



Erie County Industrial Development Agency
Meeting of the Membership
June 23, 2021
at 12:00 p.m.

Via Conference Call and Meeting is being Livestreamed

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of May 26, 2021 Meeting of the Membership (Action Item) (Pages 2-8)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 9-12)

3.2 2021 Tax Incentive Induced/Closing Schedule/ Estimated Real Property Tax Impact (Informational) (Pages 13-15)

3.3 Approval of COVID-19 Disaster Emergency Grant Applications (Action Item) (Separate Attachment)

3.4 Policy Committee Update (Informational) (Pages 16-17)

4.0 Inducement Resolution:

4.1 (None)

**ECIDA Private
Incentives Investment Municipality**

5.0 Amendatory Inducement Resolution:

5.1 283 Ship Canal Parkway (Pages 18-59)

6.0 Management Team Reports:

6.1 COVID-19 Response Update (Informational)

7.0 Adjournment - Next Meeting July 28, 2021 @ 12:00 p.m.

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

- DATE AND PLACE:** May 26, 2021, held via telephone conference. Governor Cuomo's Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at www.ecidany.com.
- PRESENT:** Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Dottie Gallagher, Hon. Howard Johnson, Tyra Johnson, Richard Lipsitz, Brenda W. McDuffie, Hon. Mark C. Poloncarz, Sister Denise Roche and Kenneth A. Schoetz
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Hon. Joseph Emminger, Hon. Brian Kulpa, Hon. Glenn R. Nellis, Hon. Darius G. Pridgen, Paul Vukelic and Renee Wilson
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Atiqqa Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Jamee Lanthier, Compliance Officer; Beth O'Keefe, Business Development Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Robbie Ann McPherson, Director, Marketing & Communications, Pat Smith, Bookkeeper; Lori Szewczyk, Director of Grants; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Peter Wilson and Adrienne Schreier, on behalf of 283 Ship Canal/Sonwil Distribution; Eric Ekman, on behalf of MCG Real Estate Holdings; Kevin McAuliffe and Karen D'Antonio, on behalf of Barclay Damon; and Kevin Lawson and Chris Hoover, on behalf of KSL Diagnostics and Trevor Griffis

There being a quorum present at 12:05 p.m., the Meeting of the Board of Directors of the Erie County Industrial Development Agency was called to order by Chair McDuffie.

MINUTES

The minutes of the April 28, 2021 meeting of the members were presented. Sister Denise moved and Mr. Blue seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic noted that the ECIDA finished the month of April with total assets of \$28.9M and net assets were \$20.4M. The monthly income statement shows a net loss of \$187,000 for April. Operating revenue of \$73,000 was below the monthly budgeted total, due mainly to timing of administrative fees. Operating expenses of \$212,000 were under budget by \$5,000. Under Special Project Grants, \$49,000 of PPE grant funds were disbursed to 10 grantees in April. The year-to-date Income Statement shows revenues of \$658,000, including administrative fee revenue of \$394,000. Through April, overall revenues are below budget by \$219,000, again mainly due to timing of administrative fee receipts. Expenses of \$847,000 are \$31,000 below budget. Special project grants include EDA CARES Act funding passed through to RDC of \$2.2M and distributions of PPE grant funding. Ms. Profic pointed out that the \$1M allocated for the PPE grant program was done so out of the IDA's excess general funds that had built up over the years, essentially coming out of the savings account. Those grants must be expensed in the current year and we can expect to continue to see a net loss going forward. After taking into account the strategic initiatives and depreciation, there is currently a net loss of \$644,000 for the year. Ms. McDuffie directed that the report be received and filed.

2021 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Ms. Fiala presented this report. Ms. McDuffie directed that the report be received and filed.

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

Approval of COVID-19 Disaster Emergency Grant Application. Ms. McDuffie asked if any member had a potential conflict of interest with any of the various applicants and no member identified any such conflict. Ms. O'Keefe reviewed the twelve (12) various grant applications presented to the members.

Mr. Johnson moved and Ms. Benczkowski seconded to approve the twelve (12) grant applications. Ms. McDuffie called for the vote and the following twelve (12) grant applications were approved with Ms. Johnson abstaining from voting on the BEAM- Buffalo Area Engineering Awareness for Minorities application and Ms. Gallagher abstaining from voting on the Buffalo Niagara Convention & Visitors Bureau, Inc. and the Buffalo Niagara Convention Center Management Corporation applications.

1. Alleyway Theatre, Inc.
2. BEAM-Buffalo Area Engineering Awareness for Minorities

3. Buffalo Niagara Convention & Visitors Bureau, Inc.
4. Buffalo Niagara Convention Center Management Corporation
5. Central Terminal Restoration Corp.
6. D&M Refrigeration, Inc.
7. Jos. A. Sanders & Sons, Inc.
8. Niagara Lubricant Company Inc.
9. Ricotta & Ricotta Inc. dba Mangia Ristorante & Caffé
10. Roach, Lennon & Brown, PLLC
11. Surianello General Concrete Contractor, Inc.
12. The Mog Inc.

Election of Officers/Committee Appointments. Mr. Poloncarz, Chair of the Nominating Committee, reviewed the entire nominating slate but noted that Mr. Cummings has recently asked to be withdrawn from consideration of serving on the Policy Committee. Mr. Blue moved and Mr. Lipsitz seconded, to approve of the nominating slate as presented. Ms. McDuffie called for the vote and the aforementioned motion was unanimously approved. Ms. Gallagher then moved and Mr. Johnson seconded, to approve of Paul Vukelic replacing Mr. Cummings on the Policy Committee and accepting Mr. Cummings resignation to the Policy Committee. Ms. McDuffie called for the vote and the aforementioned motion was unanimously approved.

Policy Committee Update. Mr. Lipsitz presented the report and noted the Policy Committee reviewed and approved the two projects being considered by the members at today's meeting. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

283 Ship Canal Parkway, LLC, 283 Ship Canal Parkway, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax exemption and mortgage recording tax exemption, project which consists of the construction of a 335,000 sq. ft. warehouse/distribution facility which will allow Sonwil Distribution to competitively price their warehouse/distribution services and not only accommodate current customer demand, but also grow such current customers' presence in the region while growing the amount of logistical services to prospective customers and industries.

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, through the conclusion of the later of two (2) years following either (x) the construction completion date, or (y) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$44,441,607 (which represents the product of 85% multiplied by \$52,284,244, being the total project cost as stated in the Company's application for Financial Assistance).

- (ii) Employment Commitment – the number of current FTE employees in the then current year at the Facility; and
 - That within two years of the construction completion date, the Company has maintained and created, or caused to be maintained and be created, FTE employment at the Facility equal to 64 FTE employees [representing the product of 85% multiplied by 76 (being the total number of new FTE employee positions as proposed to be created by the Company as stated in its Application)]. In an effort to confirm and verify the Company’s compliance with the employment commitment, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency’s “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.

Mr. Poloncarz moved and Mr. Blue seconded to approve the Project. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 283 SHIP CANAL PARKWAY, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

MCG Real Estate Holdings, LLC, 293 Grote Street, Buffalo, New York. Ms. Fiala reviewed this proposed sales tax exemption, mortgage recording tax exemption, and real property tax abatement benefit project which consists of the adaptive reuse of the former Buerk Tool facility noting the building has been vacant for 2 years and underutilized for approximately 18 years. The building, once redeveloped, will house 33 apartments with 12 of the one-bedroom units to be offered at 80% of the adjusted median income (“AMI”).

