



Policy Committee

April 15, 2021
2:00 P.M.

Via Conference Call & Live Streaming

1. Call Meeting to Order
2. Approval of the March 4, 2021 Policy Committee Minutes & March 26, 2021 Special Policy Committee Minutes (Pages 2-7)
3. Project Matrix (Page 8)
4. Project Presentation (Staff – Company Q&A)
 - a) BLD VII, LLC. (Pages 9-38)
 - b) Polymer Conversions (Pages 39-71)
5. Employment Impact COVID-19 Pandemic (Pages 72-73)
6. MWBE Update
7. Adjournment – Next Meeting **May 6, 2021 at 9:00 a.m.**

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

- MEETING:** March 4, 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; April Baskin; Johanna Coleman; Colleen DiPirro; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn Nellis; Laura Smith; David State; Lavon Stephens and Maria Whyte
- EXCUSED:** Rev. Mark Blue; Bryon W. Brown and Richard Cummings
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Atiqa Abidi, Assistant Treasurer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Beth O’Keefe, Business Development Officer; Robbie Ann McPherson, Director of Marketing and Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Lisa Hicks on behalf of the City of Buffalo; Alex Carducci on behalf of the City of Buffalo; Carl Montante III on behalf of Terzo Development; Benjamin Harp and Christopher Brown on behalf of Polymer Conversions.

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 January 7, 2021 Policy Committee meeting were presented. Upon motion made by Mr. Nellis and seconded by Ms. Whyte, the aforementioned Policy Committee meeting minutes were then unanimously approved.

The minutes of the February 8, 2021 Special Policy Committee meeting were presented. Upon motion made by Mr. Krebs and seconded by Ms. McDuffie, the aforementioned Policy Committee meeting minutes were then unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

Surmet Ceramics Corp., 743 Hertel Avenue, Buffalo, New York. Mr. Cappellino presented this proposed sales tax exemption benefit project involving the construction of a 3,400 sq. ft. expansion to the existing 75,000 sq. ft. leased space. The additional space will be used for CIP (cold isostatic press) building and associated foundation (pit) and utilities extension. The project consists of the construction of a 3,400 sq. ft. expansion to the company’s existing 130,000 sq. ft. facility.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$11,500,000 85% = \$9,775,000
Employment	Coincides with recapture terms	Maintain base = 13 Create 85% of Projected Projected = 18 85% = 15 Recapture Employment: 28
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture terms	Adherence to policy

Unpaid Tax	Coincides with recapture terms	Adherence to policy
Recapture Period	2 years following project completion	Recapture of state and local sales taxes

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

Terzo Development/Bush Lofts, 44 17th Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the renovation and re-use of a 15,000 sq. ft. existing facility into 13 apartments. Three of the 13 units will be offered at 80% of the adjusted median income (“AMI”) throughout the 7-year PILOT term. There will also be 6-7 spaces of off-site parking available to tenants as well as a curb cutout in front of the building which will open up 3-4 additional parking spaces.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$3,050,000 85% = \$2,592,000
Employment	Coincides with 7-year PILOT	Create 85% of Projected Projected = 1 PT 85% = 1 PT Recapture Employment = 1 PT
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to policy
Recapture Period	Coincides with 7-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property taxes

General discussion ensued in regard to the Company’s response to comments received at the Agency’s public hearing held with respect to the Project as proposed. It was noted that the Company would continue to meet with community residents in efforts to continue to keep residents appraised of the Project.

At this point in time, Mr. Stephens joined the meeting.

Ms. Coleman moved and Ms. DiPirro seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

POLYMER CONVERSIONS ECIDA ASSIGNMENT CONSENT

Ms. McDuffie moved and Ms. Smith seconded to recommend the approval of the assignment and assumption of the Polymer Conversion to Medbio, LLC be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

MWBE UPDATE

Ms. Whyte provided members with an update on the MWBE working committee.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:52 a.m.

Dated: March 4, 2021

Karen M. Fiala, Secretary

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

- MEETING:** March 26, 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 E. Blue; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie Laura Smith; David State; and Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown; Johanna Coleman; Colleen DiPirro; Richard Cummings; Glenn R. Nellis and Lavon Stephens
- 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; Jamee Lanthier, Compliance Officer; Robbie Ann McPherson, Director, Marketing & Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Lisa Hicks on behalf of the City of Buffalo; Scott Piccirillo on behalf of the Buffalo Niagara Partnership; Shatorah Donovan on behalf of the City of Buffalo

There being a quorum present at 12:04 p.m., the Meeting of the Special Policy Committee was called to order by Mr. Lipsitz.

PRESENTATION

Ms. Donovan, Chief Diversity Officer for the City of Buffalo, presented a report to the Committee. General discussion ensued.

REVIEW AND DISCUSSION OF DRAFT POLICY DOCUMENTS

Mr. Cappellino reviewed the draft MWBE Enhanced PILOT schedules in comparison to the current PILOT schedules contained within the Uniform Tax Exemption Policy, confirmed various assumptions used to assist in the preparation of the draft proposed schedules, and provided examples of the PILOT formula payments based on various investment scenarios.

General discussion ensued regarding the incentive term time period and the percentage abatement amounts included within the proposed PILOT schedules.

Additional discussion ensued regarding post-construction work-force utilization and types of activities that may be required to allow companies to qualify for an enhanced PILOT as so related thereto.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 1:30 p.m.

