



Policy Committee

December 10, 2020
11:00 am
Special Working Group Meeting
WMBE Policy Discussion

1. Call Meeting to Order
2. Guest Presentation
 - a. Laura Smith – Vice President Economic Development
Buffalo Niagara Partnership

Employing Diversity, Equity & Inclusion in WNY: 2020 Western New York Diversity & Inclusion Business Community Assessment.
3. Review and Discussion of Policy Framework Document
 - a. Workforce Utilization – Onondaga County IDA Example
 - b. Usage Goals
4. Next Meeting/Adjournment



EMPLOYING DIVERSITY, EQUITY & INCLUSION IN WNY

2020 Western New York
Diversity & Inclusion Business
Community Assessment

A LETTER FROM OUR PRESIDENT.

There is no denying that a focus on diversity, equity, and inclusion is good for businesses and the communities in which they are located.

WE KNOW:

Metro areas with high rates of racial inclusion have growing populations and high rates of employment.¹

Gender-diverse companies are 15% more likely to outperform their peers.²

80% of working Americans say inclusion is important when choosing an employer.³

Companies with more diverse teams have a 22% lower turnover rate than those with homogeneous teams.⁴

We also know employers stumble in their efforts to foster diversity, ensure equity, and build inclusive workplaces. In our annual survey of BNP members, 65% of respondents say they are struggling to achieve a diverse workforce. This number has steadily climbed since we began asking the question in 2016.

In response, the BNP has worked to assist our members with a broad and impactful slate of programming and resources. I encourage you to visit thepartnership.org/diversity-inclusion to see how you can take advantage of these opportunities.

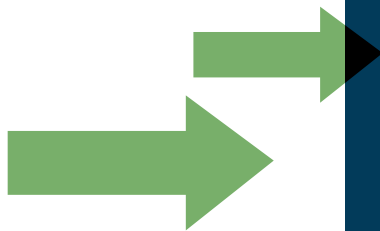
While I am tremendously proud of what the BNP has been doing, this is just the beginning. To help move the entire region forward, the BNP created the WNY Business Community Assessment. This report will help us benchmark where employers are today and, most importantly, the progress we collectively make along the way in creating inclusive cultures.

I want to thank the more than 20 economic development organizations throughout our region that helped us build a comprehensive list of over 11,000 Buffalo Niagara businesses to participate in this assessment. The tremendous response provided a sample size large enough to accurately project results as a true reflection of our community.

1: The Racial Equity Dividend:
Buffalo's Great Opportunity

2: McKinsey & Company,
"Diversity Matters"

3: Deloitte
4: Fast Company



As you will read, the assessment provides some hopeful signs. Seventy-two percent of businesses report having started on their diversity, equity, and inclusion journeys. But as we know, that journey can be a long road. Only 5% of respondents report having actually achieved their goals related to diversity, equity, and inclusion. That chasm is where both the challenge and hard work lie. This assessment will be essential to monitoring our progress and helping us steer past the obstacles and navigate toward our shared goals.

The BNP's commitment to assisting regional employers in achieving their diversity, equity, and inclusion goals runs deep because we know the future economic vitality of our region depends on it.

Sincerely,

Dottie Gallagher, President & CEO
Buffalo Niagara Partnership

This report has been made possible through the generous support from the Community Foundation for Greater Buffalo, the Walmart Foundation, and an anonymous group of local business leaders.



Community Foundation
for Greater Buffalo

MAKE THE MOST OF YOUR GENEROSITY.

Walmart  **org**

Special thanks to BlueCross BlueShield of Western New York for donating the printing and distribution of the final report, to Tom Burns for his expert photography, and to Crowley Webb for providing additional expertise during the survey distribution and data analysis phases, as well as providing the layout and design of the final report.

EXECUTIVE SUMMARY.

The Buffalo Niagara Partnership (BNP) aims to help the communities and businesses in our region by building more diverse and inclusive workforce cultures. To better understand this initiative and what improvements are needed, primary quantitative research was conducted to find out exactly how Western New York companies are approaching diversity and inclusion in the workplace.

A vast majority of companies agree that diversity and inclusion (D&I) initiatives are essential – so much so that 72% percent of respondents reported their company has actually begun its D&I journey. However, only 17% of these respondents said their company has set concrete D&I goals, and only 5% of respondents noted that their company currently achieves those goals. And with 27% of respondents reporting that their company has not yet begun its D&I journey, it is clear that there is still work to be done.

**Findings regarding those who do not wish to initiate plans for D&I processes should be interpreted with caution due to small sample size.*

The survey identified many similarities across respondent and company characteristics for those at early and late stages of their D&I journeys. However, those who have begun their journey were most commonly working within the nonprofit industry (22%); whereas those who haven't begun were most commonly working in manufacturing and construction (both 12%). Respondents who feel their organization was actually achieving their D&I goals were most commonly at the CEO level, working at companies with 500 or more employees in nonprofit and software/technology industries. In addition, the majority of those who do not wish to initiate plans for D&I processes* were in the manufacturing industry.

Overall, results highlight the need for education and resources across the business community, including the implementation of a D&I infrastructure within an organization. A significant increase in likelihood of actionable progress – like setting concrete goals or establishing policies – was found to occur when companies assigned a point person or a committee dedicated to advancing D&I policies.

Another finding that resonated across those at all stages of their D&I journey was the importance of hiring practices for minority candidates. The survey found that increasing training and professional development in D&I for both management and staff members is an important area for improvement, especially for those who work at companies that have yet to begin their D&I journeys.

There are also common challenges facing the business community's progress in D&I, although these challenges differ for companies at different stages of their D&I journey. Findings show that those in the early stages commonly reported a hesitation from others to talk about difficult topics as a challenge, and mentioned desiring resources related to how to get started with their D&I journey. On the other hand, those who are farther along on their D&I journey commonly reported budgetary challenges, and mentioned wanting resources related to hiring and retention.

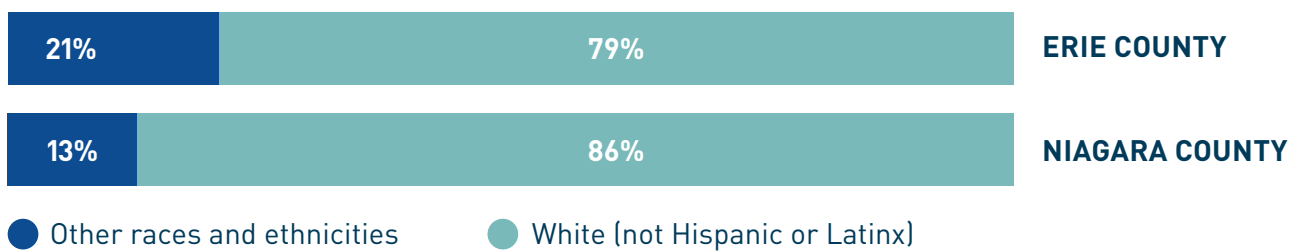
Finally, the characteristics of respondents and companies played a major role in the positive perceptions of an organization's D&I approach, including how advanced it was reported as being. It was common for those who work at smaller companies that are farther along on their D&I journeys to have significantly stronger positive perceptions regarding their organization's current D&I performance compared to those working at larger companies. Although larger companies more commonly set and achieved D&I goals, they would benefit from proactive communications of their work toward D&I in order to increase awareness throughout the company. CEO-level respondents commonly tend to perceive that they are farther along on their D&I journey compared to staff-level respondents. And minority-status respondents more commonly reported that their company has begun its D&I journey, specifically by having a point person in charge of D&I processes.

REGIONAL DEMOGRAPHIC BACKGROUND.

Neither Erie nor Niagara County has majority-minority status, meaning that in Erie and Niagara Counties, the majority of the local population is white. However, there has been a steady yearly increase in total number of jobs held by people of color in the WNY region.

