction costs is about \$25M +/- on this project.

Evelyn Goslinski – Right

Karl Frizlen – It's the largest project of the \$35M, \$25M is the construction costs. So, the ECIDA has this program that the sales tax can be exempted. Sales tax is like we all pay an 8-3/4% of sales tax. We are exempt from that well at least that's what the application for it is and the reason why we are doing it. It's a retrofit project and costs are exuberantly high. It's much higher than a new construction project and we do new construction projects too, so we have a direct comparison and they are just higher because we also follow the States Historic Preservation Guidelines. That adds substantial amount of dollars to the project. Just to give you an example we have to replace over 600 windows on this building. There are going to be energy efficient windows and they have to be approved by the State Historic Preservation & National Park Services, two different agencies. The costs of these windows are extremely high. It's similar to what you are looking at here. These are similar windows that we are going to have in

this project so, that's why we are asking the ECIDA for some relief on the costs for this project. We also have to follow guidelines; they have certain guidelines on how much revenue you have to achieve in order to get x amount of loan. But, to answer your question in short, there's about \$850,000 in sales tax exemption and about \$146,000 in mortgage tax exemption which is about \$1M in exemptions that's what we are asking the ECIDA today to grant us that

Evelyn Goslinski - Ok, that's fine. Now again I will also state for myself but on behalf of my aunts, cousins and my other neighbors that cannot make it we are all opposed because one the traffic, the parking, the distillery, "come on now" there is enough in the city already as it is. Parking is going to be the number one thing. Then you got the sewage & plumbing. But, the traffic on Kentucky Street. Four of the houses that are on Kentucky right across from the building they are handicap people. There is already an issue with parking, and it stinks for them because of the alternate parking, then you are going to bring in more traffic and the laundromat is going to be across the street from two other homes

Karl Frizlen – No we located that on the other side

Evelyn Goslinski – Oh its back on Louisiana now?

Karl Frizlen – Yes, its back on Louisiana

Evelyn Goslinski -Well that makes a lot of sense but regardless you are going to have how many showers and the meetings at the center you said 114 apartments. It's right here in the paper 118. It was already occupied with commercial people and according to what I read in the newspaper there is going to be 30 jobs available in there am I right or wrong? Between the restaurant or whatever, that's your projection. But from Johnson Fastener, the potato chip company and the other companies there were in there you have already displaced upwards of 30 people and businesses and existing money already. Was there not a way you could work with them where they could have stayed? They are already gone like you said, its empty in here. In here it also states that if you don't get the funding or what have you that you are going to increase the projected rental amounts already even before its occupied. It's right here and looking for so much that is housing.

Karl Frizlen – Or the other option is the project cannot be executed

Evelyn Goslinski – If I read this correctly, you're at \$11M deficit as it is so, is that why you are looking at more investors and grants? From what I understood from reading this.

Garret Wyckoff – I'm not sure exactly where you are grabbing the \$11M deficit from, can you show me where that is?

Evelyn Goslinski – I'm looking, I'm looking.

Karl Frizlen – No project cannot live with an \$11M deficit.

Evelyn Goslinski – Well I should say not a deficit but your short that much money right now and if that's what's going to be the delay or the increase in things even before it's began.

Karl Frizlen – No, the project is all funded so, there is no deficit. You can't start a project with a deficit in it.

Evelyn Goslinski – Oh, ok its right here. The total cost your projecting \$34,727,449. The equity is at \$4M, the bank is going to finance \$19.5M. \$19.5M and \$4,168,571 comes out to about \$23-\$24M so, therefore will say \$23M because \$23M and \$34M that leaves them an \$11M shortage, right? I mean I don't have any figures, but I can do math.