Dated: March 26, 2021

Karen M. Fiala, Secretary

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	Project Amount	Investment	Jobs Retained	Factors		Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Adaptive Reuse	Pay Equity
						Job Creation	Jobs Created							
	1 72 East Niagara, LLC	Jan-21	\$2,836,736	85% threshold \$2,411,225	17	85% -New 2 Jobs	3	Yes	Yes	Period of PILOT 7 Years		\$146,000	Adaptive Reuse	Yes
	1 Calspan Corporation	Jan-21	\$13,500,000	85% threshold \$11,475,000	143	85% -New 17 Jobs	20	Yes	Yes	Period of PILOT 10 Years		\$599,000		Yes
	1 Thermo Fisher - North Expansion	Jan-21	\$85,000,000	85% threshold	807	85% -New 51 Jobs	60	Yes	Yes	Period of PILOT 10 Years		\$2,912,000		Yes
	1 Pine Pharmaceuticals, LLC	Jan-21	\$8,615,000	85% threshold \$7,322,750	76	85% -New 34 Jobs	40	Yes	Yes	Period of PILOT 10 Years		\$1,376,937		Yes
	1 Suero Real Estate	Jan-21	\$19,000,000	85% threshold \$16,150,000	5	85% -New 38 Jobs	45	Yes	Yes	Period of PILOT 10 Years		\$3,392,250		Yes
	1 Eastman Machine	Feb-21	\$1,665,000	85% threshold \$1,415,250	126	85% -New 2 Jobs	3	Yes	Yes	Period of PILOT 7 Years		\$124,588		Yes
	1 Time Release Science	Feb-21	\$30,500,000	85% threshold \$25,925,000	103	85% -New 17 Jobs	20	Yes	Yes	Period of PILOT 10 Years	Amendatory Inducement	\$4,591,400		Yes
	1 Surmet Ceramics Corp.	Mar-21	\$11,500,000	85% threshold \$9,775,000	13	85% -New 15 Jobs	18	Yes	Yes	2 Years after Project Completion		\$65,625		Yes
	1 Terzo Development	Mar-21	\$5,050,000	85% threshold \$2,592,000	0	85% -New 1 Jobs	1	Yes	Yes	Period of PILOT 7 Years		\$304,125	Adaptive Reuse	Yes
Count			Project Amount	Investment	Jobs Retained	Job Creation	Jobs Created					Incentive Amount		
Adaptive Reuse 2020 Sub Total	2		\$5,886,736		17		4					\$450,125		
2020 Total	9		\$175,666,736		1,290		210					\$13,511,925		

BLD VII, LLC
\$14,570,786
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$2,190,512 in real property tax savings.
- Approximately \$578,347 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$57,532

EMPLOYMENT

- New Jobs Projected: After Project Completion: 41
- Annual payroll: \$2,065,440
- Estimated salary of jobs to be created: \$50,377

PROJECT HISTORY

- 04/12/2021 - Public hearing held.
- 04/28/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 04/28/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: BLD VII, LLC
 Project Address: 8 Dona Street
 Lackawanna New York 14128
 (Lackawanna City School District)

Agency Request

A sales tax, mortgage tax and real property tax exemption in connection with the construction of a 151,200 sq. ft. spec building at the former Bethlehem Steel site.

Land Acquisition	\$ 228,000
New Building Construction	\$ 9,224,182
Infrastructure	\$ 2,824,732
Soft Costs/Other	\$ 2,293,872
Total Project Cost	\$14,570,786
85%	\$12,385,168

Company Description

BLD VII, LLC is a real estate holding company and an affiliate of Uniland Development. Uniland engages in real estate development, construction, and management of various commercial and industrial properties in Western New York.

Project Description

Erie County has spent and appropriated for future expenditures, millions of dollars to improve rail and road access and utility infrastructure at the project site with the goal of creating one of the largest commercial/ industrial parks, with tri-modal access and with pre-certified New York State tax incentives. The project consists of the acquisition of approximately 9 acres of land purchased from the Buffalo and Erie County Industrial Land Development Corporation ("ILDC") and the construction of a 151,200 sq. ft. industrial spec building. The proposed project is in response to a public RFP issued by the ILDC. As part of the RFP the building would be offered as a multi-tenant facility as there presently exists a demand for this type of space.

Employment Impact

As a spec building, it is difficult to identify specific new employment figures for the proposed development. However, based on the anticipated project use and the developer's projections, they estimate the following number of employees to be located in the facility.

Total jobs after 2 years: 41

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10 Year Abatement Period	Additional City Revenue over 10 Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$8,000,000	\$79,000	\$503,000	\$277,280
Combined Tax Rate: \$35				

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 = \$14,570,786 85% = \$12,385,168
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 41 85% = 35
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	10-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 41 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

ADDENDUM TO PROJECT LOG
BLD VII, LLC

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County per capita income: \$33,598 Based on the uses of the facility; the wage rate should be above Erie County's per capita income. The estimated average annual salary at the facility is estimated at \$50,377 per year.
Regional Wealth Creation (% sales/customers outside area)	The % of sales and customers outside the area is dependent on the type of tenant locating in the facility.
In Region Purchases (% of overall purchases)	The project's developer, Uniland, estimates approximately 75% of its total annual supplies, raw materials and vendor services being sourced from Erie County vendors. Unknown for prospective tenants.
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 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.

April 28, 2021

MWBE Statement

Uniland's commitment to diversity is evidenced by our effort to utilize MWBE's within the scope of our projects and by our continual participation in regional workforce development programs that seek to reinforce the inclusion of both minorities and women within the local construction and real estate development industry.

INITIATIVES

- Inclusion of both certified and non-certified minority and women firms on Uniland construction projects
- Incorporation of a subcontractor/vendor pre-qualification process that successfully prepares MWBE's for bidding opportunities with Uniland
- Promotion of diverse hiring practices among job-site contractors
- Collaboration with the Associated Builders and Contractors (a merit-based construction shop) to create training and workforce development programs for minorities and women

ENGAGEMENT

- Board member of the Beverly Grey Business Exchange Center, a minority and woman business resource center organized by the City of Buffalo
- Member of the City of Buffalo MWBE Task Force
- Member of the Buffalo Niagara Partnership - Diversity and Inclusion Council
- Supporter of Be Your Own Hero, a non-profit outreach organization that assist high school students in securing training and employment opportunities within the trades

COMMUNITY RECOGNITION

- Recipient of the Black Achievers – President's Award, in recognition of Uniland's continual support of scholarship and training programs for minority students

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:- BLD VI, 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
\$12,048,914	\$8,000,000	4.68	17.15	12.83