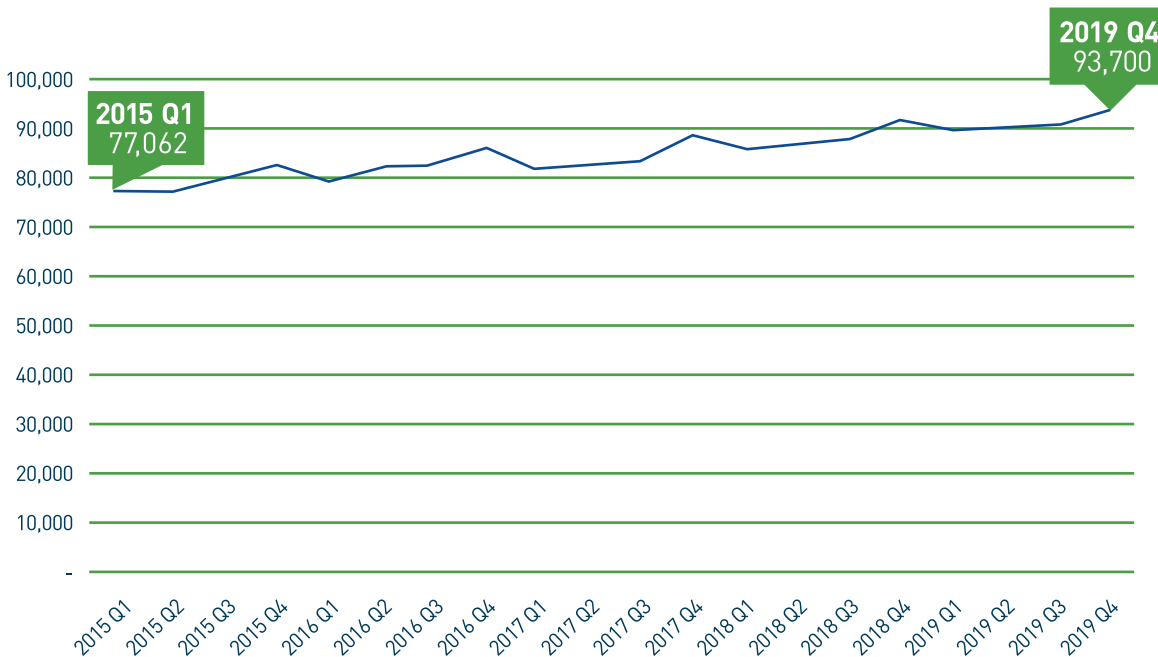
Population Breakdown

Census Data – 2019

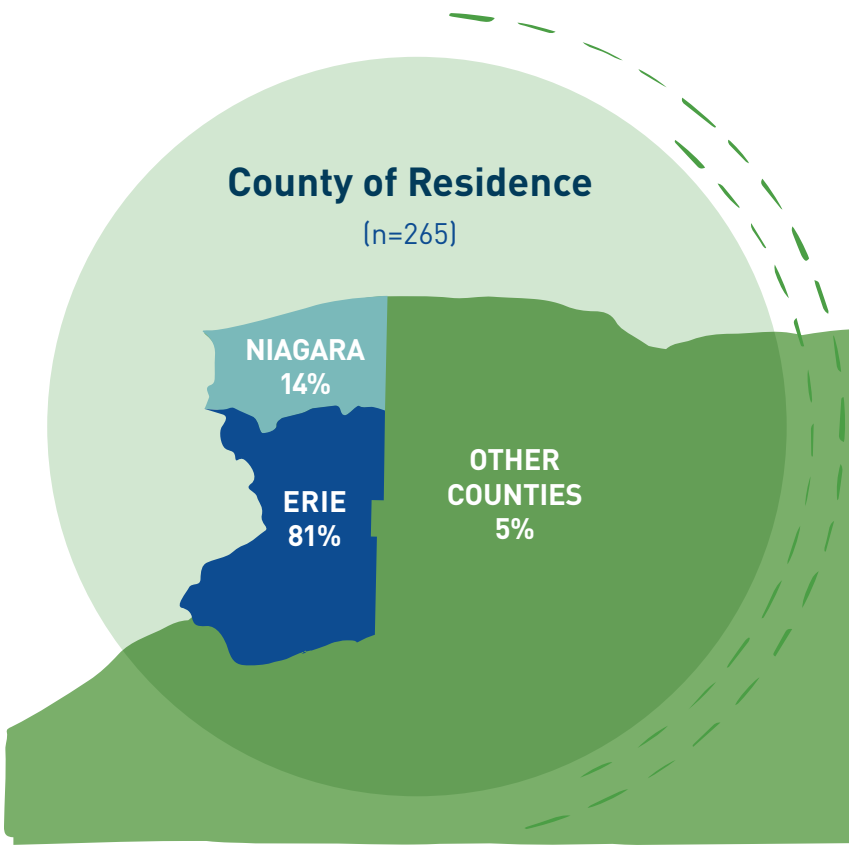


Beginning of Quarter Employment Counts – People of Color

Erie and Niagara Counties (2015–2019)



Source: U.S. Census Bureau, Center for Economic Studies, LEHD



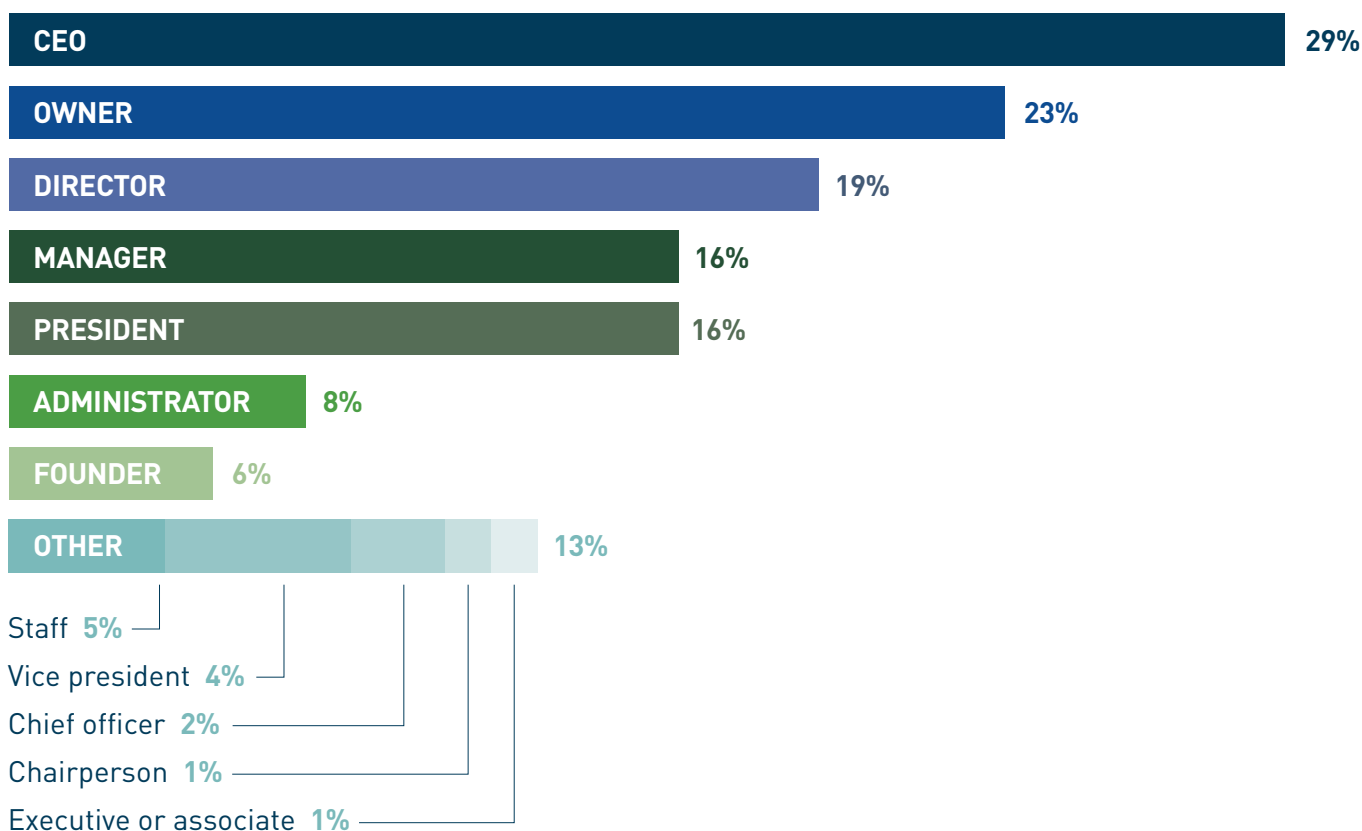
Methodology and Sample

The WNY D&I Business Community Assessment comprised a 10-minute online survey that was fielded from 6/25/20 through 7/7/20. The web survey was distributed via email using a list provided by BNP and 20 additional economic, development, trade, and chamber organizations. Only respondents who work at companies with more than five employees were eligible to complete the assessment. The total sample consisted of 265 individuals, which was representative of Erie and Niagara Counties, with a margin of error of $\pm 5.9\%$, which makes the results projectable to the community at a 95% confidence level.

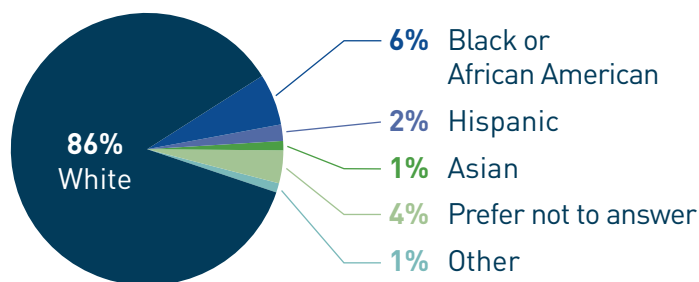
RESPONDENTS AND COMPANY PROFILES.

When asked about current job titles, it was most common for respondents to report being the CEO, owner, or director of the organization they work for. Male and female respondents were fairly evenly split, and most were age 35 or older, and white. One-third of companies in this assessment have between 11 and 50 employees, and 6% of companies are designated as minority business enterprises. Overall, the sample represents a wide variety of industries.