Karl Frizlen – Allow me to answer your question. It's \$11M in Historic Tax Credits. We have New York State Historic

Evelyn Goslinski – Oh that's not in here

Karl Frizlen – Yes there is \$11M in there you can read the entire application it's in there

Evelyn Goslinski – I'm not seeing it. Oh, wait right here but there is no amount in that box. Oh, excuse me its hidden way at the top where the paper folds but that is from public sources, that's listed under public sources not the state and federal grant credit.

Garret Wyckoff – That's because it's not a grant. It's a tax credit

Karl Frizlen – The public sources are tax credits. \$11m and its on page 11.

Evelyn Goslinski – But it says historic though

Garret Wyckoff – It's a historic tax credit yes

Evelyn Goslinski – Public sources and historic federal grants, its two separate columns man look. What does historic mean because they are spring, I mean the Frizlen Group I mean are trying to restore the building to its original

Karl Frizlen – Historic Preservation

Evelyn Goslinski – Ok to how it was way back when Springs Tool, Barcalo and all of them owned it. Ok right gentlemen?

Karl Frizlen – So, there's a state and federal program available where private investors invest into this property and they get a tax write-off because they invest into a historic property.

Evelyn Goslinski – Ok

Karl Frizlen – In return you have to retrofit and renovate the building according to their standards, very strict

Garret Wyckoff – Very much so strict

Karl Frizlen – I am going to come back to the parking because that was the biggest issue at all the community meetings and Kentucky Street too. We are and I said this from day one we are working with you on the street improvements as much as we can. It's going to be a residential street once we are through. Right now it's not a residential street, it's a commercial street on one side and residential on the other side and there's a conflict, I get that because of the carport box guy who is pulling his big semi's in there backwards and barely can make the turn into the loading dock. So, what we are proposing is to have a clear line on the east side of the property, the Barcalo building. There will be granite curving there that the city is going to put the granite curving in there which is all not existing there for the entire block. It's about 500–600 feet and the sidewalk are going to be lined with trees. So, it's going to be a pedestrian friendly area. We also do all the parking inside the building and on our parking lots and I have stated that in these public meetings all the time. We are not relying on curb parking on Kentucky, I have said this in all the meetings but anyways I am here again, this is a 1.5-year construction project that is going to start hopefully in March the latest April. I will be willing to work with you guys and the neighbors on a continuing basis. I am happy to take your input. I have done this in the past. This is our 10th project in the city. We have 10 projects not of that magnitude and Grant knows that and we have done this for the last 15 years. You can check on our website at buffalolofts.com All the properties are listed there, pricing, floor plans and everything. We have been doing this for the last 15 years and basically what initiated us from coming from an architect firm to suddenly doing development is basically that Buffalo is on the upswing and I'm certainly glad. We are not there yet, but we are well underway to make this a better place and that's our overall philosophy and that how we got to this project. We don't want to be a detriment to the community. We want to support the community. We want to support your property values; they will be going up.

Martha Heidinger - They already are and so are our taxes thank you

Karl Frizlen – But they will continue. We will continue working on it then they will flatten out, but they will continue. That's what happened with projects we did on the west side where literally property values doubled right across the street from us. I would like also you to see the benefits that you are getting from a project of that magnitude

Martha Heidinger - My taxes doubled so I don't see a benefit from it doubling again. Thank you.

Grant Lesswing – You want to make a comment?

Patrick Gormley – Yes sir

Evelyn Goslinski - Yes Patrick

Grant Lesswing – State your name

Patrick Gormley - I am director of the Old First Ward Community Association. Karl actually this can be for either of you. So, just to reiterate it's about \$850,000 in sales tax exemptions and you have done other projects. Have you received sales tax exemptions before?

Karl Frizlen – Yes

Patrick Gormley – Do you have approximate amounts?

Karl Frizlen – No not of that magnitude

Patrick Gormley – Ok

Karl Frizlen – It's a percentage based on percentage and this is just a natural project. We have done projects of \$10M-\$12M but not \$34M and we have received

Patrick Gormley – So these are exemptions that you have received for other projects.