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

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$7,019,527 (which represents the product of 85% multiplied by \$8,258,268, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there is at least 1 existing part time equivalent (“PTE”) employee located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline PTE”); and
 - the number of current employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created PTE employment at the Facility equal to 1 PTE employee. In an effort to confirm and verify the Company’s employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency’s “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.

Mr. Lipsitz moved and Mr. Poloncarz seconded to approve the Project. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

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

COMPLIANCE

Local Labor Waiver for Steel Winds, LLC. Mr. Cappellino reviewed the Local Labor Waiver request for Erie Wind, LLC and Niagara Wind Power, LLC and the related third-party review of the request, commissioned by ECIDA, to confirm warranty related and special skill/required training related claims made by the companies underlying the request for the waiver.

Mr. Lipsitz thanked Mr. Cappellino for his leadership in implementing the Local Labor Wavier policy. Mr. Lipsitz noted it's unfortunate local laborers do not have the required training to undertake the work, but given that the Agency will require that the companies facilitate worker training to ensure properly trained workers can become available for future work, there really is no other option available that will otherwise allow the projects to be undertaken.

Mr. Poloncarz moved and Mr. Johnson seconded to approve of the Local Labor Waiver as requested. Ms. McDuffie called for the vote and the following resolution was unanimously approved.

RESOLUTION AUTHORIZING A WAIVER OF THE LOCAL LABOR WORKFORCE CERTIFICATION POLICY AS APPLICABLE TO THE ERIE WIND, LLC PROJECT AND THE NIAGARA WIND POWER, LLC PROJECT

MANAGEMENT TEAM REPORT

Mr. Cappellino provided the report. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:41 p.m.

Dated: May 26, 2021

Karen M. Fiala, Secretary

Erie County Industrial Development Agency
Financial Statements
As of May 31, 2021

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

May 31, 2021

	May 2021	April 2021	December 2020
ASSETS:			
Cash *	\$ 7,741,710	\$ 7,364,491	\$ 7,617,692
Restricted Cash & Investments *	18,200,367	18,180,175	17,341,353
Due from Affiliates	477,022	457,235	577,111
Due from Buffalo Urban Development Corp.	104,177	92,327	120,375
Other Receivables	94,938	102,550	51,916
Total Current Assets	<u>26,618,214</u>	<u>26,196,778</u>	<u>25,708,448</u>
Grants Receivable	923,617	923,617	831,498
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,224,523	1,234,523	1,249,227
Total Long-Term Assets	<u>2,655,026</u>	<u>2,665,026</u>	<u>2,587,611</u>
TOTAL ASSETS	<u><u>\$ 29,273,240</u></u>	<u><u>\$ 28,861,804</u></u>	<u><u>\$ 28,296,059</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 241,917	\$ 220,214	\$ 239,094
Deferred Revenues	953,090	953,090	825,000
Funds Held on Behalf of Others	7,235,034	7,234,792	6,134,120
Total Liabilities	<u>8,430,041</u>	<u>8,408,097</u>	<u>7,198,214</u>
Net Assets	20,843,198	20,453,707	21,097,845
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 29,273,240</u></u>	<u><u>\$ 28,861,804</u></u>	<u><u>\$ 28,296,059</u></u>

* Cash and restricted cash is invested in checking accounts at M&T Bank. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of May 2021

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 575,470	\$ 150,000	\$ 425,470
Affiliate Management Fees	43,100	43,583	(483)
Interest Income - Cash & Investments	598	3,333	(2,736)
Rental Income	19,909	19,875	34
Other Income	-	1,333	(1,333)
Total Revenues	639,077	218,125	420,952
EXPENSES:			
Salaries & Benefits	\$ 149,493	\$ 157,140	\$ (7,648)
General Office Expenses	17,659	21,283	(3,624)
Building Operating Costs	17,193	20,358	(3,165)
Professional Services	9,460	9,775	(315)
Public Hearings & Marketing	7,159	4,583	2,576
Travel, Mileage & Meeting Expenses	59	2,750	(2,691)
Other Expenses	171	833	(662)
Total Expenses	201,194	216,724	(15,529)
SPECIAL PROJECT GRANTS:			
Revenues	\$ 533,542	\$ 221,683	\$ 311,859
Expenses	(560,984)	(216,250)	(344,734)
	(27,442)	5,433	(32,875)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:			
	410,441	6,835	403,606
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Zero Net Energy costs (Z7+)	-	(52,160)	52,160
Bethlehem Steel Industrial Park Grant	3,004	(16,667)	19,670
Angola Ag Park Grant	(13,953)	(8,333)	(5,620)
	(10,950)	(77,160)	66,210
NET INCOME/(LOSS) BEFORE DEPRECIATION:			
	399,491	(70,325)	469,816
Depreciation	(10,000)	(10,000)	-
NET INCOME/(LOSS):	\$ 389,491	\$ (80,325)	\$ 469,816

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement
Year to Date: May 31, 2021

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 969,574	\$ 750,000	\$ 219,574	\$ 969,574	\$ 530,609	\$ 438,965
Affiliate Management Fees	216,000	217,917	(1,917)	216,000	216,250	(250)
Interest Income - Cash & Investments	4,980	16,667	(11,686)	4,980	26,903	(21,922)
Rental Income	99,274	99,375	(101)	99,274	99,387	(113)
Other Income	7,293	11,667	(4,374)	7,293	7,512	(220)
Total Revenues	1,297,121	1,095,625	201,496	1,297,121	880,661	416,460
EXPENSES:						
Salaries & Benefits	750,004	785,702	(35,698)	750,004	894,077	(144,073)
General Office Expenses	108,297	106,417	1,881	108,297	105,706	2,591
Building Operating Costs	88,608	101,792	(13,183)	88,608	90,013	(1,404)
Professional Services	55,148	64,800	(9,652)	55,148	38,732	16,416
Public Hearings & Marketing	42,083	22,917	19,166	42,083	22,305	19,778
Travel, Mileage & Meeting Expenses	3,037	13,750	(10,713)	3,037	14,427	(11,390)
Other Expenses	1,483	4,167	(2,684)	1,483	1,024	459
Total Expenses	1,048,660	1,099,544	(50,884)	1,048,660	1,166,282	(117,623)
SPECIAL PROJECT GRANTS:						
Revenues	2,757,352	1,108,417	1,648,936	2,757,352	34,862	2,722,490
Expenses	(2,997,509)	(1,081,250)	(1,916,259)	(2,997,509)	(22,750)	(2,974,759)
	(240,157)	27,167	(267,323)	(240,157)	12,112	(252,269)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ 8,304	\$ 23,248	\$ (14,944)	\$ 8,304	\$ (273,509)	\$ 281,813
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (260,799)	\$ 260,799	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	(163,091)	(200,000)	36,909	(163,091)	(80,000)	(83,091)
Angola Ag Park Grant	(49,860)	(100,000)	50,140	(49,860)	(837,243)	787,383
Bethlehem Steel Industrial Park Grant Reimb	-	250,000	(250,000)	-	-	-
Buffalo Building Reuse Project (BUDC)	-	(100,000)	100,000	-	(100,000)	100,000
Canadian Lead Generation (IBN)	-	-	-	-	(72,000)	72,000
Other Strategic Initiatives	-	(125,000)	125,000	-	-	-
	(212,951)	(535,799)	322,848	(212,951)	(1,089,243)	876,292
NET INCOME/(LOSS) BEFORE DEPREC:						
	(204,647)	(512,550)	307,904	(204,647)	(1,362,752)	1,158,105
Depreciation	(50,000)	(50,000)	-	(50,000)	(54,167)	4,167
NET INCOME/(LOSS):	\$ (254,647)	\$ (562,550)	\$ 307,904	\$ (254,647)	\$ (1,416,919)	\$ 1,162,272