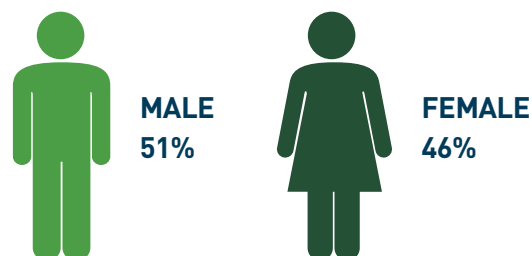
Job Title*



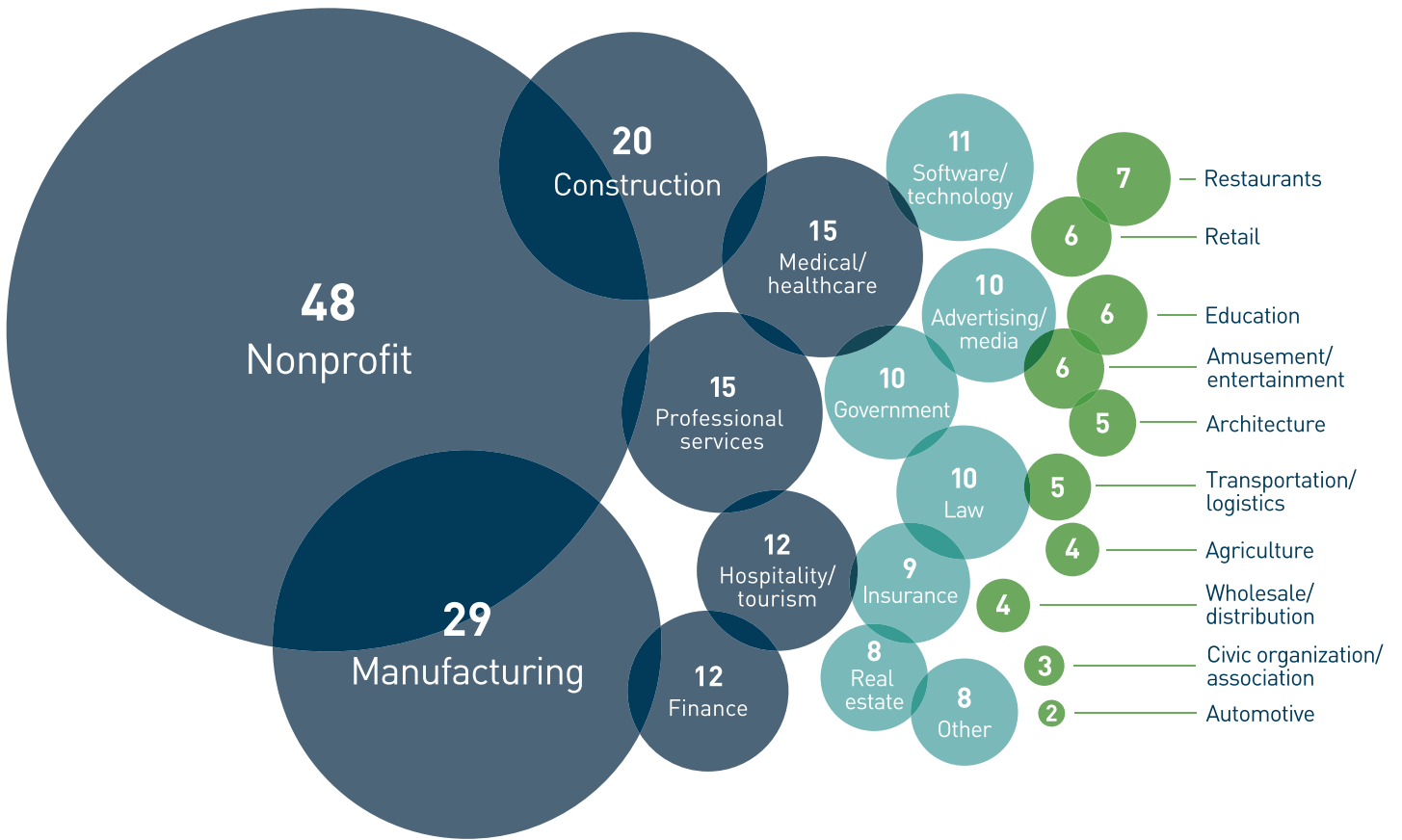
Ethnicity*



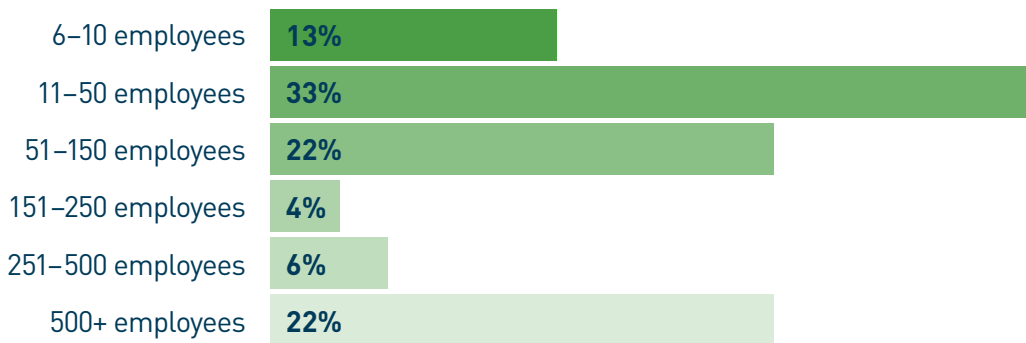
Gender**



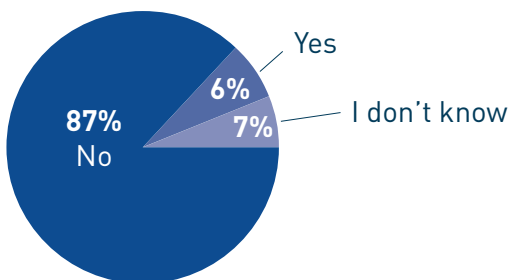
Company Industry*



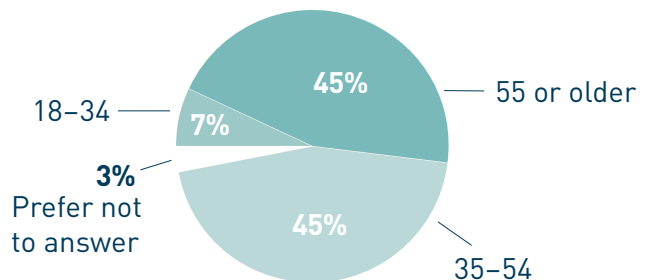
Company Size*



Minority Business Enterprise*

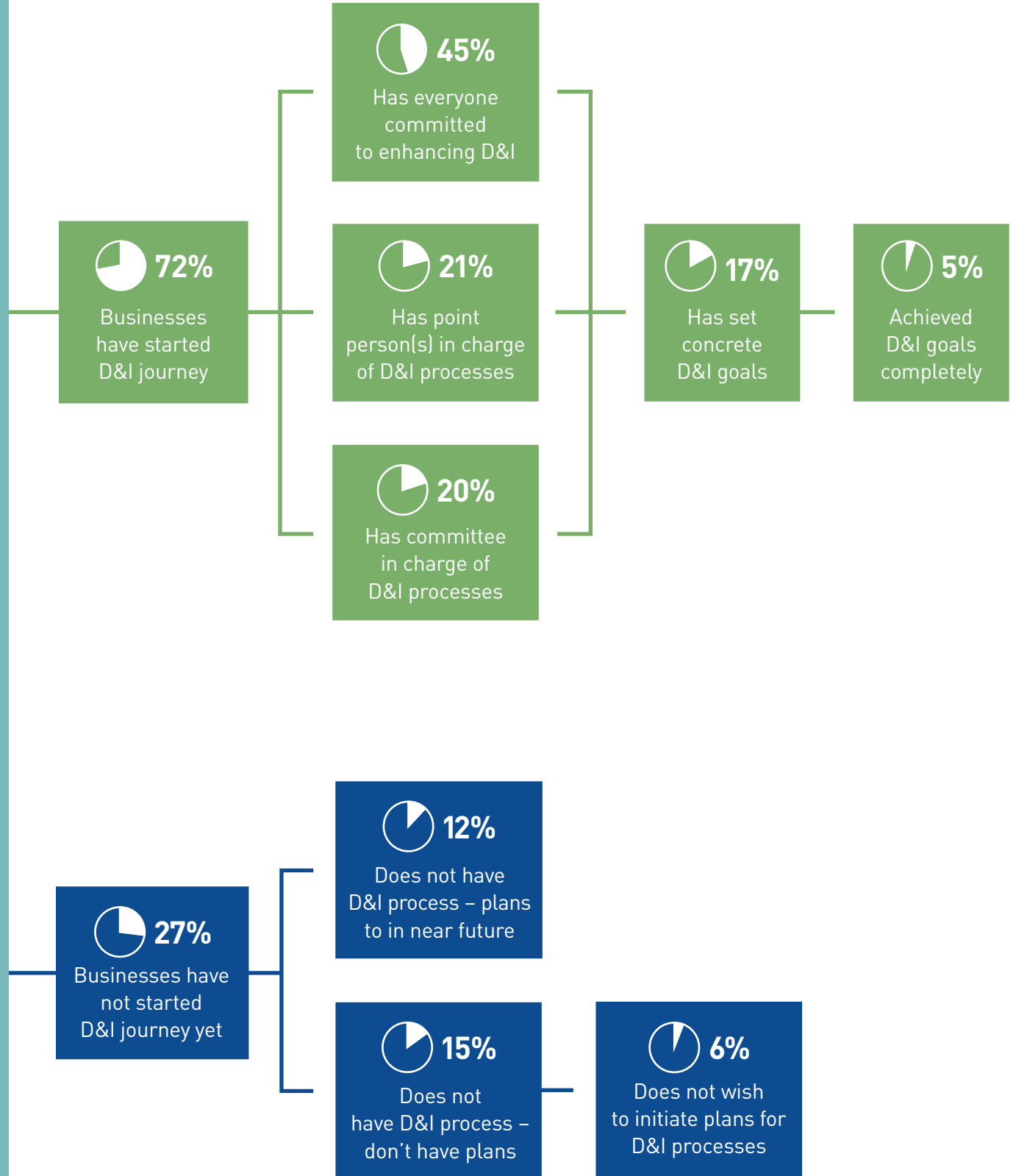


Age*



D&I JOURNEY BREAKDOWN

Total Respondents (n=265)