Karl Frizlen – Yes. Not all of them but I would say about 50—60% of the projects where we were retrofitting existing buildings and fit the ECIDA's program, yes, we have done it.

Patrick Gormley – I am completely aware as a businessman that you should absolutely apply for every dollar that you may be eligible for. I think as private citizens we would do the same thing for anything that we were doing for our daily lives when doing our taxes. We are obviously going to look for every break that we can get when filing our personal taxes. That being said when a community has a very mix of individuals on a social economic scale when they hear a price tag like that they often want to know if that \$850,000 sales tax is not going back into the community does that adversely affect the quality of our infrastructure, our roads.

Evelyn Goslinski - Right

Patrick Gormley – Our ability to have trees on other streets that aren't Kentucky Street and so those are real concerns amongst our citizens. I guess can you speak to how that money, do you think that money will be generated from other avenues? Can you speak to that? How it might affect the neighborhood outside of the Kentucky Street area.

Garret Wyckoff – So that's sort of where our area of specialty is. The idea is by allowing these projects to pencil out in terms of the dollar values, any ground you lose in terms of sales tax exemptions and things like that gets made up in terms of property taxes in the long term. In terms of infrastructure improvements that part of the project sales tax is generated by tenants within the new project. I think it's along those line and so rather than viewing it as a zero sum if there is this money or it's not. It is sort of a balance of things. You got a larger thing over a longer period of time in exchange for an exemption in the short-term. That is sort of the reason these projects are defined that way.

Patrick Gormley – Ok. I mean that sounds great, that kind of abstract for us. I'm assuming you wouldn't be able to show how its laid out practically

Garret Wyckoff – Sure, if you want to shoot me an e-mail, I can probably pull up some statics to talk about, project awards.

Patrick Gormley – Yeah if you could say in this section of Buffalo or even the section of Cleveland or Baltimore whatever the area is. Maybe we can see a concrete example of how that plays out.

Garret Wyckoff – I don't know if I could give you one specifically to this part of Buffalo or that part of Buffalo. I can talk about projects more generally. Individual projects sometimes are like initial financials and are not necessarily readily available. They are not one of the ones we have done but in terms of the overall impact of these kinds of exemptions there is pretty good amount of data suggesting they generate value to the community in the long term

Patrick Gormley – Ok, thank you

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:29 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

February 23, 2020 at 10:00 a.m.
at the Erie County Industrial Development Agency's offices
located at 95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

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

Project Location: 175, 177, 225 and 245 Louisiana Street and 96 Kentucky Street, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Martha Heidinger	186 Mackinaw Street Buffalo, New York 14204	X
Evelyn Goslinski	163 Kentucky Street Buffalo, New York 14204	X
Kirsten Klettke	Old 1 st Ward Community Association 62 Republic Street Buffalo, New York 14204	
Karl Frizlen	The Frizlen Group 257 Lafayette Avenue, Suite #102 Buffalo, New York 14213	X
Garret Wyckoff	Urban Vantage 170 Ashland Avenue Buffalo, New York 14222	X
Jacqueline Skinner	O'Connell Avenue	
Patrick Gormley	Old 1 st Ward Community Association 62 Republic Street Buffalo, New York 14204	X



Barcalo Redevelopment

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name	Barcalo Living & Commerce
Applicant Name	Barcalo Buffalo LLC
Applicant Address	257 Lafayette Avenue
Applicant Address 2	#102
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14213
Phone	716-881-0046
Fax	716.881.5110
E-mail	frizlen@frizlengroup.com
Website	N/A
Federal ID#	83-4513384
NAICS Code	N/A
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	Barcalo Buffalo LLC
Federal ID#	83-4513384
State and Year of Incorporation/Organization	New York
List of stockholders, members, or partners of Real Estate Holding Company	Karl Frizlen, Michael Masters

Individual Completing Application

Name	Garret Wyckoff
Title	Consultant
Address	170 Ashland Ave
Address 2	N/A
City	Buffalo
State	New York
Zip	14222

Phone

(315) 601-7674

Fax

N/A

E-Mail

Garret@urbanvantage.com

Company Contact (if different from individual completing application).