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$3,744	\$13,720	\$10,264	\$27,728	\$277,280	\$249,552
2	10%	\$3,744	\$13,720	\$10,264	\$27,728	\$277,280	\$249,552
3	10%	\$3,744	\$13,720	\$10,264	\$27,728	\$277,280	\$249,552
4	20%	\$7,488	\$27,440	\$20,528	\$55,456	\$277,280	\$221,824
5	20%	\$7,488	\$27,440	\$20,528	\$55,456	\$277,280	\$221,824
6	20%	\$7,488	\$27,440	\$20,528	\$55,456	\$277,280	\$221,824
7	30%	\$11,232	\$41,160	\$30,792	\$83,184	\$277,280	\$194,096
8	30%	\$11,232	\$41,160	\$30,792	\$83,184	\$277,280	\$194,096
9	30%	\$11,232	\$41,160	\$30,792	\$83,184	\$277,280	\$194,096
10	30%	\$11,232	\$41,160	\$30,792	\$83,184	\$277,280	\$194,096
Total		\$78,624	\$288,120	\$215,544	\$582,288	\$2,772,800	\$2,190,512

***** 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.)
\$14,570,786	\$2,190,512	\$578,347	\$57,532	\$2,629,651

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 37.4%

Cost-Benefit Analysis for BLD VII, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
BLD VII, LLC

TOTAL INVESTED
\$14.6 Million

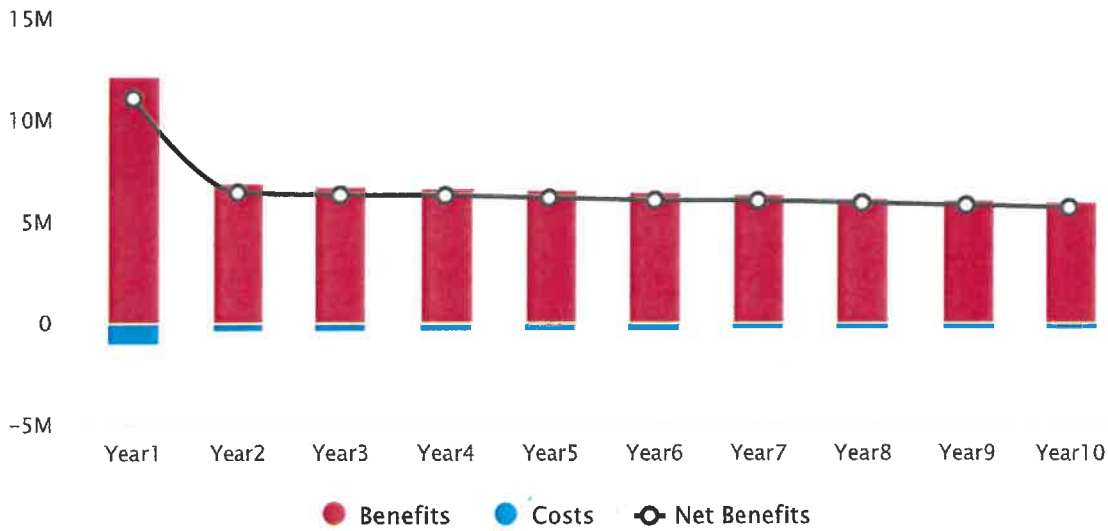
LOCATION
**8 Dona Street,
Lackawanna, NY 14128**

TIMELINE
10 Years

F1 FIGURE 1

Discounted* Net Benefits for BLD VII, LLC by Year

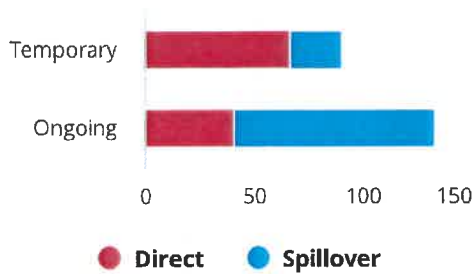
Total Net Benefits: **\$65,508,000**



Discounted at 2%

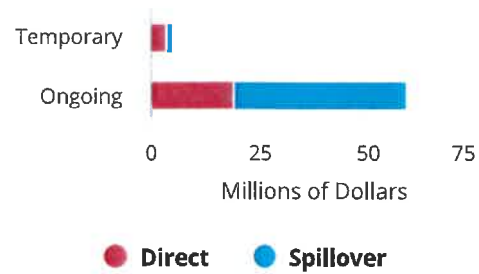
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

BLD VII, LLC proposes to invest \$14.6 million at 8 Dona Street, Lackawanna, NY 14128 over 10 years.

T1 TABLE 1

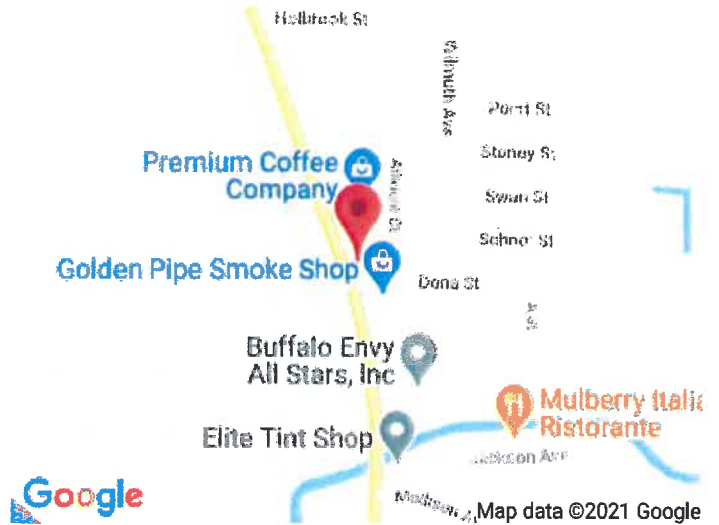
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$9,224,000
OTHER SPENDING	
Land Acquisition	\$228,000
Infrastructure	\$2,825,000
Soft Costs/Other	\$2,294,000
Total Investments	\$14,571,000
Discounted Total (2%)	\$14,571,000

May not sum to total due to rounding.