Heather Gresham

Director, Talent Acquisition
*BlueCross BlueShield
of Western New York*

Douglas Parks

SVP of HR, CHRO
*BlueCross BlueShield
of Western New York*

“The events of the last few months – including the murder of George Floyd and the health disparities made obvious by the COVID-19 pandemic – have given us a passionate focus to extend our DE&I programs. We feel strongly that ‘We Heal Together’ and have formed a Diversity, Equity and Inclusion (DE&I) Council to guide our overall strategy and actions to support individuals within our company and externally in the community. We are listening, we are hearing many viewpoints, recognizing that with a diversity of voices, the growth potential is infinite.” – Douglas Parks



Janice Horn

Vice President of Human Resources, US-Canada Region and Global Functions
Rich Products

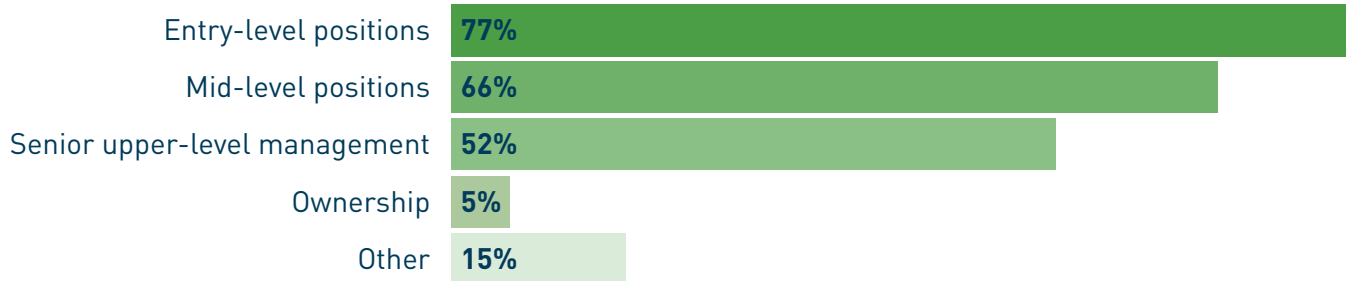
Yexi Liu

Chief Information Officer
Rich Products

“At Rich’s, we believe the way we view and act on diversity and inclusion (D&I) are critical to our long-term success and to the health and vibrancy of all the communities we serve. It matters to our company, to our leaders, to our associates and to our customers. We truly believe we are a stronger, more innovative company because we are diverse – in background, in ethnicity, in action and in thought. Our work in this area will never be done – knowing there is so much more we can learn and accomplish, together.” – Yexi Liu

D&I FOCUS.

Employment Level for D&I Focus n=192



As you can see in the chart above, for respondents whose companies have started their D&I journeys, entry-level positions are the most focused on in established D&I initiatives. This focus on employment level extends to higher positions as well, but at slightly lower rates. Findings also show that very small companies (between six and 10 employees) are significantly less likely to focus D&I efforts at mid-level and senior-level positions compared to those with between 11 and 50 employees.

Minority Recruitment Goals from Employers

“Qualified minority candidates are viewed very favorably for positions. It’s a plus. Our goal is to increase minority representation in our workforce. We do not set quotas. It is driven by the quality of the candidates we review.”

“Recruiting more board members from different backgrounds.”

“Our goal is to be more diversified. So we set goals to recruit members into mid-level and senior-level positions.”

Across all industries, the business community expressed a heavy focus on recruitment of minority candidates being an important part of D&I initiatives in the workplace. Not only was recruiting minority candidates the most common policy established by those who have started D&I processes (53%), but it was also rated most commonly as an important policy to initiate by those who haven’t yet begun their D&I journeys (56%).

D&I CHALLENGES.

Respondent Challenges from Companies That Haven't Started the D&I Journey

Although there was no significant difference in company size between those that have and those that have not started their D&I journeys, those companies that have started most commonly mention small business size, or having too few employees, as a challenge to D&I processes and progress (26%). For respondents working at companies that haven't started their D&I journeys yet, the biggest challenge for initiating D&I processes was that not everyone in the company, including leadership, values diversity initiatives (40%). Another challenge commonly mentioned was finding applicants for hire (23%).

COMPANY NOT VALUING DIVERSITY INITIATIVES:

"Management and Leadership. No incentive to become more diverse and inclusive."

"The school of thought that it's unnecessary."

"Convincing leadership that there is a problem in the first place."

"Lack of awareness of the issue. Our staff is not diverse and many have a fundamental lack of understanding of the issues around D&I. This manifests itself daily through statements made to other employees and actions that, while not overtly 'racist,' clearly show a lack of understanding of the challenges."

"The political idea that we need to 'initiate' such [a] process. We do not hire with any factor of race, religion, sexuality, etc. We hire based on qualifications and desire to work, which as of today is in and of itself a challenge."

FINDING APPLICANTS:

"Finding people within these diverse populations who have the talents necessary to fill the roles."

"Current lack of connections to urban populations."

"Biggest challenge is getting people to apply for the jobs when they become available."



Ekuia Mends-Aidoo

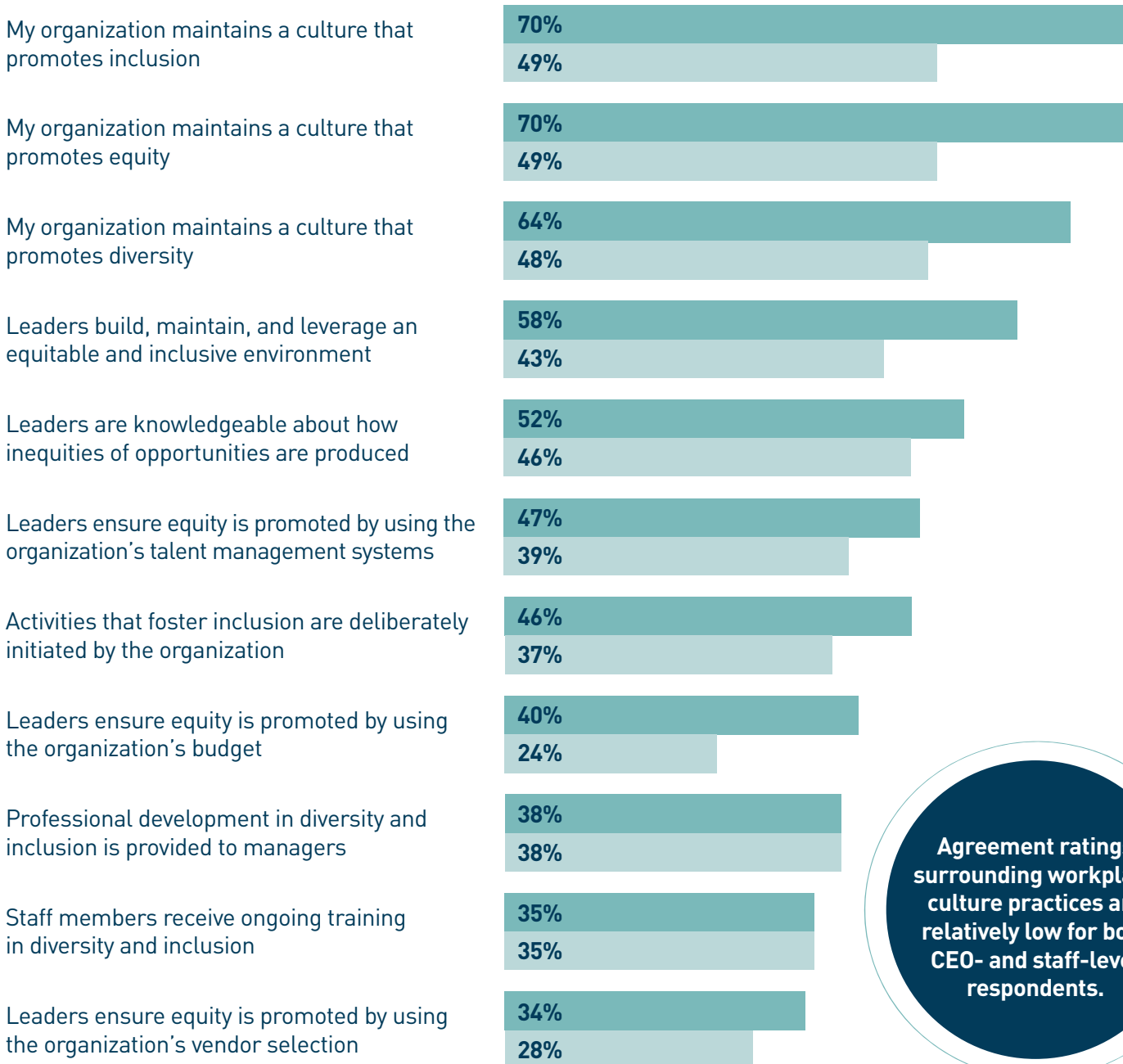
Chief Equity & Inclusion Officer
Evergreen Health

“At Evergreen Health, we view diversity, equity, and inclusion as business imperatives. We create spaces and find ways to engage our employees, patients, consumers, and stakeholders, to listen to their viewpoints and aggregate their voices. In healthcare, we all play a role in addressing racial equity and making systemic changes to eliminate existing disparities.”