Name Karl Frizlen
Title President, The Frizlen Group
Address 257 Lafayette Avenue
Address 2 #102
City Buffalo
State New York
Zip 14213
Phone 716-881-0046
Fax 716.881.5110
E-Mail frizlen@frizlengroup.com

Company Counsel

Name of Attorney Jason A. Yots, Esq
Firm Name Borrelli & Yots PLLC
Address 170 Florida Street
Address 2 N/A
City Buffalo
State New York
Zip 14208
Phone 716.440.0521
Fax N/A
E-Mail jasonyots@borrelliyots.com

Identify the assistance being requested of the Agency.

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

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

Business Organization

Type of Business Limited Liability Company
Type of Ownership
Year Established 2019
State of Organization New York

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

Please include name and % of ownership.

Karl Frizlen (Frizlen Development Group) - 20% after project completion Michael Masters (BRD Construction) - 20% after project completion Investor Group 1 (TBD) - 20% after project completion Investor Group 2 (TBD) - 40% after project completion

Applicant Business Description

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

The Applicant is a real estate development partnership with substantial experience in redeveloping historic buildings and returning the buildings to a productive mix of uses. The Applicant develops both housing and commercial space and then rents the space to residents and businesses. The Applicant is managed by The Frizlen Group (Karl Frizlen), and BRD Construction (Mike and Dennis Masters).

Estimated % of sales within Erie County	90
Estimated % of sales outside Erie County but within New York State	5
Estimated % of sales outside New York State but within the U.S.	5
Estimated % of sales outside the U.S.	0

(*Percentage to equal 100%)

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

70%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Buffalo

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

Yes

In which Municipality will the proposed project be located

Buffalo

Address

225 Louisiana Street

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

No

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

No

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

SBL Number for Property upon which proposed Project will be located

122.47-1-1, 122.40-9-1, 122.47-1-1/A, 122.47-4-3, 122.47-4-28, 122.47-4-2

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

\$5,135.86 (City) and \$1,209.57 (County) Paid in 2019

Assessed value of land

\$189,900

Assessed value of building(s)

\$313,100

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo Unified School District

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

No

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

1035 ABBOTT ROAD LLC

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

Yes

Describe the present use of the Proposed Project site

The project site is currently largely vacant, with a small number of artists renting studio space along with a handful of other tenants. All tenancies are expected to end by the end of December, 2019.

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)

This project will re-use an existing building to increase density and improve walk-ability in line with smart growth and economic development principles. The project will convert the former Barcalo Manufacturing Plant in South Buffalo into a mixed use structure containing approximately 30-35,000 square feet of commercial and light industrial space, in addition to 118 residential units. The developer anticipates a variety of tenants for the planned commercial space including a restaurant, fitness operator, artists or start-up businesses for planned studio space, some small retail operations, and a laundromat accessible both to tenants and the surrounding community developed in response to neighborhood outreach. Additionally, the Development Team is seeking a brewery to occupy a significant portion of the planned commercial space. The Frizlen Development Group intends to relocate both their development and property management staff (approximately 10 employees) to the building once the redevelopment is completed. This will facilitate potential future expansion, including the addition of 2 FTE positions that the Frizlen Group anticipates adding shortly after project completion. Although not strictly designated as affordable housing, the residential units will be reasonably priced, with most rents affordable at between 70-90% of AMI. The project will also include 46 units (roughly 25,500 square feet) of indoor parking to be made available to tenants. The Development Team intends this to complement the public transit options (including bus service on Louisiana and Ohio Streets and bicycle infrastructure on Ohio Street) that already exists near the project.

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

Financial incentive programs, including those from the agency, will be essential in ensuring this project remains viable through completion.