F4 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 10 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 BLD VII, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$3,800,000	\$3,501,000
Sales Tax Exemption	\$577,000	\$577,000
Mortgage Recording Tax Exemption	\$58,000	\$58,000
Total Costs	\$4,435,000	\$4,136,000

May not sum to total due to rounding.

* Discounted at 2%

13 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	\$25,604,000	\$45,673,000	\$71,277,000
To Private Individuals	\$24,200,000	\$44,940,000	\$69,140,000
Temporary Payroll	\$3,545,000	\$1,230,000	\$4,776,000
Ongoing Payroll	\$20,655,000	\$43,710,000	\$64,364,000
To the Public	\$1,405,000	\$733,000	\$2,137,000
Property Tax Revenue	\$1,010,000	N/A	\$1,010,000
Temporary Sales Tax Revenue	\$58,000	\$20,000	\$78,000
Ongoing Sales Tax Revenue	\$337,000	\$713,000	\$1,049,000
STATE BENEFITS	\$1,524,000	\$2,647,000	\$4,171,000
To the Public	\$1,524,000	\$2,647,000	\$4,171,000
Temporary Income Tax Revenue	\$173,000	\$60,000	\$233,000
Ongoing Income Tax Revenue	\$1,010,000	\$1,952,000	\$2,962,000
Temporary Sales Tax Revenue	\$50,000	\$17,000	\$67,000
Ongoing Sales Tax Revenue	\$292,000	\$617,000	\$908,000
Total Benefits to State & Region	\$27,129,000	\$48,320,000	\$75,448,000
Discounted Total Benefits (2%)	\$25,261,000	\$44,383,000	\$69,644,000

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	\$65,797,000	\$3,849,000	17:1
State	\$3,847,000	\$287,000	13:1
Grand Total	\$69,644,000	\$4,136,000	17:1

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.



8 Dona

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	8 Dona
Project Summary	151,200 SF Industrial Development Speculative Venture. II-8 Parcel Bethlehem Steel
Applicant Name	BLD VII, LLC or another affiliate of Uniland Development
Applicant Address	100 Corporate Parkway
Applicant Address 2	Suite 500
Applicant City	Amherst
Applicant State	New York
Applicant Zip	14226
Phone	(716) 834-5000
Fax	(716) 834-5034
E-mail	mwyzykowski@uniland.com
Website	www.uniland.com
NAICS Code	

Business Organization

Type of Business	Limited Liability Company
Year Established	2005
State in which Organization is established	New York

Individual Completing Application

Name	Marc Wyzykowski
Title	Development Project Manager
Address	100 Corporate Parkway
Address 2	Suite 500
City	Amherst
State	New York
Zip	14226

Phone (716) 834-5000
Fax (716) 834-5034
E-Mail mwyzykowski@uniland.com

Company Contact (if different from individual completing application).

Name Peter Sayadoff
Title Director, Capital Markets
Address 100 Corporate Parkway
Address 2 Suite 500
City Amherst
State New York
Zip 14226
Phone (716) 834-5000
Fax (716) 834-5034
E-Mail psayadoff@uniland.com

Company Counsel

Name of Attorney Susan Hassinger
Firm Name Counsel (In-House)
Address 100 Corporate Parkway
Address 2 Suite 500
City Amherst
State New York
Zip 14226
Phone (716) 834-5000
Fax (716) 834-5034
E-Mail shassinger@uniland.com

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.

BLD VII, LLC, is a real estate holding company and an affiliate of Uniland Development. Uniland engages in real estate development, construction, and management of various commercial and industrial properties in Western New York.

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

Estimated % of sales outside the U.S.

0 %

(*Percentage to equal 100%)

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?

75

Describe vendors within Erie County for major purchases

Uniland Development utilizes a number of subcontractors for our development projects, most of them local to Erie County. Examples of some of the major vendors include: (1) Site Construction: Zoladz Construction Attn: Jeff Leavell, Alden, NY (2) Concrete Construction: Brawdy Construction Attn: Jim Brawdy, Clarence Center, NY (3) Plumbing: MLP Attn: Dave Muskopf, Cheektowaga, NY (4) Electric: Ferguson Electric Attn: Jim Schneider, Buffalo, NY. While we frequently use these vendors we have not specifically selected any for the proposed project.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

8 Dona, a portion of Parcel II-8 at Bethlehem Steel.

Town/City/Village of Project Site

Lackawanna

School District of Project Site

Lackawanna City

Current Address (if different)

N/A

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

SBL Number(s) for proposed Project

141.11-1-48.13

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

0

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

Land

\$ 161,712.65

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?

Yes

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)

An approximately 9.12 acre vacant lot proposed to be developed with a 151,200 SF industrial speculative venture (TBD tenants). The 9.12 AC is a portion of a larger parcel which will be demised. The proposed project is in response to a public RFP issued by the ILDC which asked to provide a minimum industrial project of 120,000SF. As part of the RFP, a request made was also that the new facility would be demised as multi-tenant to potentially meet a demand for space requirements in the market. As part of the RFP materials, a study identifies this limited availability in industrial space in the WNY market which is creating a regional need. The proposed facility is as requested by the ILDC to address such concerns.

Municipality or Municipalities of current operations

N/A

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

No

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?

No

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

ILDC request for RFP.

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:

N/A

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)

The ECIDA benefits are necessary to ensure that this project is economically competitive. Additionally, the subject project has substantial costs related to brownfield clean up as well as both at-grade and underground structures in-place. The extent of these costs will not only be great but also unknown until work commences. Finally, it is typically difficult to get financing for a venture project without having tenants identified (leases or letter-of-intent executed).

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?

As the Buffalo-Niagara Partnership's recent study ascertained, Western New York has been missing out on large-scale industrial projects as end-users have opted for other municipalities. Financial assistance is required to mitigate added risk of the proposed speculative development.

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)

Project is about 0.5 miles from bus line 42.

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

No

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

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

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

Yes

Describe the present zoning/land use

Zoned as "Bethlehem Redevelopment Area" is vacant industrial lot.