Tax Incentives Induced 2021

Project Name	Project City	Inducement Amount	FT Jobs at App	Projected Year 2 FT Jobs	PT Jobs at App	Projected Jobs Year 2 PT
Thermo Fisher North Expansion	Grand Island	\$ 85,000,000	807	867	0	0
283 Ship Canal Parkway	Buffalo	\$ 52,284,244	0	76	0	0
Time Release Properties*	Lackawanna	\$ 30,500,000	103	123	0	0
Sucro Real Estate NY, LLC	Lackawanna	\$ 19,000,000	5	50	0	0
BLD VII, LLC	Lackawanna	\$ 14,570,786	0	41	0	0
Calspan Corporation	Cheektowaga	\$ 12,500,000	143	163	3	3
Surmet Ceramics Corp.	Buffalo	\$ 11,500,000	13	31	0	0
Pine Pharmaceuticals, LLC	Tonawanda	\$ 8,615,000	76	116	7	7
MCG Real Estate Holdings, LLC	Buffalo	\$ 8,258,268	0	0	0	1
Terzo Development	Buffalo	\$ 3,050,000	0	0	0	1
72 East Niagara Street, LLC	Tonawanda	\$ 2,836,736	17	20	0	0
Eastman Machine Company	Buffalo	\$ 1,665,000	126	129	0	0

\$ 249,780,034 1,290 1,616 10 12

12 Projects

326 Projected FTE New Jobs

2 Projected PT New Jobs

*Amenadatory Inducement - Time Release Properties - to increase the sales tax benefit from \$463,167 to \$869,400 and overall project investment from \$22,700,000 to \$30,500,000

Tax Incentives Closings - 2021

Project Name	Project Amount at Closing	FT Jobs at App	Projected Year 2 FT Jobs	PT Jobs at App	Projected Year 2 PT Jobs	Project City	Induced Date	Est. Project Completion Date
JSCB Series 2011A and 2011B Refunding (Bond)	\$ 109,135,000	0	0	0	0	Buffalo	5/19/2021	N/A
Barcalo Living & Commerce/Barcalo Buffalo, LLC	\$ 30,252,000	9	34	0	10	Buffalo	2/26/2020	9/30/2023
Pine Pharmaceuticals	\$ 5,000,000	76	119	7	7	Tonawanda	1/27/2021	3/31/2022
Kamax, LLC/Raine Logistics	\$ 2,237,556	12	13	0	0	West Seneca	6/24/2020	8/1/2022
Derby Warehousing, LLC/KPM Exceptional	\$ 1,332,000	6	7	1	1	Derby	7/24/2019	7/31/2020
3310 Benzing Road, LLC/Marathon Drains	\$ 718,329	15	17	0	0	Orchard Park	3/25/2020	3/31/2021
	\$ 148,674,885	118	190	8	18			
Projects Closed = 6								
FT Projected New Jobs = 72								
PT Projected New Jobs = 10								

**ESTIMATED TAX IMPACT (SUBJECT TO RESTRICTIONS OF NYS TAX CAP)
2021 CLOSINGS**

PROJECT NAME	EST. OR ACTUAL INCREASE IN ASSESSED VALUE DUE TO PROJECT	COUNTY TAX RATE	LOCAL TAX RATE	PROJECTED INCREASE IN COUNTY TAXES AS A RESULT OF THE PROJECT OVER ABATEMENT PERIOD	PROJECTED INCREASE IN LOCAL TAXES AS A RESULT OF THE PROJECT OVER ABATEMENT PERIOD
Derby Warehouse	\$539,900	\$6.01	\$28.80	\$4,800	\$23,300
3310 Benzing/Marathon Drains	\$195,000	\$9.75	\$43.00	\$2,800	\$12,700
Kamax/Raine Logistics	\$720,000	\$13.32	\$66.45	\$14,400	\$72,000
Barcalo Buffalo*	\$9,600,000	\$5.04	\$16.75	\$580,000	\$321,000
Pine Pharmaceutical	\$1,250,000	\$14.16	\$85.00	\$37,000	\$222,000
*denotes company has or intends to file for City 485-a exemption	*The final assessment on each project is determined by the assessor of the respective municipality				
			Total	\$639,000	\$651,000

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

- MEETING:** June 3, 2021, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark Blue; Colleen DiPirro; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn Nellis; David State; Lavon Stephens; Paul Vukelic and Maria Whyte
- EXCUSED:** Bryon W. Brown; Johanna Coleman and Laura Smith
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Robbie Ann McPherson, Director of Marketing and Communications; Jamee Lanthier, Compliance Officer; Beth O’Keefe, Business Development Officer; Atiqa Abidi, Assistant Treasurer and Robert Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Alex Carducci on behalf of the City of Buffalo; Lisa Hicks on behalf of the City of Buffalo; Seth Piccirillo on behalf of the Buffalo Niagara Partnership

There being a quorum present at 9:02 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the May 13, 2021 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Mr. Blue, the aforementioned Policy Committee meeting minutes was unanimously approved.

PROJECT MATRIX

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

SOLAR PILOTS

Mr. Cappellino reviewed recent amendments to the New York IDA Act and to the NY Real Property Tax Law that encourage renewal energy project investment, including solar and wind, and that specifically define same as eligible for IDA financial assistance. Mr. Cappellino reviewed taxation treatment of solar projects through the NY Real Property Tax Law Section 487 law, and discussed IDA PILOT treatment of same, via a per mega-watt fee, by providing examples of PILOT schedules throughout the state. Mr. Cappellino also discussed general concepts and ideas that the IDA should consider as it develops a Renewal Energy System policy to provide predictability for solar/wind investors that may seek ECIDA assistance. General discussion ensued. Mr. Lipsitz then asked Agency staff to prepare a draft policy/guidance for consideration at the next Policy Committee.

MWBE UPDATE

Ms. Whyte provided an update to members.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:07 a.m.

Dated: June 3, 2021

Karen M. Fiala, Secretary

283 Ship Canal Parkway, LLC
\$52,284,244
AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 531110
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$1,961,100 in real property tax savings. • Approximately \$3,085,592 in sales tax savings • Up to 3/4 of 1% of the final mortgage amount estimated at \$337,381
EMPLOYMENT
<ul style="list-style-type: none"> • New Jobs Projected: 76 • Annual payroll: \$4,410,500 • Estimated salary of jobs to be created: \$55,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 04/26/2021 - Public hearing held. • 05/26/2021 - City of Buffalo, as SEQR lead agency, confirmed that the Project will be carried out in conformance with the conditions and thresholds contained in the 2002 FGEIS. • 05/26/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors • 06/14/2021 - Public Hearing Held • 06/23/2021 - Amendatory Inducement Resolution presented to the Board of Directors

Project Title: 283 Ship Canal Parkway, LLC

Project Address: 283 Ship Canal Parkway
Buffalo, New York 14218
(Buffalo City School District)

Amended Agency Request

Adding a request to enter into a non-standard PILOT Agreement

Prior Agency Request

A sales tax and mortgage tax in connection with the construction of a 335,000 sq. ft. warehouse/distribution facility in the Buffalo Lakeside Commerce Park.