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 Development Team projects significant costs associated with completing this project beyond what is typical, and seeks financial assistance from the Agency to help mitigate these additional costs. Most significant is the environmental remediation necessary for the site due to its previous use for industrial manufacturing. The environmental cleanup and asbestos remediation costs push the overall project cost to the edge of viability even with brownfield tax credits. Among other factors, the project will involve the replacement of major portions of the existing roof, the replacement of 600 windows with units that both comply with SHPO design guidelines and provide modern insulation, the replacement/reconstruction of the second floor that was severely damaged by fire, and the installation of new utilities/mechanical systems for the 175,000 square foot building. The Agency's financial assistance will be instrumental in ensuring the financial viability of this project, and facilitating its completion. The Development Team projects that the project will result in the creation of approximately 39 FTE jobs between the various anticipated tenants, in addition to approximately 80 short-term jobs created during the construction phase of the project.

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?

Without Financial Assistance, the Development Team will be forced to increase rents in order to ensure project viability. It is unclear that the market could support such higher rents, which may cause the project to be unable to obtain the financing required to implement the project. As a result, the building will continue to be largely vacant and fail to realize its potential as a catalyst for further development and revitalization in the Old First Ward.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

The project site is located in Buffalo's Old First Ward, and is situated within a mix of uses including commercial, industrial, and residential all within the same neighborhood. The project site contains multiple parcels variously zoned N-1S (Secondary Employment Centers), and N-2E (Mixed-Use Edge). N-1S is intended for "mixed-use employment centers...often defined by mid-rise and large-footprint industrial structures." while N-1S "addresses transitional areas, typically at the edges of more intense mixed-use centers".

Describe required zoning/land use, if different

N/A. The anticipated uses will align with the zoning and land use requirements.

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

N/A. The anticipated uses will align with the zoning and land use requirements.

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

Yes

If yes, please explain

See Environmental section.

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

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

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

No

If yes, please explain.

Given the currently anticipated tenancy there is no expectation that there will be research and development activities occurring at the project site. However, this is subject to change.

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

N/A

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

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

Please check any and all end uses as identified below.

Retail Sales Yes **Services** Yes

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

Yes Multi-Tenant

Yes Mixed Use

No Acquisition of Existing Facility

Yes Commercial

No Facility for the Aging

Yes Housing

No Back Office

No Civic Facility (not for profit)

No Equipment Purchase

Yes Retail

No Other

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

\$ 2,100,000	175,000 square feet	acres
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New Building Construction

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

New Building addition(s)

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

Infrastructure Work

\$ 0		
------	--	--

Renovation

\$ 25,975,000	175,000 square feet	
---------------	---------------------	--

Manufacturing Equipment

\$ 0		
------	--	--

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

\$ 0		
------	--	--

Soft Costs: (professional services, etc.)

\$ 3,077,052		
--------------	--	--

Other Cost

\$ 3,575,397		
--------------	--	--

Explain Other Costs

Developer Fee

Total Cost

\$ 34,727,449		
---------------	--	--

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

\$ 0		
------	--	--

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

Yes

If Yes, describe particulars:

architect, legal

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

\$ 4,168,571		
--------------	--	--

Bank Financing:

\$ 19,500,000		
---------------	--	--

Tax Exempt Bond Issuance (if applicable):

\$ 0		
------	--	--

Taxable Bond Issuance (if applicable):

\$ 0		
------	--	--

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

\$ 11,058,878

Identify each state and federal grant/credit:

Historic Tax Credits, Brownfield Tax Credits, New York State Energy Research and Development Agency Incentives.

Total Sources of Funds for Project Costs:

\$34,727,449

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

Yes

Mortgage Recording Tax Exemption Benefit:

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

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

\$ 19,500,000

Lender Name, if Known

CPC (Community Preservation Corporation)

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

\$146,250

Construction Cost Breakdown:

Total Cost of Construction

\$ 25,975,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 9,800,000

% sourced in Erie County

95%

% sourced in State

5% (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

\$ 9,800,000

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

\$ 857,500

Real Property Tax Benefit:

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

The property is pursuing an RPTL 485-A exemption.