DIFFERENT PERSPECTIVES.

Characteristics of the respondent and the company, including the respondent’s title and their company size, played an important role in the perceptions and views expressed throughout the assessment. For instance, when asked about their organization’s current progress in D&I, CEO-level respondents tended to have stronger positive perceptions compared to staff-level respondents.

Perceptions by Respondent Position Level



Agreement ratings surrounding workplace culture practices are relatively low for both CEO- and staff-level respondents.

D&I Infrastructure by Company Size

When asked how their organization currently approaches D&I in the workplace, respondents who work at larger companies (250 or more employees) that have begun their D&I journeys are significantly more likely to report having a committee or a point person dedicated to D&I processes, as well as establishing concrete D&I goals, compared to those at companies with 50 or fewer employees. In comparison, respondents who work at companies with 50 or fewer employees are significantly more likely to report that everyone in the workplace is committed to D&I.

Have point person in charge of D&I processes

16%

48%

Have committee in charge of D&I processes

13%

48%

Have everyone in workplace committed to D&I

78%

35%

Set concrete D&I goals

14%

40%

Perceptions and Goals by Company Size

Respondents who work for companies with 50 or fewer employees also have significantly stronger positive perceptions of their company promoting inclusion, equity, and diversity compared to those who work for companies with 250 or more employees. While smaller companies have stronger positive perceptions of their company's D&I efforts, they could benefit from setting and measuring goals as well as having a point person or committee in charge of D&I. Conversely, larger companies that have infrastructure in place could benefit from more active efforts to communicate the work in order to increase staff knowledge of D&I efforts.

My organization maintains a culture that promotes diversity

79%

55%

My organization maintains a culture that promotes inclusion

80%

63%

My organization maintains a culture that promotes equity

81%

55%

Leaders build, maintain, and leverage an equitable and inclusive environment

77%

47%

ADVANCEMENT THROUGH INFRASTRUCTURE AND COMMUNICATION.

Goal and Policy Setting by D&I Infrastructure Status

A key finding from the survey highlights the importance of implementing a D&I infrastructure in the form of appointing a person or a committee in charge of these initiatives. Respondents who reported that their company has begun its D&I journey and has either a D&I point person or a D&I committee are more likely to report that their organization has established concrete D&I goals and is enacting certain policies compared to those who do not have either.

- **HAS POINT PERSON OR COMMITTEE** (n=90)
- **HAS NEITHER** (n=102)

SETS CONCRETE D&I GOALS



POLICIES IN PLACE

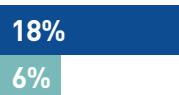
Recruitment efforts include outreach to attract minority candidates



Hiring managers follow specific D&I guidelines

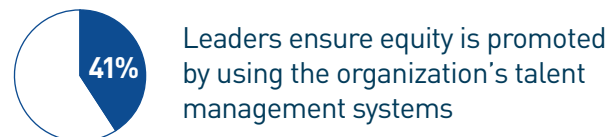
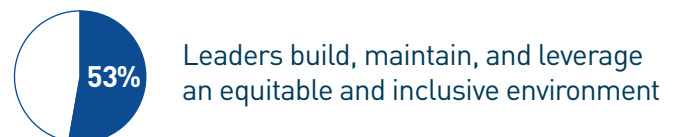
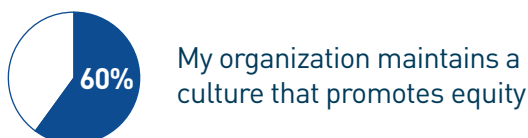
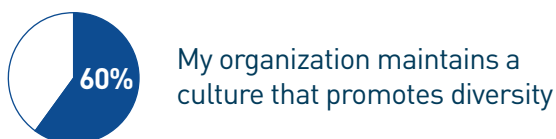
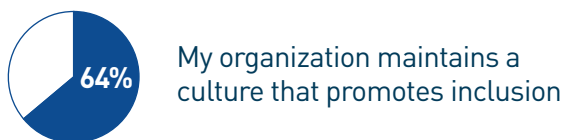


Job descriptions are run through a bias detector



Perceptions among Those with D&I Infrastructure

For those who work at companies with a D&I infrastructure, there is still room to improve positive perceptions about their company's current promotion of inclusion, diversity, and equity, and the role leaders have in this process. Employers can help by being proactive about communicating the D&I work they are doing in order to advance these initiatives.



Respondent Examples of Changes Made and Not Made following Recent Events

Furthermore, when asked about recent events affecting their company's focus on D&I, most respondents have experienced change in their company, including a greater urgency to move forward, heightened awareness, increased internal communication, and general efforts made toward D&I initiatives. However, those whose companies have begun their D&I journeys without an infrastructure more commonly mentioned that their organization did not change because of recent events.

CHANGES MADE

"It has made us take a look inward and begin as an agency to acknowledge and understand how we could operate differently and to make sure that we have policies on D&I."

"Has heightened awareness."

"It has opened the door for frank dialogue among members of the organization."

"Our organization [has] discussed issues of equity in the workplace before the recent events and [has] agreed to make internal statements regarding equity and our disdain for racism."

"It has made us prioritize perceived shortfalls across the board."

"It has accelerated our efforts to formulate a far more rigorous approach to D&I."

NO CHANGES MADE (Examples from respondents without D&I point person or committee)

"No, we have been inclusive and diverse since day one starting with the ethnic diversity of the partners."

"Current events have not affected our focus. While it is not a procedure in place, diversity and inclusion are part of our work culture."

"My focus has not changed at all. Nobody here sees race or color!"



Rupa Shanmugam

President/CEO
SoPark Corporation

“SoPark Corporation is committed to promoting a work environment in which differences are respected, employees are treated fairly, and individual contributions are valued and rewarded. We live D&I in our company which is a woman and minority owned advanced electronics manufacturing service provider (EMS). Our top management team is 67% female and our total employment is 53% female and/or minority with 10% foreign born US citizens representing various countries. The perspectives offered by our employees from many different backgrounds not only strengthen SoPark Corporation and provide greater innovation and creativity but also enable it to respond to customer needs in the ever-changing marketplace.”

The findings present a cautionary tale in the difference between CEO and staff perceptions; that is, CEOs dedicated to D&I may not necessarily be communicating their message effectively to staff members. And organizations focused solely on candidate recruitment may negatively impact the ability to retain this talent once hired. Organizations should consider ways to build inclusive workplace cultures in tandem with diversity recruitment efforts.

Perceptions by D&I Journey Level

My organization maintains a culture that promotes inclusion



My organization maintains a culture that promotes equity



My organization maintains a culture that promotes diversity



Leaders build, maintain, and leverage an equitable and inclusive environment



Leaders are knowledgeable about how inequities of opportunities are produced



Activities that foster inclusion are deliberately initiated by the organization



Leaders ensure equity is promoted by using the organization's talent management systems



Professional development in diversity and inclusion is provided to managers



Leaders ensure equity is promoted by using the organization's budget



Staff members receive ongoing training in diversity and inclusion



Leaders ensure equity is promoted by using the organization's vendor selection



● **HAVE BEGUN JOURNEY** (n=192)

● **YET TO BEGIN JOURNEY** (n=73)

Recommendations

- If your company hasn't started working toward D&I initiatives, the best thing to do is to begin making an effort, as those who did have stronger positive perceptions toward their organization's D&I progress
- Be more proactive in developing activities that foster inclusion
- Establish a D&I infrastructure in the form of a point person or a committee
- Set concrete D&I goals and establish certain D&I policies
- Have a system to actively communicate with staff about the company's D&I initiatives and goals
- Have a system to measure progress and gather employee input/perceptions

With all this information, there is one thing to be said: Regardless of industry and size of company, the Western New York business community has a real opportunity to advance D&I processes in the workplace.

BNP developed and implemented the **2020 WNY D&I Community Assessment** to evaluate the state of diversity, equity, and inclusion in our local business community. We dug deep to uncover what companies in Buffalo Niagara are doing to foster a more diverse and inclusive workplace, including policies and procedures to advance those initiatives.

Not only does this report of findings help us to better understand what steps WNY employers are taking in diversity, inclusion, and equity, it can also help your organization as a guide for your own D&I efforts. Whether you are well on your way or just beginning, the business assessment report provides valuable information that can be used as a baseline tool for the important work of D&I.