Describe required zoning/land use, if different

The project will be applying for a height variance with the City of Lackawanna as higher ceiling heights are more marketable in today's industrial facilities.

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

N/A

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

This is a Brownfield cleanup site in the State of NY BOA program.

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

No

If yes, describe the efficiencies achieved

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

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

No

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

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
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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)	No Commercial	No Equipment Purchase
No Facility for the Aging	Yes Industrial	No Life Care Facility (CCRC)

No Market Rate Housing **No Mixed Use** **Yes Multi-Tenant**
No Retail **No Senior Housing** **Yes Manufacturing**
No Other

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	45,360 square feet	\$	4,302,836	30%
Warehouse	90,720 square feet	\$	8,605,672	60%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	15,120 square feet	\$	1,434,279	10%
Specify Other	square feet	\$	0	0%

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses Yes

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

5/30/2022

Project occupancy : estimated starting date of occupancy

5/30/2022

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 228,000 0 square feet 9 acres

2.) New Building Construction

\$ 9,224,182 151,200 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0

square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 2,824,732

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

\$ 0

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

\$ 1,863,703

9.) Other Cost

\$ 430,169

Explain Other Costs	Financing Fees
Total Cost	\$ 14,570,786

Construction Cost Breakdown:

Total Cost of Construction	\$ 12,048,914 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 7,229,348.87
% sourced in Erie County	85%

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	\$ 6,609,690
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 578,347

** 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
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Have any of the above costs been paid or incurred as of the date of this Application?	No
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If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 4,270,135
Bank Financing:	\$ 7,671,000
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 2,629,651
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	BCP

Total Sources of Funds for Project Costs: \$14,570,786

Have you secured financing for the project? No

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). 7,671,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$57,532

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): N/A

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

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2
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				years) after project completion **
Full time	0	0	41	41
Part time	0	0	0	0
Total	0	0	41	

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	3	\$ 104,000	\$ 31,200	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 5	\$ 0	\$ 0
Production	38	\$ 33,280	\$ 10,400	\$ 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			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

2,065,440

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

0

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

0

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

50,377

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

0

Estimated salary range of jobs to be created

From (Full Time)	33,280	To (Full Time)	104,000
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

8 Dona St, Lackawanna, NY

Name and Address of Owner of Premises

Uniland is contract purchaser of the site.

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

Flat vacant land portion of former Bethlehem Steel industrial site.

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

Vacant Lot.

Describe all known former uses of the Premises

Portion of former Bethlehem Steel Plant

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

No

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

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

Yes

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

In the State of NY BOA program.

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?

Multi-Tenant Facility

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

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

Uniland intends to construct the building with the ability to demise up to three different tenant spaces. Ultimately, tenant demand will dictate the final floorplan.

Have any tenant leases been entered into for this project?

No

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

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

Section VI: Retail Determination

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

Please answer the following:

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

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

N/A

City/Town

State

Zip Code

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

No

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

N/A

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

N/A

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

N/A

Section 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

Polymer Conversions, Inc.
\$14,250,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 326199

COMPANY INCENTIVES

- Approximately \$516,000 in real property tax savings.
- Approximately \$540,312 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$106,875

EMPLOYMENT

- Current Jobs: 125
- New Jobs Projected: 15
- Total Jobs After Project Completion: 140
- Annual payroll: \$8,436,972
- Estimated salary of jobs to be created: \$49,533
- Estimated salary of jobs to be retained: \$48,211

PROJECT HISTORY

- 03/30/2021 - Public hearing held.
- 04/28/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 04/28/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

1989 - \$1,760,000 Tax Incentive
 2006 - \$3,700,000 Tax Incentive
 2007 - \$2,800,000 Collateral Mortgage
 2009- \$370,000 Collateral Mortgage
 2021 - Assignment & Assumption

Project Title: Polymer Conversions, Inc.

Project Address: 5732 Big Tree Road
 Orchard Park, New York 14127
 (Orchard Park Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with a 41,350 sq. ft. expansion.

Building Addition	\$ 8,500,000
Infrastructure	\$ 1,000,000
Manufacturing Equipment	\$ 4,000,000
Non-Manufacturing Equipment	\$ 500,000
Soft Costs	\$ 250,000

Total Project Cost \$14,250,000

85% \$12,112,500

Company Description

Polymer Conversions, Inc. ("PCI") is a premier precision custom plastics injection mold-er. Since 1979, PCI has specialized in highly technical, tight-tolerance medical devices, medical components, biometric devices, gearing parts, and turnkey product solutions. PCI manufactures, among other products, small part precision Class I & II medical device components/assemblies and other complex critical-to-life injection molded products.

In August 2021, PCI was sold to Medbio Intermediate Holdings, LLC ("Medbio"). Med-bio is an outsourced manufacturer specializing in clean room injection molding and as-sembly for medical, life science and biotechnology devices. The acquisition of PCI cre-ates a premier medical device manufacturing platform of scale and capable of supporting growth for PCI's customers. Medbio is a portfolio company of Graham Partners, a lead-ing private investment firm targeting technology driven manufacturing companies.

75% of company sales are to customers located outside of New York State; 50% of that number representing international sales.

Project Description

PCI currently operates out of a 39,000 sq. ft. of space in the Town of Orchard Park. The current project consists of the expansion of the facility by 41,000 sq. ft.

In addition, the company will be purchasing approximately \$4,000,000 of manufacturing equipment.