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

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	15,600 square feet	\$ 1,170,000	5
Retail	11,600 square feet	\$ 870,000	3

Office	2,800 square feet	\$ 210,000	1
Specify Other	145,000 square feet	\$ 23,725,000	91

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

4/1/2020

End date : Estimated completion date of project

12/31/2021

Project occupancy : estimated starting date of operations

1/31/2022

Have construction contracts been signed?

Yes

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

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	9	9	25	25
Part time	0	0	10	10
Total	9	9	35	

** 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	10	\$ 40,000	\$ 6,500	\$ 20,000	\$ 0
Professional	8	\$ 45,000	\$ 7,000	\$ 20,000	\$ 0
Administrative	7	\$ 40,000	\$ 6,500	\$ 20,000	\$ 0
Production	7	\$ 40,000	\$ 0	\$ 20,000	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	12	\$ 45,000	\$ 7,000	\$ 20,000	\$ 0

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

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

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

No

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

\$ 1,640,000

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

\$ 45,000

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

\$ 0

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

\$ 41,400

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

\$ 20,000

Estimated salary range of jobs to be created

From (Full Time)	\$ 35,000	To (Full Time)	\$ 55,000
From (Part Time)	\$ 18,000	To (Part Time)	\$ 25,000

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

No

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

N/A

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

New York State Office of Parks, Recreation, and Historic Preservation. Grant funding of approximately \$534,000 sought to assist the installation of a green roof. Unclear how much, if any, will be awarded.

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

Yes

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

State and Federal Historic Tax Credits, Brownfield Tax Credits, RPTL 485(a), NYSERDA incentives.

Section III: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

For Single Use Facility.

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility.

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

Have any tenant leases been entered into for this project?

No

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

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

Section V: Environmental Questionnaire

General Background Information

Address of Premises 225 Louisiana Street, Buffalo, NY 14204

Name and Address of Owner of Premises 1035 Abbott Road, Corp. 2 Republic Street, Buffalo, NY 14204

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

The Site is located in a highly developed residential, commercial and industrial area of the City of Buffalo. One structure is present on the Site. The Site also includes asphalt and gravel parking lots and green areas. The Site consists of five parcels totaling 4.2-acres and is supplied with municipal sanitary sewer, electric, natural-gas and public water. The Buffalo River located is approximately 0.2 miles southwest of the Site.

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

The project site is composed of structural areas constructed over a period of time from approximately 1889-1920, making the overall building between 100-130 years old. Over time it has been used variously for a significant number of industrial uses, detailed in the next question.

Describe all known former uses of the Premises

Historically, the building was used for manufacturing purposes. Known uses of the various component structures within the complex include lumberyard, oil works, automotive repair, and heavy industrial including electroplating. More recently, the site has been home to artist studios, storage, and an "Escape Room", though the majority of the building has remained 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

Spill No. 9204109, dated July 9, 1992, involved a reported fuel oil UST that was removed ten years ago. It appears that the NYSDEC visually inspected the area, DEC notes indicate "no contamination noticed." Although there is no indication of confirmatory soil sampling, the NYSDEC reclassified the spill as "closed" on January 30, 2001. Additionally, an abandoned tank (in poor condition) with evidence of apparent petroleum odors and sheen on the northwest part of the site in the area of a former auto repair area was encountered during the course of environmental testing and was reported to NYSDEC.

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

N/A

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

The only discharges anticipated are stormwater runoff from impervious surfaces. this will be substantially minimized by the construction of a green roof and additional stormwater retention infrastructure which will store stormwater on-site and discharge it into the City drainage system in a controlled manner.