YOU CAN USE THIS REPORT TO CREATE AN ACTION TEMPLATE TO HELP YOU:

- Start the work
- Track progress on existing initiatives
- Identify areas on which to focus
- Begin or deepen discussions among your team, including management

NEXT STEPS.

THE FOLLOWING CHECKLIST ITEMS CAN HELP CREATE YOUR ACTION TEMPLATE.

- Create vision and mission statements for your organization's plans
- Authorize an intentional focus on D&I in your organizational policies
- Have a point person or committee in charge of diversity and inclusion processes
- Set concrete goals for meeting diversity and inclusion standards, and record in writing
- Measure performance toward goals on a regular basis
- Implement policies to address diversity and inclusion in the workplace, including management decision, job descriptions, and corporate social responsibility
- Understand potential obstacles to diversity and inclusion, such as budgetary resources, institutional attitudes, lack of support from leadership, etc.
- Seek information about diversity and inclusion practices, including websites, journals, affinity groups, government agencies, the Buffalo Niagara Partnership, and other sources
- Utilize accountability mechanisms and regularly collect, analyze, organize, and publicize data on board, staff, advisor, vendor diversity
- Incorporate commitment to diversity and inclusion into policies, procedures, performance expectations, and orientations for new employees and board members



DIVERSITY AND INCLUSION EXECUTIVE COMMITTEE MEMBERS.

Thank you to the BNP's Diversity and Inclusion Executive Committee members for their guidance in developing and implementing the BNP's D&I programming.

Anthony Spada, Jr.

AAA Western and Central New York

Carissa Leon

KeyBank

Clotilde Dedecker

Community Foundation for Greater Buffalo

Dottie Gallagher

Buffalo Niagara Partnership

Douglas Parks

BlueCross BlueShield of Western New York

Ekua Mends-Aidoo

Evergreen Health

Kimberly Wolf Price

Bond, Schoeneck & King PLLC

Kristy Farrell

M&T Bank

Latise Hairston

Delaware North Companies

Laura Dolan

Bank of America

Norah Fletchall

Zoological Society of Buffalo, Inc.

Paul Bonaro

Verizon Media

Sesha Yalamanchili

On the Mark Consulting

Trina Burruss

Northwest Bank

Potential ECIDA MWBE Policy Framework

Problem Statement:

Structural racism continues to have a strong hold in the United States. Glaring disparities in income and wealth, criminal justice, education and employment, health and wellness, and more exist all over the United States. While these disparities are rooted in the United States' dark history of slavery, they are also rooted in a far more recent history, including but not limited to discrimination in Federal housing policy, child welfare, policing, financing, and more.

Unfortunately, WNY is no different. A report issued by the Greater Buffalo Racial Equity Roundtable in November 2016 found major disparities in the region in four key areas: income and wealth, neighborhoods and quality of life, education and job readiness, and criminal justice. The report, entitled the Racial Equity Dividend: Buffalo's Great Opportunity, finds that the median family income for white families in the region is \$71,622, whereas the median income for African American households in the region is just \$33,061. Rates of homeownership, which is a traditional path to building wealth in the United States, show similarly disturbing disparities in WNY. For example, the rate of owner occupied housing units among whites is 73% in WNY but only 35% among African Americans. [Note: the full report can be found here: <https://racialequitybuffalo.org/files/documents/report/theequitydividendfinaljune2018.pdf>]

Regrettably, economic disparities among minority populations have only been exacerbated by the COVID-19 pandemic. For example, Accountable US Action recently conducted a study on the distribution of funds from the Paycheck Protection Program (PPP) in the Buffalo metro area and found that minority owned businesses received dramatically less support from the PPP. The following information from the study was noted in the Buffalo News on September 7, 2020:

- The study found that the ZIP code with the largest Black population in Buffalo, on the city's East Side, received the smallest number of loans. Meanwhile, the most loans locally went to the 14221 ZIP code, which includes Williamsville and parts of Amherst and Clarence.
- The study compared the number of PPP loans to the population of each of the ZIP codes in the Buffalo area, and found that the neighborhood with the smallest number of loans compared to the population was ZIP code 14208, which straddles Jefferson Avenue on Buffalo's East Side. In that ZIP code, where the population is 85% Black, only 43 businesses got PPP loans.
- Other ZIP codes that received comparatively few PPP loans include those straddling Genesee Street (14211), one that runs along Broadway (14212) and one that straddles the Kensington Expressway west of Harlem Road (14215). Those happen to be the four Buffalo ZIP codes with the highest Black population, the study noted. Those four ZIP codes received 497 PPP loans.
- Meanwhile the four ZIP codes with the highest white population received 1,231 loans. Those ZIP codes cover West Seneca (14224), Blasdell and Hamburg (14219), Kenmore (14217) and Cheektowaga (14227). The Williamsville ZIP code – 14221 – received a fifth of the region's PPP loans, the study said.

Objective:

The ECIDA endeavors to enact policies, procedures, and partnerships that directly combat structural racism and the economic disparities experienced by minority and women owned businesses.

- The agency can do this by ensuring that minority and women owned businesses have an enhanced opportunity to contract or subcontract with any company receiving tax benefits from the agency, as well as with the agency itself.
- The objective may also be achieved by providing direct or indirect business assistance, mentorship, and or capital to minority and women owned business enterprises to grow the pool of MWBEs in our community.

Policy Discussion Questions:

- **Scope**
 1. Should a policy establish a goal for the use of MWBEs in the construction phase of the project?
 2. Should a policy establish a goal for the use of MWBEs in the procurement of supplies and equipment?
 3. Should a policy establish a goal for the use of MWBEs in the procurement of professional services?
 4. Any combination or all of the above?
- **Usage Goal**
 1. What usage goal for MBWE utilization should ECIDA consider?
 2. Should the usage rate be specifically broken out for MBEs and WBEs or simply one large umbrella goal?
 3. Should ECIDA consider an escalating usage goal over time?
- **Workforce**
 1. Should the agency consider a workforce incentive?
 2. What models exist that the agency might consider? (See Onondaga County)
- **Enforcement/Incentives**
 1. What documents will ECIDA require to monitor any given company's efforts to meet the MWBE utilization goals established by the policy?
 2. How frequently will the ECIDA require submission of the documents?
 3. What process or procedure might the agency enact/employ for failure of any given company to meet the goal?
 4. What process and procedure might the agency enact/employ to further incentivize the company's efforts to meet the goal?
- **Partnership Collaboration**
 1. Role ECIDA should play in helping MWBE enterprises?
 2. Business formation, technical assistance, and mentoring?
 3. Capital and financing needs?
 4. Certification, licensing, bonding, and insurance costs?

- ***ECIDA Staffing, Purchasing, and Professional Services?***
 1. What procedures are already in place?
 2. The Governance Committee of the ECIDA can undertake a review of existing procedures and guidelines and can make recommendations for modifications before the ECIDA 2021 Annual Meeting.

Relationship of Policy to the Objective:

By enacting a policy that links tax inducements to a goal of MWBE utilization, the agency is ensuring that there is increased opportunity among minority and women owned businesses to benefit in the projects supported by the agency. Over time, such increased opportunity generates greater income and wealth among minority and women owned businesses, thereby helping to close the long lasting racial disparities that continue to plague our community.

UNIFORM TAX EXEMPTION POLICY

Drafted February 1994
Readopted March 1999
Amended November 13, 2008
Amended April 9, 2009
Amended June 11, 2009
Amended July 9, 2009
Amended April 14, 2011
Amended September 13, 2011
Amended July 17, 2012
Amended December 11, 2012
Amended July 26, 2013
Amended July 20, 2016
Amended August 20, 2019
Amended September 15, 2020

Section I. Purpose

A. Purpose. Pursuant to Section 874(4) of Article 18-A of the General Municipal Law (the “GML”) of the State of New York (the “State”), the Onondaga County Industrial Development Agency (the “Agency”) hereby establishes a uniform tax exemption policy (“UTEP”) to provide guidelines for the claiming of real property, mortgage recording, and sales and use tax exemptions. The Agency may grant benefits on a case by case basis for a project expected to have significant economic impact on Onondaga County as determined in the sole discretion of the Agency members.

Section II. Real Property Tax Abatements

A. General Policy. The Agency may provide for the provision of real property tax abatements to qualified applicants. The granting of such abatements requires the Agency and the project owner or occupant (the “Company”) to enter into a payment in lieu of taxes agreement (“PILOT”), which provides for payments in lieu of taxes to the taxing jurisdictions generally in an amount less than what the real property taxes would be if the Agency involvement did not cause the project to be tax exempt. The Agency’s standard policy is to provide for payments following a schedule of steadily increasing fixed payments calculated by applying a sliding scale to values determined using current tax rates and the current assessed value of the project.

B. Special Assessments and Levies. No project shall be exempt from special assessments and special ad valorem levies lawfully levied and/or assessed against the project.

C. PILOT Qualification. A project must be engaged in one of the following below

listed activities to be eligible for a Job Retention, Job Retention with MWBE Enhancement, Job Creation, Job Creation with MWBE Enhancement, or either Repatriation PILOT Scales later detailed in this UTEP. Qualifying activities include: manufacturing, processing, remanufacturing, assembly, warehousing, back office, wholesale, distribution, product research and development, professional/scientific/technical services, tourism, commercial housing or a corporate national or regional headquarters, or an energy project.