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10 Year Abate-ment Period	Additional Town Reve-nue over 10 Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
	\$1,200,000	\$24,000	\$113,000	\$65,000
Combined Tax Rate: \$54.50				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project Amount = \$14,250,000 85% = \$12,112,500
Employment	Coincides with 10-year PILOT	Maintain Base = 125 Create 85% of Projected Projected = 15 85% = 13 Recapture Employment = 138
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	10-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 maintained 125 jobs and created 15 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

ADDENDUM TO PROJECT LOG

Polymer Conversions

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$48,211 Company estimated average salary of jobs to be created: \$49,533
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside NYS and within U.S.: 25% International: 50%
In Region Purchases (% of overall purchases)	30% of overall purchases are procured through firms located in Erie County.
Research & Development Activities	Approximately 10% of operating expenses are devoted to research and development.
Investment in Energy Efficiency	\$4,000,000 in new manufacturing equipment is being purchased with the newest energy efficiency.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The project will meet all local zoning and land use requirements.
LEED/Renewable Resources	Not applicable.
Retention/Flight Risk	Recapture criteria currently in place requires a company this size to retain 90% of its base FTE jobs.
MBE/WBE Utilization	Polymer is constantly looking for ways to utilize minority and women business enterprises when those products and services meet the company's specific requirements.
Workforce Access – Proximity to Public Transportation	The facility is near the 72 bus line.

April 28, 2021

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-: Polymer Conversions, Inc. - 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
\$9,500,000	\$1,200,000	\$9.68	\$7.77	\$37.06

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$1,162	\$932	\$4,447	\$6,541	\$65,412	\$58,871
2	10%	\$1,162	\$932	\$4,447	\$6,541	\$65,412	\$58,871
3	10%	\$1,162	\$932	\$4,447	\$6,541	\$65,412	\$58,871
4	20%	\$2,323	\$1,865	\$8,894	\$13,081	\$65,412	\$52,330
5	20%	\$2,323	\$1,865	\$8,894	\$13,081	\$65,412	\$52,330
6	20%	\$2,323	\$1,865	\$8,894	\$13,081	\$65,412	\$52,330
7	30%	\$3,485	\$1,865	\$8,894	\$19,624	\$65,412	\$45,788
8	30%	\$3,485	\$1,865	\$8,894	\$19,624	\$65,412	\$45,788
9	30%	\$3,485	\$1,865	\$8,894	\$19,624	\$65,412	\$45,788
10	30%	\$3,485	\$1,865	\$8,894	\$19,624	\$65,412	\$45,788
Total		\$24,394	\$19,580	\$93,391	\$137,365	\$654,120	\$516,755

***** 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.)
\$14,250,000	\$516,755	\$540,312	\$106,875	

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 8.2%

VIRTUAL PUBLIC HEARING SCRIPT

**Polymer Conversions, Inc. and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on March 30, 2021 at 10:00 a.m.
via Virtual Conference Software

ATTENDANCE:

Ben Harp – Polymer Conversions
Carrie Hocienec – ECIDA
Brian Krygier – ECIDA
Olivia Hill – Invest Buffalo Niagara

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Beth O’Keefe. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this 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 Polymer Conversions, Inc. 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, March 19, 2021.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition (or retention) by the Agency of a leasehold or other interest in certain property located at 5732 Big Tree Road, Town of Orchard Park, Erie County, New York (the “Land”) and the existing improvements located thereon (the “Existing Improvements”); (ii) the construction on the Land of an

approximately 41,500+/- square-foot expansion to the Existing Improvements for the purpose of expanding and consolidating the Company's cleanroom manufacturing space, warehouse space, engineering offices, tool room space, and meeting space (the "Improvements"); and the acquisition and installation in and around the Existing Improvements and Improvements of certain items of equipment, machinery and other tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility") (the "Facility").

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 April 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.

Thank you for this opportunity to go through this process. I think that this is very important for Polymer Conversions, now Medbio, and our community specifically. I have been with the company for 18 years. Again, my name is Ben Harp I am president of this site/location. On September 1, 2020 we were acquired by Medbio. We transferred from the Bertsch family, the founders of Polymer Conversions, to Medbio. We have recently gone through an expansion here on this site 5732 Big Tree Road back in 2012. We finished a 25,000 sq. ft. addition where we applied for incentives and met all aspects of that incentive package on both jobs & investment. We are asking for consideration of incentive support on this expansion because Medbio is adding expansion space because it is needed for business. They have a building on their campus in

Grand Rapids, Michigan that they just acquired within the past quarter; the last couple of months. They are looking at retrofitting that and the expense of re-conditioning that for the purposes of our business which is contract manufacturing for highly technical medical products. We are very busy. The COVID Pandemic has increased that business based on the customers that we support. They are all names that you know big healthcare OEM's and we have grown dynamically over the last 9 years from our last expansion. In fact, we have pretty much filled that out.

The expansion that we are proposing to build here is approximately 33,000 sq. ft. There will be 2 buildouts. The first buildout will be approximately 29,000 sq. ft. buildout on the backside of our facility. Half of that will be a condition cleanroom manufacturing space and the other half will be warehouse space to support the products coming off that floor. We have a second bump out going out to the west side of our building that will be approximately 4,000 sq. ft. that will add a tool room addition space as well as additional office space for the professional hires that we will add. We currently have 125 FTE. We expect that this expansion will bring 45 new positions to our community of which approximately 15 would be professional engineer type job descriptions and about 30 production positions. Our operations are 24/7. We are running all the time and making important product for human beings and their health. That is our project, that our ask.

The situation is Medbio led by our CEO Chris Williams is going to make a decision on where to add that space and that capacity. The things that will be considered will be total costs, the amount of space that we can bring onboard as quick as possible. The opportunity here is thankfully we as an organization here at Polymer Conversions prior to even being acquired spent the money to design the additional space so that if and when we got to capacity, we could quickly pull the trigger to support our customers and our growth here in Orchard Park. Thankfully, those architectural plans are done. They were done in early 2020 and now Medbio is asking where we could add the space the quickest and the best possible cost and where is the employment opportunity. Are there better candidates in the Buffalo Area or Grand Rapids. I more or less am championing this site and speed to growth and trying to market that internally to our organization so that the decision and investment is made here in Orchard Park.

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:08 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on March 30, 2021 at 10:00 a.m.
via Virtual Conference Software

**Polymer Conversions, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 5732 Big Tree Road, Town of Orchard Park, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Ben Harp	Polymer Conversions 5732 Big Tree Road Orchard Park, New York 14127	X
Olivia Hill	Invest Buffalo Niagara 257 West Genesee Street Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Bran Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

Cost-Benefit Analysis for Polymer Conversions, Inc.