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

The Site is listed as an unregulated/closed CBS facility (No. 9-000112) with the following ASTs identified: Tank 005 - 1,000-gallon sodium hypochlorite AST installed in 1984 listed as being closed in 1991. Tank 008 - 2,000-gallon sodium hydroxide AST installed in 1986 listed as being closed in 1991. Tank 009 - 2,000-gallon sodium hydroxide AST installed in 1986 listed as being closed in 1991.

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

Yes

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

Spill No. 9204109, dated July 9, 1992, involved a reported fuel oil UST that was removed ten years ago. It appears that the NYSDEC visually inspected the area, DEC notes indicate "no contamination noticed." Although there is no indication of

confirmatory soil sampling, the NYSDEC reclassified the spill as "closed" on January 30, 2001. Additionally, an abandoned tank (in poor condition) with evidence of apparent petroleum odors and sheen on the northwest part of the site in the area of a former auto repair area was encountered during the course of environmental testing and was reported to NYSDEC.

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

Based on the age of the existing building, the potential for asbestos exists. Suspect ACMs including, but not limited to, drywall/plaster, pipe wrap, floor tiles and ceiling tiles were noted at the time of the site visit. Asbestos could also be present in roofing materials.

Section VI: Inter-Municipal Move Determination

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

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

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

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

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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

No

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

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

N/A

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

No

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

N/A

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

N/A

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

N/A

Section VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program? 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. 0

If underutilized, number of years underutilized. 30

Describe the use of the building during the time it has been underutilized: The site has been home to artist studios, storage, and an "Escape Room", though the majority of the building has remained vacant since industrial activities ceased in the 1960s. All current tenancies are expected to end by the end of December, 2019.

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

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

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	55	610-800	\$ 921-1,200/Mo
2 Bedroom	56	818-1250	\$ 1227-1,880/Mo
3 Bedroom	7	1460-1511	\$ 2,190-2,267/Mo
Other	0		\$

Does the site have historical significance? Yes

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

If yes, provide estimated value of tax credits \$ 11,645,580

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

The developer projects significant costs associated with rehabilitating the project site beyond what is typical for most projects. Due to contamination resulting from the site's former industrial use, this project will incur significant environmental remediation costs in order to achieve a complete cleanup. The project will include the replacement of major portions of the existing roof, and 600 of the windows within the building will need to be replaced with units that offer modern insulation but also comply with SHPO design guidelines for historic rehabilitation. The building's second floor suffered severe damage from a fire in the past and will need to be largely replaced in order to ensure safety and code compliance. New utilities/mechanical systems will be necessary throughout the building, and the developer intends to completely replace the existing sprinkler system. Even with tax credits, the project faces a financial gap, as they will be likely be insufficient to fully cover these costs without having to raise rents above what the market is expected to be able to support. This is particularly of concern in the Old First Ward, where average rents are slightly lower than some other areas in Buffalo.

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

The project has previously received letters of support for the green roof component of the project from City Councilman Franczyk and Mayor Brown, along with State Assemblyman Burke and State Senator Kennedy. The developer intends to pursue letters of

support for the project in general from both Mayor Brown and Councilman-Elect Mitch Nowakowski.

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

The former Barcalo Manufacturing Plant operated on the project site for more than 60 years from approximately 1900 to the early 1960s. This makes the project site historically significant as a part of Buffalo's industrial heritage. However, the industrial history of this property has also resulted in significant on-site contamination. The environmental cleanup and asbestos remediation costs push the overall project cost to the edge of viability even with brownfield tax credits and historic tax credits helping to defray the costs. The dual historic-brownfield nature of this project makes it a particularly challenging location to redevelop, but the Development Team believes the project is also an excellent opportunity to place a piece of Buffalo's industrial history back into fully productive use if the project is able to maintain viability.

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

Section IX: Retail Determination

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

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 9 %

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? Yes

If yes, explain

Is the project located in a Highly Distressed Area? No