New Building Construction	\$30,500,000
Infrastructure	\$ 6,211,855
Non-Manufacturing Equipment	\$15,072,389
Soft Costs	\$ 500,000
Total Project Cost	\$52,284,244
85%	\$44,441,607

Company Description

The applicant is an affiliate of Sonwil Distribution Center, Inc. an independent real estate developer, public warehouse provider, and asset and non-asset-based transportation provider. Sonwil’s headquarters are located in West Seneca.

Project Description

The proposed project consists of the construction of a 335,000 warehouse/distribution facility in the Lakeside Commerce Park in the City of Buffalo. The new facility will allow Sonwil to competitively price their warehouse/distribution services and not only accommodate current customer demand, but also grow such current customers’ presence in the region while growing the amount of logistical services to prospective customers and industries.

In 2005, the ECIDA entered into an agreement with the City of Buffalo, County of Erie and the Buffalo Urban Development Corporation to establish a Buffalo Brownfields Redevelopment Fund (“BBRF”). The fund was to be financed through the diversion of payments-in-lieu-of-taxes (“PILOTS”) arising from projects located in the Buffalo Lakeside Commerce Park (“BLCP”). Companies enter into a 15-year PILOT (standard at the time) with the 15-year schedule of payments being received by the fund for eligible project costs. Originally intended for eligible project costs at the BLCP, the agreement was modified by the BUDC Board of Directors in 2012 to allow for BBRF funds to be used by other “comparable projects” in the City of Buffalo. Riverbend, Northland and 308 Crowley Street were designated as comparable projects by the Board.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 15 Year Abatement Period	Additional Local Revenue over 15 Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$10,000,000	\$302,400	\$100,500	\$218,000
Combined Tax Rate: \$22				

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 = \$52,284,244 85% = \$44,441,607
Employment	Coincides with 15 year PILOT	Projected = 76 85% = 64 Recapture Employment = 64
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 15 year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 15-year PILOT	Adherence to Policy
Recapture Period	15-year PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Recording Taxes

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has created 76 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-: 283 Ship Canal Parkway, LLC 2021

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
\$36,711,855	\$10,000,000	\$5.04	\$16.75	NA

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	20%	\$10,080	\$33,500	\$43,580	\$217,900	\$174,320
2	20%	\$10,080	\$33,500	\$43,580	\$217,900	\$174,320
3	30%	\$15,120	\$50,250	\$65,370	\$217,900	\$152,530
4	30%	\$15,120	\$50,250	\$65,370	\$217,900	\$152,530
5	40%	\$20,160	\$67,000	\$87,160	\$217,900	\$130,740
6	40%	\$20,160	\$67,000	\$87,160	\$217,900	\$130,740
7	40%	\$20,160	\$67,000	\$87,160	\$217,900	\$130,740
8	40%	\$20,160	\$67,000	\$87,160	\$217,900	\$130,740
9	40%	\$20,160	\$67,000	\$87,160	\$217,900	\$130,740
10	50%	\$25,200	\$83,750	\$108,950	\$217,900	\$108,950
11	50%	\$25,200	\$83,750	\$108,950	\$217,900	\$108,950
12	50%	\$25,200	\$83,750	\$108,950	\$217,900	\$108,950
13	50%	\$25,200	\$83,750	\$108,950	\$217,900	\$108,950
14	50%	\$25,200	\$83,750	\$108,950	\$217,900	\$108,950
15	50%	\$25,200	\$83,750	\$108,950	\$217,900	\$108,950
Total		\$302,400	\$1,005,000	\$1,307,400	\$3,268,500	\$1,961,100

***** 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.)
\$52,284,244	\$1,961,100	\$3,085,592	\$337,381	

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 10.3 %

ADDENDUM TO PROJECT LOG
 Sonwil/283 Ship Canal Parkway, LLC

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County per capita income: \$33,598 Estimated salary of jobs to be created: \$55,000
Regional Wealth Creation (% sales/customers outside area)	The majority of company sales are to companies located in Erie County: 85%
In Region Purchases (% of overall purchases)	Sonwil estimates 90% of its total annual supplies, raw materials and vendor services being sourced from Erie County vendors.
Research & Development Activities	Not applicable
Investment in Energy Efficiency	Not applicable
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The property is on a brownfield site and is within a designated redevelopment area.
LEED/Renewable Resources	Not applicable
Retention/Flight Risk	Not applicable
MBE/WBE Utilization	See attached statement.
Workforce Access – Proximity to Public Transportation	Facility on bus route 42.

MBE/WBE Utilization



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

Krog has successfully completed numerous projects which included MWBE requirements associated with receiving grants associated with Consolidated Funding Application (CFA) process and in connection therewith successfully achieving the goals or demonstrating that best efforts were utilized to meet the goals. Some recent projects include the following.

- 1) Chautauqua Harbor Hotel – Celeron, NY (CFA Grant Recipient)
- 2) 1000 Island Harbor Hotel – Clayton, NY (CFA Grant Recipient)
- 3) Federation Lofts Apartments - Hornell, NY (CFA Grant Recipient)
- 4) Van Huesen Building Renovation - Corning, NY (CFA Grant Recipient)
- 5) Trico Redevelopment – Buffalo, NY (MWBE Requirements associated with the Purchase and Sale Agreement)

Below is a summary of internal practices which our company promotes, our General Contractor, The Krog Group, LLC promotes and will be utilized with respect to the development of the project:

In the development of the project we will utilize efforts and protocols to encourage MBE/WBE participation. Those protocols are outlined below.

1. Obtain a list of the general circulation, trade and MWBE-oriented publications with dates of publications in which solicitations for participation of certified MWBEs as subcontractors/suppliers can be utilized to advertise. Maintain copies of such solicitations and any responses thereto.
2. Obtain the list of the certified MWBEs appearing in the Empire State Development MWBE directory that can be solicited for the contract. Maintain proof of dates or copies of the solicitations and copies along with the responses made by the certified MWBEs. If not selected, describe specific reasons that responding certified MWBEs were not selected.
3. Provide descriptions of the contract documents/plans/specifications made available to certified MWBEs when soliciting their participation and steps taken to structure the scope of work for the purpose of subcontracting with or obtaining supplies from certified MWBEs.
4. Provide a description of the negotiations between the general contractor and certified MWBEs for the purposes of complying with the MWBE goals of the contract.

5. Provide dates of any pre-bid, pre-award or other meetings scheduled by the general contractor with certified MWBEs whom the general contractor determined were capable of fulfilling the MWBE goals set in the contract.