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Polymer Conversions, Inc.

TOTAL INVESTED
\$14.3 Million

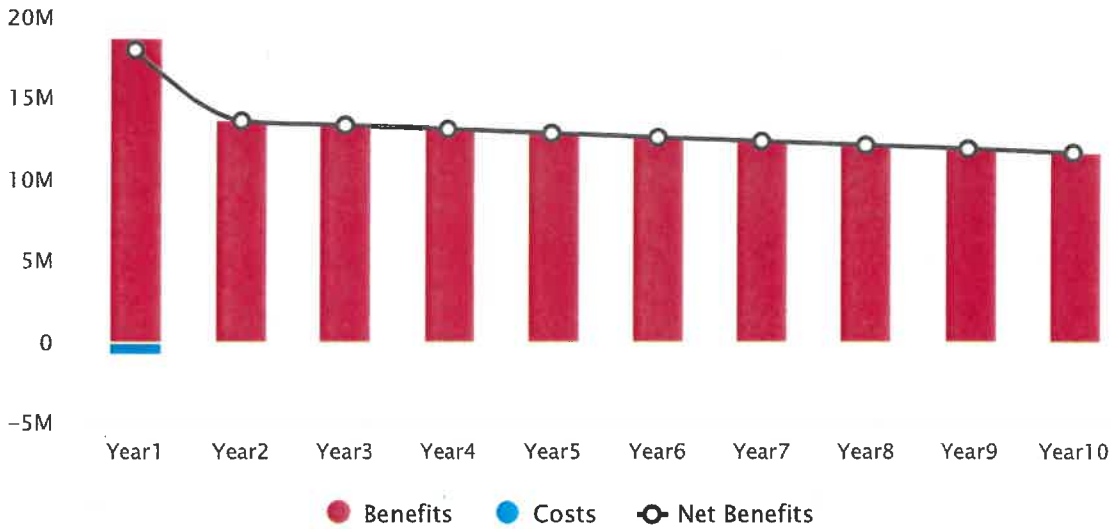
LOCATION
**5732 Big Tree Road,
Orchard Park, NY 14127**

TIMELINE
10 Years

F1 FIGURE 1

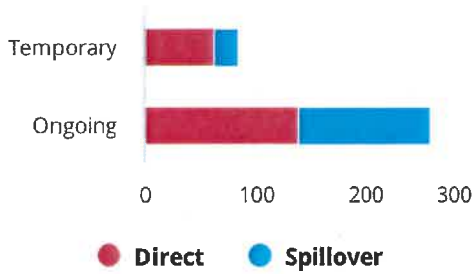
Discounted* Net Benefits for Polymer Conversions, Inc. by Year

Total Net Benefits: **\$131,150,000**



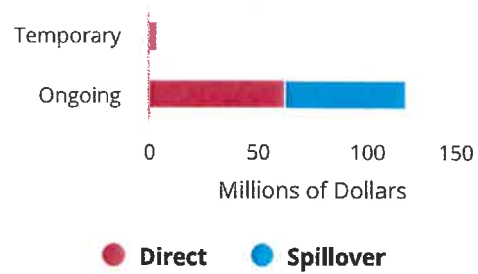
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Polymer Conversions, Inc. proposes to invest \$14.3 million at 5732 Big Tree Road, Orchard Park, NY 14127 over 10 years.

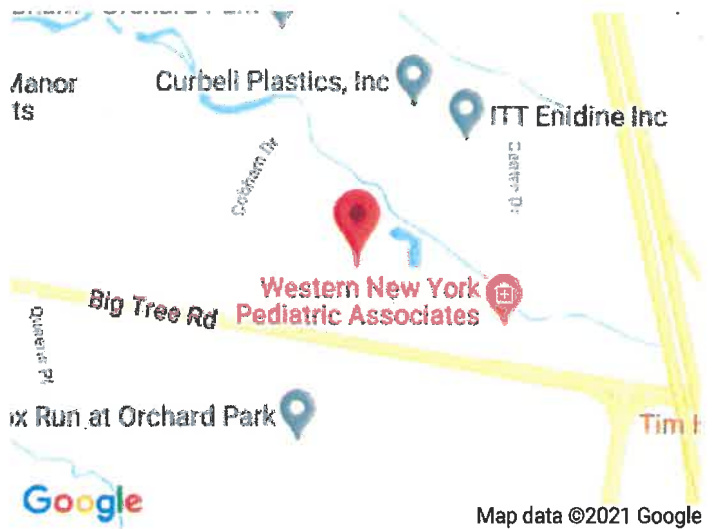
TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$8,500,000
OTHER SPENDING	
Infrastructure	\$1,000,000
Manufacturing Equipment	\$4,000,000
Non-Manufacturing Equipment	\$500,000
Soft Costs	\$250,000
Total Investments	\$14,250,000
Discounted Total (2%)	\$14,250,000

FIGURE 4

Location of Investment



May not sum to total due to rounding.

Cost-Benefit Analysis

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

TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for Polymer Conversions, Inc..

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$515,000	\$475,000
Sales Tax Exemption	\$540,000	\$540,000
Mortgage Recording Tax Exemption	\$107,000	\$107,000
Total Costs	\$1,162,000	\$1,121,000

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	\$72,993,000	\$62,886,000	\$135,880,000
To Private Individuals	\$71,688,000	\$61,877,000	\$133,565,000
Temporary Payroll	\$3,267,000	\$1,134,000	\$4,401,000
Ongoing Payroll	\$68,421,000	\$60,743,000	\$129,164,000
To the Public	\$1,306,000	\$1,009,000	\$2,315,000
Property Tax Revenue	\$137,000	N/A	\$137,000
Temporary Sales Tax Revenue	\$53,000	\$18,000	\$72,000
Ongoing Sales Tax Revenue	\$1,116,000	\$990,000	\$2,106,000
STATE BENEFITS	\$4,342,000	\$3,698,000	\$8,040,000
To the Public	\$4,342,000	\$3,698,000	\$8,040,000
Temporary Income Tax Revenue	\$160,000	\$55,000	\$215,000
Ongoing Income Tax Revenue	\$3,170,000	\$2,769,000	\$5,939,000
Temporary Sales Tax Revenue	\$46,000	\$16,000	\$62,000
Ongoing Sales Tax Revenue	\$966,000	\$857,000	\$1,823,000
Total Benefits to State & Region	\$77,335,000	\$66,584,000	\$143,919,000
Discounted Total Benefits (2%)	\$71,163,000	\$61,108,000	\$132,272,000

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	\$124,882,000	\$835,000	149:1
State	\$7,389,000	\$286,000	26:1
Grand Total	\$132,272,000	\$1,121,000	118:1

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.