D. PILOT Valuation. Payments in lieu of taxes shall be determined pursuant to a written PILOT Agreement between the Agency and the Company. The Company shall pay to the Agency, or its designee, the amount calculated pursuant to the applicable PILOT Agreement. Each PILOT payment shall be allocated among the affected taxing jurisdictions in proportions equal to the percent of real property taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt. Variations in the proportions shall be done only with the prior written consent of all the affected taxing jurisdictions. Each PILOT agreement shall take effect during the tax year immediately following the taxable status date after the Agency acquires an interest in the project unless otherwise agreed upon by the Agency.

1. PILOT payments shall be equal to the sum of the following:
 - i. Fixed payments, calculated by the Agency, using an estimated current value and current tax rate of the land both as of the date of the application for Project benefits; plus
 - ii. Fixed payments, calculated by the Agency, using an estimated value of the improvements and current tax rate both at the time of the application for Project benefits, which value is then multiplied by the applicable percentage in the applicable PILOT Exemption Scale.

Job Retention PILOT Exemption Scale

The Job Retention PILOT Exemption Scales is available to a Company undertaking a project in Onondaga County where the project goal is to enhance the competitiveness of the Company through strategic investments. For these projects, additional capital investments by the Company are necessary to preserve existing jobs.

Job Retention PILOT Exemption Scale		Job Retention Community Benefit PILOT Exemption Scale	
Year	Exemption %	Year	Exemption %
1	100%	1	100%

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2	90%	2	100%
3	80%	3	100%
4	70%	4	90%
5	60%	5	80%
6	50%	6	70%
7	40%	7	60%
8	30%	8	50%
9	20%	9	40%
10	10%	10	30%
		11	20%
		12	10%

Job Retention PILOT with MWBE Enhancement Exemption Scale

To qualify for an MWBE Enhancement PILOT Exemption Scale, a Company must demonstrate compliance with the MWBE Requirements, as noted below, from the date of project closing to 5 years from project completion. The MWBE enhancement requirements require that at least 15% of the Company’s new hires in this time period (i) be minorities and (ii) at least 30% be minorities or women. If the Company can demonstrate this, they are eligible to return to the Agency and request this enhancement to their PILOT exemption scale. The Agency has sole and absolute discretion with granting this request.

**Job Retention PILOT
 with MWBE
 Enhancement
 Exemption Scale**

Year	Exemption %
1	100%
2	90%

**Job Retention and Community
 Benefit PILOT with MWBE
 Enhancement Exemption Scale**

Year	Exemption %
1	100%
2	100%

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3	80%	3	100%
4	70%	4	90%
5	60%	5	80%
6	50%	6	70%
7	<u>45%</u>	7	<u>65%</u>
8	<u>35%</u>	8	<u>55%</u>
9	<u>25%</u>	9	<u>45%</u>
10	<u>15%</u>	10	<u>35%</u>
		11	20%
		12	10%

Job Creation PILOT Exemption Scale

The Job Creation PILOT Exemption Scale is available to a Company undertaking a project in Onondaga County where the project will create jobs and/or enhance the competitiveness of the Company by creating or expanding a business.

To qualify for the Job Creation PILOT Exemption Scale, the Company must represent that it will create and/or increase employment at the project site by at least 25% for an existing site or increase the applicant’s Onondaga County employee headcount by 25%.

Job Creation PILOT Exemption Scale
 (At least 25% increase in total jobs)

Job Creation Community Benefit PILOT Exemption
 Scale (At least 25% increase in total jobs)

Year	Exemption %	Year	Exemption %
1	100%	1	100%
2	100%	2	100%
3	90%	3	100%
4	90%	4	100%
5	80%	5	90%
6	80%	6	90%
7	70%	7	80%

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8	70%	8	80%
9	60%	9	70%
10	60%	10	70%
11	50%	11	60%
12	40%	12	60%
13	30%	13	50%
14	20%	14	40%
15	10%	15	40%
		16	30%
		17	20%
		18	10%

Job Creation PILOT with MWBE Enhancement Exemption Scale

A Project with a Job Creation PILOT exemption scale may qualify for an MWBE Enhancement Exemption Scale if the Company is able to show compliance with the MWBE enhancement requirements from the date of project closing to 5 years from project completion. The MWBE enhancement requirements require that at least 15% of the Company’s new hires in this time period (i) be minorities and (ii) at least 30% be minorities or women. If the Company can demonstrate this, the Company is eligible to return to the Agency and request this enhancement to its Exemption Scale. The Agency has sole and absolute discretion regarding this request.

Job Creation PILOT (At least 25% of jobs must be new jobs) with MWBE Enhancement Exemption Scale

Job Creation Community Benefit PILOT (At least 25% of jobs must be new jobs) with MWBE Enhancement Exemption Scale

Year	Exemption %	Year	Exemption %
1	100%	1	100%
2	100%	2	100%
3	90%	3	100%
4	90%	4	100%
5	80%	5	90%
6	80%	6	90%
7	<u>80%</u>	7	<u>85%</u>

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8	<u>80%</u>	8	<u>85%</u>
9	<u>75%</u>	9	<u>75%</u>
10	<u>65%</u>	10	<u>75%</u>
11	50%	11	60%
12	40%	12	60%
13	30%	13	50%
14	20%	14	40%
15	10%	15	40%
		16	30%
		17	20%
		18	10%

Repatriation/Reshoring PILOT Exemption Scale

For exceptionally impactful projects a 30 year PILOT is available. To qualify, projects must meet these three requirements:

1. Development/expansion in a strategically important industry sector as determined by the Agency board in its sole and absolute discretion;
2. Total Project Cost greater than \$250mm; and
3. Job creation greater than 500 full time permanent jobs over 5 years.

For smaller projects a 20 year PILOT is available. The proposed parameters are:

1. Development/expansion in a strategically important industry sector as determined by the Agency board in its sole and absolute discretion;
2. Total Project Cost less than or equal to \$250mm; or,
3. Job creation is less than 500 jobs over 5 years.

Repatriation PILOT Exemption Scale : Total Project Cost exceeds \$250 mm and Job Creation is greater than 500 jobs

Repatriation PILOT Exemption Scale : Total Project Cost is less than or equal to \$250mm or Job Creation is less than 500 jobs

Year	Exemption %
1	100%
2	100%

Year	Exemption %
1	100%
2	100%

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3	100%	3	100%
4	100%	4	100%
5	100%	5	100%
6	100%	6	100%
7	100%	7	100%
8	100%	8	100%
9	100%	9	100%
10	100%	10	100%
11	100%	11	100%
12	100%	12	90%
13	100%	13	80%
14	100%	14	70%
15	100%	15	60%
16	100%	16	50%
17	100%	17	40%
18	100%	18	30%
19	100%	19	20%
20	100%	20	10%
21	100%		
22	90%		
23	80%		
24	70%		
25	60%		
26	50%		
27	40%		
28	30%		
29	20%		

30

10%

E. Community Benefit Incentive PILOT. The Community Benefit Incentive PILOT may offer a more generous PILOT exemption scale to a project that meets one of the following thresholds:

1. **Brownfield.** The project is a brownfield site as determined by the New York State Department of Environmental Conservation or United States Environmental Protection Agency. Sites located within Brownfield Opportunity Areas may also be considered.

2. **Adaptive Reuse.** The criteria for “adaptive reuse” is based on the following:

- i. the age of the structure;
- ii. the structure presents a significant structural challenge to redevelopment or presents a significant public safety hazard, as determined by the Agency;
- iii. the structure has been vacant or underutilized for a minimum of 2 years prior to application to the Agency;
- iv. the net increase in the facility’s assessed value after project completion exceeds 30 percent;
- v. the project demonstrates a financial obstacle to development without the Agency’s assistance;
- vi. the project is listed on the State or the National Register of Historic Places; and
- vii. the site or structure is presently delinquent in property tax payments.

3. **LEED Certified.** The project has received a Gold or Platinum LEED Certification from the US Green Building Council. To accommodate the LEED Certification Commissioning Process without penalizing a project, a project seeking LEED Certification may receive the applicable base PILOT Exemption Scale for up to 2 years after the project is completed and be transitioned for the remaining period to the Community Benefit PILOT Schedule upon receiving LEED Certification. If the project has not received LEED Certification within the 2-year period, the applicable PILOT Exemption Scale will remain in effect for an additional 8 years.

4. Community Benefit Incentive PILOT Valuation.
 - a. PILOT payments shall be equal to the sum of the following:
 - i. Fixed payments, calculated by the Agency, using an estimated current value and current tax rate of the land both as of the date of the application for Project benefits; plus
 - ii. Fixed payments, calculated by the Agency, using an estimated value of the improvements and current tax rate both at the time of the application for Project benefits, which value is then multiplied by the applicable percentage in the Community Benefit Incentive PILOT Exemption Scale.

The Community Benefit Incentive PILOT Exemption Scale are shown on pages 7-G.3, 7-G.4, 7-G.5, and 7-G.6

F. Energy Project PILOT. Because of interest in our community for renewable energy development the Agency may, in its sole and absolute discretion, choose to grant real property, mortgage recording and sales and use tax exemptions to renewable energy projects. The following selection criteria and PILOT structure may be applied by the Agency to renewable energy related projects.