A. Equal Employment Opportunity

It is our policy to provide equal employment opportunity to all individuals. We are committed to a diverse workforce. We value each employee's talents and support an environment that is inclusive and respectful. We are strongly committed to this policy and believe in the concept and spirit of the law. Therefore, we will not discriminate against employees or applicants for employment on any basis recognized under federal and New York State law, including but not limited to veteran status, race, color, religion, gender, national origin, age, physical or mental disability, sexual orientation, gender identity, family status, predisposing genetic condition, or marital status.

We are committed to assuring that:

1. All recruiting, hiring, training, promotion, compensation, and other employment-related programs and opportunities are provided fairly to all persons on an equal opportunity basis;
2. Employment decisions are based on the principles of equal opportunity. All personnel actions such as compensation, benefits, transfers, training, and participation in social and recreational programs are administered without regard to any characteristic protected by state, federal, or local law; *and*
3. Employees and applicants will not be subjected to harassment, intimidation, threats, retaliation, coercion, or discrimination based on their membership in a protected class or because they have exercised any right protected by law.

Cost-Benefit Analysis for 283 Ship Canal Parkway, LLC (15)

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
283 Ship Canal Parkway, LLC

TOTAL INVESTED
\$52.3 Million

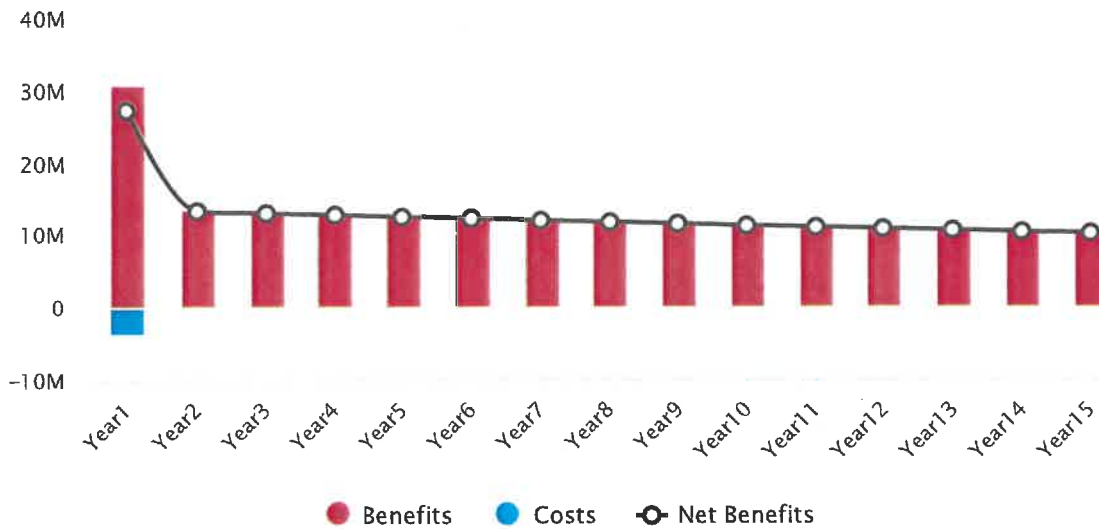
LOCATION
283 Ship Canal Parkway, Buffalo, NY 14218

TIMELINE
15 Years

FIGURE 1

Discounted* Net Benefits for 283 Ship Canal Parkway, LLC (15) by Year

Total Net Benefits: \$191,290,000



Discounted at 2%

FIGURE 2

Total Jobs

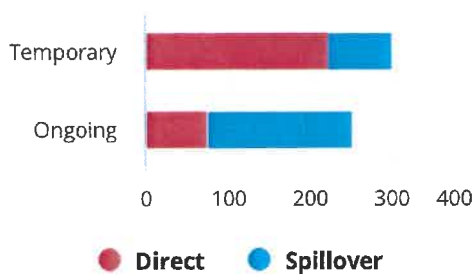
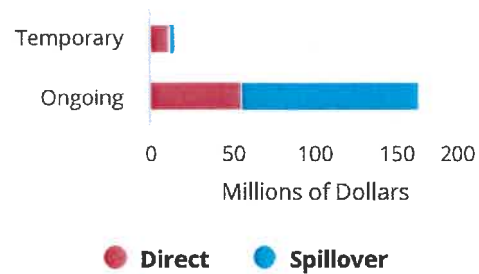


FIGURE 3

Total Payroll



Proposed Investment

283 Ship Canal Parkway, LLC proposes to invest \$52.3 million at 283 Ship Canal Parkway, Buffalo, NY 14218 over 15 years.

TABLE 1

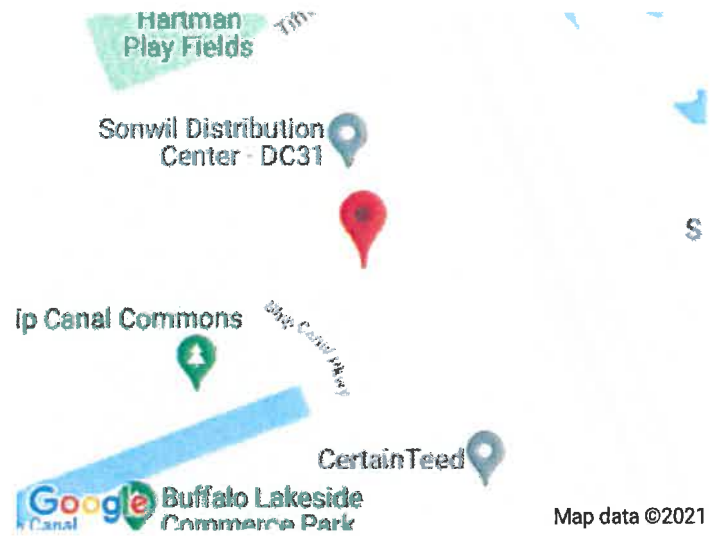
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$30,500,000
OTHER SPENDING	
Infrastructure	\$6,212,000
Non-Manufacturing Equipment	\$15,072,000
Soft Costs	\$500,000
Total Investments	\$52,284,000
Discounted Total (2%)	\$52,284,000

May not sum to total due to rounding.

FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 15 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for 283 Ship Canal Parkway, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,961,000	\$1,690,000
Sales Tax Exemption	\$3,097,000	\$3,097,000
Mortgage Recording Tax Exemption	\$337,000	\$337,000
Total Costs	\$5,396,000	\$5,124,000

May not sum to total due to rounding.

* Discounted at 2%

TABLE 3

State & Regional Impact (Life of Project)

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

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$77,596,000	\$132,134,000	\$209,730,000
To Private Individuals	\$74,422,000	\$130,014,000	\$204,436,000
Temporary Payroll	\$11,722,000	\$4,068,000	\$15,790,000
Ongoing Payroll	\$62,700,000	\$125,946,000	\$188,646,000
To the Public	\$3,175,000	\$2,120,000	\$5,294,000
Property Tax Revenue	\$1,961,000	N/A	\$1,961,000
Temporary Sales Tax Revenue	\$191,000	\$66,000	\$257,000
Ongoing Sales Tax Revenue	\$1,022,000	\$2,054,000	\$3,076,000
STATE BENEFITS	\$4,688,000	\$7,630,000	\$12,319,000
To the Public	\$4,688,000	\$7,630,000	\$12,319,000
Temporary Income Tax Revenue	\$573,000	\$199,000	\$772,000
Ongoing Income Tax Revenue	\$3,065,000	\$5,596,000	\$8,661,000
Temporary Sales Tax Revenue	\$165,000	\$57,000	\$223,000
Ongoing Sales Tax Revenue	\$885,000	\$1,778,000	\$2,663,000
Total Benefits to State & Region	\$82,285,000	\$139,764,000	\$222,049,000
Discounted Total Benefits (2%)	\$73,741,000	\$122,673,000	\$196,415,000

May not sum to total due to rounding.

TABLE 4

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	\$185,526,000	\$3,575,000	52:1
State	\$10,889,000	\$1,549,000	7:1
Grand Total	\$196,415,000	\$5,124,000	38:1

May not sum to total due to rounding.

* Discounted at 2%

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

VIRTUAL PUBLIC HEARING SCRIPT

**283 Ship Canal Parkway, 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 June 14, 2021 at 9:00 a.m.
via Virtual Conference Software

ATTENDANCE:

Peter Wilson – Sonwil Distribution Center
Adrienne Schreier – Sonwil Distribution Center
Karen Fiala – ECIDA
Carrie Hocienec – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:03 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 283 Ship Canal Parkway, 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 Friday, June 4, 2021.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 283 Ship Canal Parkway, City of Buffalo, Erie County, New York (the "Land"), (ii) the development and construction on the Land of an approximately 335,000+/- square-foot warehousing and distribution center within the Buffalo Lakeside Commerce Park (the "Improvements"), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility").

The Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of

the lease. At the end of the lease term, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Project in the form of sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits consistent with the policies of the Agency.

The Agency, on April 26, 2021, held a public hearing with respect to the Project as so described above. Since then, the Company has requested, in cooperation with the City of Buffalo (the “City”) and the County of Erie (the “County”), that the Agency and the Company enter into a non-standard payment-in-lieu-of-tax agreement (“PILOT Agreement”) whereby the Company will make payment, for each tax fiscal year, in an amount equal to the real property taxes that would be paid as if the Company owned the Facility and the Agency had no interest in the Facility, multiplied by the applicable percentage set forth below:

PILOT Year	Applicable Percentage
1	20%
2	20%
3	30%
4	30%
5	40%
6	40%
7	40%
8	40%
9	40%
10	50%
11	50%
12	50%
13	50%
14	50%
15	50%

The PILOT Agreement will operate consistent with the Buffalo Lakeside Commerce Park Development and PILOT Redistribution Agreement, dated as of July 1, 2005, by and among the Buffalo Urban Development Corporation (the “BUDC”), the City, the County, and the Agency (the “BLCP Agreement”). The BLCP Agreement established the Buffalo Brownfield Redevelopment Fund (the “BBRF”) to be funded, in this case, with certain portions of the PILOT Agreement payments as herein described. Funds deposited in the BBRF are to be utilized for certain infrastructure costs associated with lands owed by BUDC adjacent to the Project Facility and/or for other comparable project undertaken by BUDC located with the City of Buffalo. The BLCP Agreement requires that, with respect to the Project, PILOT Agreement payments be made to the Agency, and then (i) 50% of the PILOT Agreement payment will be submitted to the BBRF, and (ii) 50% of the PILOT Agreement payment will be remitted to the City and the County.

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

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

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

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on July 27, 2021. There are no limitations on written statements or comments.

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

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

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

Peter Wilson. I am the Chairman & CEO of Sonwil Distribution Center. I would like to add for the record that this facility that we are building is a very aggressive facility and is going to be located here in Buffalo. What is being proposed here is a good deal for the City of Buffalo and the State. We appreciate all the efforts forthcoming on this.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:10 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on June 14, 2021 at 9:00 a.m.
via Virtual Conference Software

**283 Ship Canal Parkway, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 283 Ship Canal Parkway, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Peter Wilson	Sonwil Distribution Center 2732 Transit Road West Seneca, New York 14224	X
Adrienne Schreier	Sonwil Distribution Center 2732 Transit Road West Seneca, New York 14224	
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SUPPLEMENTAL INDUCEMENT RESOLUTION**

**283 SHIP CANAL PARKWAY, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, June 23, 2021 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (ii) APPROVING A DEVIATION FROM THE UNIFORM TAX EXEMPTION POLICY OF THE AGENCY WITH RESPECT TO A PAYMENT-IN-LIEU-OF-TAXES AGREEMENT; AND (iii) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A PAYMENT-IN-LIEU-OF-TAXES AGREEMENT AND RELATED DOCUMENTS

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

WHEREAS, the Company has submitted an application to the Agency (the “Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 283 Ship Canal Parkway, City of Buffalo, Erie County, New York (the “Land”), (ii) the development and construction on the Land of an approximately 335,000+/- square-foot warehousing and distribution center within the Buffalo Lakeside Commerce Park (the “Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”); and, together with the Land and the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, and pursuant to Governor Cuomo’s Executive Order 202.15 issued on April 9, 2020, and as amended from time to time, authorizing the conduct of public hearings through the use of telephone conference, video conference and/or other similar service, the Agency, on April 26, 2021 at 9:00 a.m., held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Initial Public Hearing”) via live stream web broadcast at www.ecidany.com/streaming, at which the Agency provided interested parties a reasonable opportunity to provide oral comments and/or their views on the Project, and further instructed interested parties on the process to submit written comments with respect to the Project; and

WHEREAS, by resolution adopted on May 26, 2021, (the “Initial Resolution”) the Agency authorized financial assistance to the Company with respect to Project in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility, and (b) a mortgage recording tax exemption benefit for the financing related to the Project (collectively, the sales and use tax exemption benefit and the mortgage recording tax exemption benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, as a condition of purchasing the Land from the Buffalo Urban Development Corporation (the “BUDC”), the Company has amended its Application and requested that the Agency enter into a payment in lieu of tax agreement (the “PILOT Agreement”) consisting of: (i) a fifteen year term PILOT Agreement with respect to the Facility, and (ii) a PILOT Agreement payment structure whereby the Company will make payment, for each tax fiscal year, in an amount equal to the amount of real property taxes that would be paid as if the Company owned the Facility and the Agency had no interest in the Facility, multiplied by the applicable percentage of 20% for PILOT Agreement years 1 and 2, 30% for PILOT Agreement years 3 and 4, 40% for PILOT Agreement years 5, 6, 7, 8, and 9, and 50% for PILOT Agreement years 10, 11, 12, 13, 14 and 15 (collectively, (i) and (ii), being the “PILOT Deviation”); and

WHEREAS, the PILOT Agreement will operate consistent with the Buffalo Lakeside Commerce Park Development and PILOT Redistribution Agreement, dated as of July 1, 2005, by and among BUDC, the City of Buffalo, the County of Erie, and the Agency (the “BLCP Agreement”); and

WHEREAS, the BLCP Agreement established the Buffalo Brownfield Redevelopment Fund (the “BBRF”) to be funded, in this case, with certain portions of the PILOT Agreement payments as herein described; and

WHEREAS, PILOT Agreement funds deposited in the BBRF are to be utilized for certain infrastructure costs associated with lands owned by BUDC adjacent to the Project Facility and/or for other comparable project undertaken by BUDC located with the City of Buffalo; and