1. Selection Criteria
 - i. Is the project in an underutilized or undesirable/ difficult to develop location? (e.g. landfill, brownfield, distressed land)
 - ii. Is there demand in the area?
 - iii. Is there support from local officials?
 - iv. Does existing infrastructure support the project?
 - v. Does the size of the project warrant a PILOT?
2. PILOT Structure:
 - i. Term: At the Agency's sole and absolute discretion, the term of the PILOT may be extended to accommodate the financing requirements of a project.
 - ii. PILOT Calculation: To estimate the annual PILOT payment, the Agency may use a formula expressed as a dollar value per AC Mega Watt (MW) multiplied by the MW generated to arrive at a PILOT payment to be paid by the Company each year. The Agency will be responsible for determining what the appropriate

dollar value per MW is for each project. Mathematically, the formula can be expressed as: (AC MW Generated) X (Dollar Value per MW) = Total PILOT Payment for a given year.

G. Apartment Projects. Based on the need in our community for affordable housing for the workforce, the Agency may, in its sole and absolute discretion, choose to grant real property, mortgage recording and sales and use tax exemptions to apartment style housing projects. Apartment Projects real property tax benefits may be granted, in the Agency's sole and absolute discretion, in accordance with the Job Retention or Job Creation Exemption Scale contained in this UTEP. In addition to the requirements listed in the project evaluation and selection policy contained herein, the Agency may consider additional criteria when providing benefits to apartment style housing projects including, but is not limited to:

- i. Is the project being built in a blighted area?
- ii. Is the housing fulfilling an unmet need in the area?
- iii. Is there a market study documenting demand for such housing?
- iv. Is there support from local officials?
- v. Is the project considered needed infill in an already populated area?
- vi. Does the project provide walkability to municipality centers?
- vii. Is any additional county providing infrastructure necessary to service the project?
- viii. Is the project a part of a larger mixed-use development?

Section III. PILOT Deviations

A. PILOT Deviations. The Agency may deviate, on a case by case basis, from the PILOT Exemption Scale as described above.

B. Notification of Taxing Jurisdictions. Any deviations from this UTEP shall require a written notification by the Agency to the chief executive officer of each affected taxing jurisdiction in advance of the meeting at which the proposed deviation will be considered.

C. Deviation Considerations. The Agency in its sole and absolute discretion may consider the following factors in the determining whether a project may deviate from the PILOT

Exemption Scale contained in this UTEP , no single one of which is determinative:

1. The nature of the proposed project (e.g., manufacturing, commercial, etc.);
2. The nature of the property before the project begins (e.g., vacant land, vacant buildings);
3. The economic condition of the area at the time of the application;
4. The extent to which a project will create or retain permanent, private sector jobs;
5. The estimated value of the tax exemptions to be provided;
6. The impact of the project and proposed tax exemptions on affected tax jurisdictions;
7. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity;
8. The amount of private sector investment generated or likely to be generated by the proposed project;
9. The demonstrated public support for the proposed project;
10. The likelihood of accomplishing the proposed project in a timely fashion;
11. The effect of the proposed project upon the environment
12. The extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services;
13. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located; and
14. The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.

Section IV. Sales and Use Tax Exemptions

A. Sales and Use Tax Exemption. The Agency may grant an exemption from State and local sales and use taxes to a project to the full extent permitted by the State.

1. **Construction Materials, Equipment and Furnishings.** Purchases of construction materials and equipment and of project related equipment, furnishings and other items of tangible personal property may be fully exempt from State and local sales and use taxes until the project is completed.

2. **Operating and Maintenance Expenses.** Operating and maintenance expenses incurred in connection with a project are not exempt from State and local sales and use tax.

3. **Exempt Certificate.** All project applicants must agree in writing to timely file with the New York State Department of Taxation an annual statement of the value of all sales and use tax exemptions.

Section V. Mortgage Recording Tax Exemptions

A. Permitted Exemptions. The Agency may grant an exemption from the mortgage recording tax to a project to the full extent of the law. The Agency may not grant an exemption from the portion of the mortgage recording tax that is payable to the Central New York Regional Transportation Authority.

Section VI. Recapture of Agency Benefits

A. Information to be Provided by Companies. Each Company agrees that to receive benefits from the Agency it must, whenever requested by the Agency or required under applicable statutes or project documents, provide and certify or cause to be provided and certified such information concerning the Company, its finances, its employees and other topics which shall, from time to time, be necessary or appropriate, including but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

B. Recapture of Benefits. It is the policy of the Agency to recapture the value of a PILOT, any sales and use tax exemption, and mortgage recording tax exemption in accordance with the Laws of the State and the provisions contained herein. Before receiving benefits, the Company must attest in writing to its understanding of, and agreement to, the recapture provisions contained in State Law and herein. To the extent permitted by State law, the recapture provisions contained herein may be modified from time to time by the Agency at its sole discretion.

C. Recapture of PILOT, Sales and Use Tax and Mortgage Recording Tax Exemption Benefits

1. **Jobs.** If the number of full time equivalent jobs to be maintained or created in connection with a project falls below 75% of the number projected in the Company's application to the Agency, or if there are material violations of

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the project agreements, then the value of the property tax, sales and use tax and mortgage recording tax benefits extended to the project by the Agency may be subject to recapture. When deciding whether or not to recapture benefits and the amount of such recapture, the Agency may consider the potential future benefit of the business to the community.

2. **Recapture Payment.** The recapture payment paid by the Company to the Agency shall be determined (1) by the difference between any PILOT payments made by the Company and the property taxes that would have been paid by the Company if the property were not under the supervision, jurisdiction or control of the Agency, (2) the value of any mortgage recording tax exemption, if awarded to the Company and (3) the amount of sales and use tax that would have been paid if an exemption was not granted.

3. **Recapture of the PILOT, Sales and Use Tax or Mortgage Recording Tax.** The Recapture Schedule for a Payment in Lieu of Tax Agreement, Sales and Use Tax or the Mortgage Recording Tax is as follows:

Time from Project Completion	Tax Savings Recaptured
1 Year	80%
2 Years	60%
3 Years	40%
4 Years	20%
5 Years	10%

D. **Distribution of the Recapture Payment.** Any funds recaptured as a result of the recapture payment shall be distributed to the affected taxing jurisdictions in the same proportion as if the payments were paid or owed by the Company on the date of recapture.

E. **A “Full Time Permanent Employee” shall mean**

1. A full time, permanent, private sector employee on the Company’s payroll, who has worked at the project location for a minimum of thirty hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Company to other employees with comparable rank, duties and hours; or

2. Up to three part time, permanent, private-sector employees on Company’s payroll, who have worked at the project location for a combined minimum of thirty hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Company to other employees with comparable rank, duties and hours.

F. Additional Conditions Applicable to the Recapture of Sales and Use Tax Exemption Benefits.

1. Recapture Events. As of April 1, 2013, State law requires industrial development agencies to recapture sales and use tax benefits where:

- i. A project is not entitled to receive the benefits;
- ii. Exemptions received exceed the amount authorized by the Agency;
- iii. Exemptions are claimed by the project for unauthorized property or services; or
- iv. A project fails to use the property in the manner required by its Agency agreements.

2. Distribution of Sales and Use Tax. Project operators must cooperate with the Agency in its effort to recapture all sales and use tax benefits received by the Company by promptly paying the recapture amount as determined by the Agency. The amount to be recaptured will be dictated by State Law or this UTEP Policy, whichever may be applicable. The Agency shall remit the recaptured sales and use tax benefits to the State within 30 days of receipt.

3. Compliance Report. Annually, the Agency will file an annual compliance report with the State detailing its recapture terms and its activities to recapture benefits, including the any attempt to recapture benefits from an Agency project.

Section VII. Amendment or Modification

A. Amendment or Modification. The Agency, by resolution of a majority of its members and upon notice to the affected taxing jurisdictions, may amend or modify the foregoing policy, from time to time in accordance with the laws of the State.

Section VIII. Project Evaluation and Selection Policy

A. Evaluation and Selection. Pursuant to Section 859-a (5) of the GML the Agency must adopt, by resolution of the Board, uniform project evaluation and selection criteria. This criteria will be used to determine whether the Agency should grant financial assistance to an applicant. As such, the Agency has adopted this Evaluation and Selection Policy in accordance with the applicable laws and regulations.

1. Prior to approval for financial assistance by the Agency the following actions must occur:
 - i. The applicant must provide a complete and signed application to the

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Agency.

- ii. The Agency must assess all of the information received in connection with the application as necessary to afford a reasonable basis for the decision to provide assistance.
 - iii. The Agency must prepare a written cost benefit analysis identifying the following:
 - a. The potential creation or retention of permanent private sector jobs, their salaries and benefit packages;
 - b. The estimated value of tax exemptions;
 - c. The amount of private sector investment likely to be generated by the project;
 - d. The extent to which the project will provide additional sources of revenue for municipalities and school districts; and
 - e. Any other public benefit that might occur due to the project.
2. The Agency must receive a statement signed by the applicant that, as of the date of the application, the project is in substantial compliance with all provisions of the GML, included but not limited to Section 862.
3. If the project would involve the removal or abandonment of a facility or facilities within the State, the Agency must notify the chief executive officers of such affected municipality or municipalities.