WHEREAS, the BLCP Agreement requires that, with respect to the Project, PILOT Agreement payments be made to the Agency, and then (i) 50% of the PILOT Agreement payment will be submitted to the BBRF, and (ii) 50% of the PILOT Agreement payment will be remitted to the City and the County; and

WHEREAS, the proposed PILOT Agreement and PILOT Deviation as described in the preceding “Whereas” clauses deviates from the Agency’s Uniform Tax Exemption Policy (“UTEP”) in connection with the Agency’s undertaking of the Project; and

WHEREAS, the proposed PILOT Agreement and PILOT Deviation is a Type II action as defined by the New York State Environmental Quality Review Act (“SEQR”) and the implementing regulations set forth by the New York State Department of Environmental Conservation, and therefore, no further action or environmental review under SEQR is required in connection hereto; and

WHEREAS, as a result of the request for the PILOT Agreement and PILOT Deviation, and pursuant to General Municipal Law Section 859-a, and pursuant to Governor Cuomo's Executive Order 202.15 issued on April 9, 2020, and as amended from time to time, authorizing the conduct of public hearings through the use of telephone conference, video conference and/or other similar service, the Agency, on June 14, 2021 at 9:00 a.m., held a public hearing with respect to the Project and the PILOT Deviation being contemplated by the Agency (the "Second Public Hearing") via live stream web broadcast at www.ecidany.com/streaming, at which the Agency provided interested parties a reasonable opportunity to provide oral comments and/or their views on the Project and the PILOT Deviation, and further instructed interested parties on the process to submit written comments with respect to the Project; and

WHEREAS, Notice Letters detailing the PILOT Agreement and the PILOT Deviation as same deviate from the Agency's UTEP were mailed or delivered to the chief executive officers of each Affected Tax Jurisdiction on or about June 3, 2021; and

WHEREAS, at this June 23, 2021 regular meeting of the Agency, the Agency allowed representatives of all Affected Tax Jurisdictions present at the meeting to address the Agency with respect to the deviation from the Agency's Policy; and

WHEREAS, the Agency desires to amend the Initial Resolution as heretofore described and to authorize and approve the PILOT Agreement and PILOT Deviation.

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

Section 1. All recitals, findings and determinations of the Agency contained in the Initial Resolution are hereby reaffirmed, ratified, restated and incorporated herein by reference as if set forth herein in their entirety, except as modified by this Resolution.

Section 2. The proposed PILOT Agreement and PILOT Deviation request deviates from the terms of the Agency's UTEP to the extent that the Company has requested a PILOT Agreement providing for: (i) a fifteen year term whereby the Company will make payment, for each tax fiscal year, in an amount equal to the amount of real property taxes that would be paid as if the Company owned the Facility and the Agency had no interest in the Facility, multiplied by the applicable percentage of 20% for PILOT Agreement years 1 and 2, 30% for PILOT Agreement years 3 and 4, 40% for PILOT Agreement years 5, 6, 7, 8, and 9, and 50% for PILOT Agreement years 10, 11, 12, 13, 14 and 15, and (ii) PILOT Agreement payments be made to the Agency, and then (x) 50% of the PILOT Agreement payment will be submitted to the BBRF, and (y) 50% of the PILOT Agreement payment will be remitted to the City and the County. The Agency hereby approves of the deviation from its UTEP for this PILOT Deviation request and approves of the PILOT Agreement request as described herein. In making this determination, the Agency has considered the following factors as required by the Act and its UTEP, no single one of which is determinative:

- The extent to which the Project will create or retain permanent, private sector jobs. The Company has represented that construction jobs will be created during the construction time period, and that 76 new full-time employee positions related to the operation of the Facility will be created.

- The estimated value of tax exemptions to be provided. If the proposed PILOT Agreement is approved, the value of the real property tax exemption benefit to be provided over the term of the PILOT Agreement is estimated to be approximately \$1,960,000.00.
- Whether affected taxing jurisdictions shall be reimbursed by the Project occupant if the Project does not fulfill the purposes for which an exemption was provided. The Company will be subject to potential financial assistance recapture with respect to the sales tax exemption benefits and the mortgage recording tax exemption benefits that have already been approved by the Agency, and with respect to the real property tax exemption benefits, being the subject of this correspondence, in the event it does not adhere to the Agency's standard material terms and conditions of receipt of financial assistance.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity. The impact of the Project is a positive one on the community, as it will continue to promote job opportunities, general prosperity and economic welfare for the residents of Erie County and the City of Buffalo.
- The amount of private sector investment generated or likely to be generated by the Project. The total private sector investment in the Project is expected to exceed approximately \$52,285,000.
- The demonstrated public support for a proposed Project. The City of Buffalo and the County of Erie have expressed support for the Project and the PILOT Agreement as herein described.
- The likelihood of accomplishing the proposed project in a timely fashion. It is anticipated that Project construction will begin immediately upon approval of the deviation request and will be completed on December 31, 2022.
- The Project will not result in any adverse environmental impacts.
- The extent to which the Project will require the provision for additional services. This Project will not require any additional services beyond those already in existence.
- The extent to which the Project will provide additional sources of revenue for municipalities and school districts. The benefit is a positive one economically, in that the PILOT Agreement payments will be greater than what would be collected in the event the Project is not undertaken.

Section 3. Any and all references to the term "Financial Assistance" in the Initial Resolution shall heretofore be defined as "collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit".

Section 4. Section of the 3(A) of Initial Resolution is amended to add a new Section 3(A)(iii) to read as follows:

(iii) authorizes and approves that the real property tax abatement benefits (“PILOT benefits”) to be provided over the term of the PILOT Agreement are estimated to be approximately \$1,961,000, resulting in estimated total PILOT payments of \$1,307,400 over the term of the PILOT Agreement.

Section 5. Section 3(B) of the Initial Resolution is amended and replaced in its entirety as follows:

(B) Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

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

Section 6. The first paragraph of Section 3(C) of the Initial Resolution is replaced in its entirety to read as follows:

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

Section 7. The Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, (C) the PILOT Agreement, and (D) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's UTEP, or procedures for deviation have been complied with accordingly.

Section 8. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 9. All actions heretofore undertaken by the Agency and the Company as agent of the Agency are ratified and approved and the Agency and the Company are hereby authorized to continue to undertake the Project as amended and authorized herein.

Section 10. These Resolutions shall take effect immediately.

Dated: June 23, 2021



Sonwil 283 Ship Canal Parkway

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

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

Applicant Information - Company Receiving Benefit

Project Name	Sonwil 283 Ship Canal Parkway
Project Summary	Development and construction of a new warehousing and distribution center within the Buffalo Lakeside Commerce Park to be located at 283 Ship Canal Parkway, Buffalo, New York.
Applicant Name	283 Ship Canal Parkway, LLC
Applicant Address	2732 Transit Road
Applicant Address 2	
Applicant City	West Seneca
Applicant State	New York
Applicant Zip	14224
Phone	(716) 206-1800
Fax	(716) 684-6996
E-mail	pwilson@sonwil.com
Website	sonwil.com
NAICS Code	531120

Business Organization

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

Individual Completing Application

Name	Peter G. Wilson
Title	Operating Manager
Address	2732 Transit Road
Address 2	
City	West Seneca
State	New York
Zip	14224
Phone	(716) 206-1800

Fax (716) 684-6996
E-Mail pwilson@zsa.cc

Company Contact (if different from individual completing application)

Name Peter G. Wilson
Title Operating Manager
Address 2732 Transit Road
Address 2
City West Seneca
State New York
Zip 14224
Phone (716) 206-1800
Fax (716) 684-6996
E-Mail pwilson@sonwil.com

Company Counsel

Name of Attorney THOMAS FITCH
Firm Name Zdarsky, Sawicki & Agostinelli LLP
Address 1600 Main Place Tower
Address 2 350 Main Street
City Buffalo
State New York
Zip 14202
Phone (716) 853-3200
Fax (716) 855-3101
E-Mail tfitch@zsa.cc

Benefits Requested (select all that apply)

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

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

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Sonwil Distribution Center is a family-owned business which has been based in Western New York and in operation for over 70 years. Sonwil provides various logistical services, from storage, handling and distribution to a wide variety of value added programs for its regional, national and international clients. Sonwil has been successful in attracting national accounts to the Buffalo area, such as Dyson, General Mills, Georgia Pacific, Stanislaus and Nestle Purina. Many local Companies rely exclusively on Sonwil for Food Grade, BRC Certified, cost competitive, local 3rd party distribution services. Sonwil's new facility will allow the Company to continue to grow with our existing customers and allow for additional capacity.

Estimated % of sales within Erie County 85 %

Estimated % of sales outside Erie County but within New York State	0 %
Estimated % of sales outside New York State but within the U.S.	15 %
Estimated % of sales outside the U.S.	0 %

(*Percentage to equal 100%)

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

90

Describe vendors within Erie County for major purchases

Kimil Construction, NCS Electric, Alp Steel, Clarence Wall & Ceiling, Neth & Sons

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

283 Ship Canal Parkway, Buffalo, New York 14218

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

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

SBL Number(s) for proposed Project

132.16-2-2.000

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

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

Land

\$ 495,800

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

No

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

Vacant land

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

The proposed project is to build a 335,000 sq. ft. warehouse and distribution facility in Lakeside Park due to increase in customer demand and business.

Municipality or Municipalities of current operations

Buffalo NY

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

Yes

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

No

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

No

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

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

Yes

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

Our customers are always looking at the logistics costs and if there is a cost savings they will move out of state, if required. SDC has lost opportunity with new accounts to Customers have gone to Mechanicsburg, PA as well as Miami Florida.

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

Empire State Development - tbd

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 Assistance provided by the Agency is important to this project as it would make this project more attractive to the Bank who will be financing this project.

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

Approving this application is crucial to our ability to continue expansion at this site. Due to various current factors beyond our control, including the COVID-19 pandemic, we are presently subject to escalating construction and operating costs. In addition extended lead times of building materials and supplies have also added challenges to this project. Many of our customers have a national presence and have the ability to grow their business and allocate their resources in other regions of the country. Our customer's continuously evaluate alternate opportunities. The financial assistance to be provided by the Agency as contemplated hereunder is essential to our ability to proceed with this Project. Undertaking this Project will enable us to improve efficiency resulting in lower storage and distribution costs, allowing us to competitively price our warehousing and distribution services and not only accommodate current customer demand, but also grow such current customers' presence in the region while growing our overall package of logistical services to prospective customers and industries.

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

Yes

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

The Applicant will lose significant opportunities to grow our operation and the operations of our customers in Erie County resulting in lost job opportunities for the residents of Erie County.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

Bus Line

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

Yes

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

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

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

Yes

Describe the present zoning/land use

Describe required zoning/land use, if different

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

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

Yes

If yes, please explain

Prior use of the site includes use as a foundry, which is a former NYSDEC Inactive Hazardous Waste Site that was remediated in 2006. Former use also included railroad tracks. The site is surrounded by current and former heavy industrial sites, NYSDEC Inactive Hazardous Waste Sites, NYSDEC Petroleum Spill Sites, and other Brownfield Cleanup Program Sites. Adjacent sites (e.g., Buffalo Lakeside Commerce Park Brownfield Site, Shenango Steel and Mold NYSDEC Superfund Site, CertainTeed Brownfield Site, Cobey, LLC Brownfield Site) have encountered industrial fill materials and/or impacted soil and groundwater during investigation, remediation and/or site redevelopment activities. Historic limited investigations have identified groundwater impacted with heavy metals and elevated pH and slag fill up to eight feet below ground surface within those portions. The site provides some significant development challenges; being a brownfield reclamation site and its adjacency to wetlands.

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

HVAC units for warehouse

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

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

No

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

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

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

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

Retail Sales No

Services No

Please check any and all end uses as identified below.

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

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

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

			Cost	% of Total Cost
Manufacturing/Processing	square feet	\$	0	0%
Warehouse	323,260 square feet	\$	27,978,400	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	10,108 square feet	\$	2,502,831	0%
Specify Other	2,500 square feet	\$	18,769	0%

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

6/1/2021

End date : Estimated completion date of project

9/15/2021

Project occupancy : estimated starting date of occupancy

10/1/2021

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 30,500,000 335,868 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 6,211,855

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

\$ 15,072,389

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

\$ 500,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 52,284,244

Construction Cost Breakdown:

Total Cost of Construction	\$ 36,711,855 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 0
% sourced in Erie County	%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 35,263,909
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 3,085,592

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

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

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 7,300,000
Bank Financing:	\$ 44,984,244
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants	\$ 0

and tax credits):

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) 0

Total Sources of Funds for Project Costs: \$52,284,244

Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing). 44,984,244

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$337,381

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other): None. PILOT will be utilized

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

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

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

See attached statement.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

Current # of jobs at proposed project	If financial assistance is granted – project the	If financial assistance is granted – project the	Estimate number of residents of the Labor
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	location or to be relocated at project location	number of FT and PT jobs to be retained	number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	0	76	76
Part time	0	0	0	0
Total	0	0	76	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	1	\$ 98,000	\$ 12,500	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	7	\$ 40,000	\$ 12,500	\$ 0	\$ 0
Production	68	\$ 38,000	\$ 10,000	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

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

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

Address	See attached excel file for all locations.		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

4,140,500

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

55,000

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

0

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

55,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	29,000	To (Full Time)	98,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

283 Ship Canal Parkway, Buffalo, New York 14218

Name and Address of Owner of Premises

283 Ship Canal Parkway, LLC 2732 Transit Road West Seneca, New York 14224

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

See attached Project Narrative

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

See attached Project Narrative

Describe all known former uses of the Premises

The land was previously vacant land.

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

N/A

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

n/a

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name Sonwil Distribution Center, Inc.
Address 2732 Transit Road
Contact Person Peter G. Wilson
Phone (716) 206-1800
Fax (716) 684-6996
E-Mail pwilson@sonwil.com
Federal ID # 16-0911273
SIC/NAICS Code

SS

Section VI: Retail Determination

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

Please answer the following:

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

No

If yes, complete the Retail Questionnaire Supplement below.

Section VII: Adaptive Reuse Projects

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

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

No

Section VIII: Inter-Municipal Move Determination

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

Current Address

315 Ship Canal Parkway

City/Town

Buffalo

State

New York

Zip Code

14218

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

<BLANK>

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

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

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

Section IX: Senior Housing

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

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

No