Polymer Conversions, Inc. 2021 Expansion

[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	2021 Expansion
Project Summary	Polymer Conversions proposes a 41,000 square foot expansion of its Orchard Park facility, located at 5732 Big Tree Road, Orchard Park. The expansion, on the north side of the facility, would expand and consolidate Polymer's cleanroom space, accommodating future growth and also leading to greater operational efficiency. The expansion, on the west side of the facility, would expand Polymer's engineering offices and meeting space as well as increase the size of the tool room.
Applicant Name	Polymer Conversions, Inc.
Applicant Address	5732 Big Tree Road
Applicant Address 2	
Applicant City	Orchard Park
Applicant State	New York
Applicant Zip	14127
Phone	(716) 622-8550
Fax	
E-mail	bharp@polymerconversions.com
Website	https://polymerconversions.com/
NAICS Code	326199

Business Organization

Type of Business	Corporation
Year Established	1979
State in which Organization is established	New York

Individual Completing Application

Name	Benjamin J. Harp
Title	President
Address	5732 Big Tree Road
Address 2	
City	Orchard Park

State New York
Zip 14127
Phone (716) 913-4701
Fax
E-Mail bharp@polymerconversions.com

Company Contact (if different from individual completing application).

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

Company Counsel

Name of Attorney Christopher H. Brown, Jr., Esq.
Firm Name Roach Lennon & Brown, PLLC
Address 535 Washington Street, Suite 1000
Address 2
City Buffalo
State New York
Zip 14203
Phone (716) 235-3025
Fax (716) 235-3026
E-Mail chbrown@rlbattorneys.com

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.

Polymer Conversions, Inc. (PCI) is a premier precision custom plastics injection molder located in Orchard Park, New York. Since 1979, PCI has specialized in highly technical, tight-tolerance medical devices, medical components, biometric devices, gearing parts, and turnkey product solutions. PCI manufactures, among other products, small-part precision Class I & II medical device components/assemblies and other complex critical-to-life injection molded products. It excels on projects that are highly technical and require engineering horsepower, robust tooling, stringent validations, and ultra-consistent quality. PCI's molded products are used in the manufacture of critical-to-life medical device, life science, pharmaceutical, biomedical, veterinary, and dental industries. PCI's capabilities include offering customers full-service plastic part manufacturing, including Program/Project Management, Product Design Review, and Tooling Design Review. PCI also offers secondary operations include pad printing, testing, joining, labeling, specialty packaging and other value-added services, including sophisticated robotic assembly. In addition to plastic injection, PCI offers liquid silicon rubber (LSR) molding, located at a different facility, a highly complementary technology in the medical device space. End markets for PCI products include respiratory care, pharmaceutical filtration, drug delivery, pharmaceutical and personal care, ENT devices, blood diagnostics and enteral feeding. PCI was founded in 1979. In August 2020, PCI was sold to Medbio Intermediate Holding LLC ("Medbio"). Medbio is an outsourced manufacture specializing in clean room injection molding and assembly for medical, life science, and biotechnology devices. The acquisition of PCI creates a premier medical device manufacturing platform of scale and capable of supporting growth for PCI's customers. Medbio is a portfolio company of Graham Partners, a leading private investment firm targeting technology-driven advanced manufacturing companies. PCI's main manufacturing facility at 5732 Big Tree Road (the "Facility") is fully equipped with Computer Integrated Manufacturing (CIM)-monitored systems that apply Six Sigma principles to its 32 injection molding presses ranging from 55 to 390 tons of clamping force, and 2 liquid silicon rubber molding machines. The Facility includes a clean room molding area, and secondary operations with decorating, assembly, custom automation, packaging capabilities and a full-service tool room with mold making capabilities. PCI was initially ISO registered in 1997 and currently holds ISO 13485:2016 and ISO 9001:2015. PCI has occupied the Facility since 1990, when the first phase of construction was completed (approximately 37,000 square feet). In 2012, PCI completed a 27,300 square foot addition on the north side of the building (the "2012 Expansion") and the current footprint comprises approximately 65,000 square feet and sits on nearly 15 acres of land. The Agency sponsored the 2012 Expansion with an Agreement for Payment in Lieu of Real Estate Taxes, dated April 1, 2008, Company Lease, dated April 1, 2008, and Agency Lease Agreement, dated April 1, 2008 (the "2008 IDA").

Estimated % of sales within Erie County	10 %
Estimated % of sales outside Erie County but within New York State	15 %
Estimated % of sales outside New York State but within the U.S.	25 %
Estimated % of sales outside the U.S.	50 %

(*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?

30

Describe vendors within Erie County for major purchases

MJ Mechanical - Clean Room Cintas - Clean Room Garments

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

5732 Big Tree Road

Town/City/Village of Project Site

Orchard Park

School District of Project Site

Orchard Park

Current Address (if different)

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

SBL Number(s) for proposed Project

161.18-2-15 and 161.18-2-15/A

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

Subject to 2008 IDA PILOT

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

Land

\$ 94,020.00

Building(s)

\$ 2,061,856.00

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

No

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

Advanced Manufacturing facility for Polymer Conversions, Inc.

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)

34,200SqFt expansion on the north side will add to PCI's cleanroom manufacturing space and increased warehouse space to support manufacturing. 7,150SqFt expansion on west side will add to PCI's tool room capability and increased office space for engineering. All expansion space is designed to support Polymer's continued growth in contract manufacturing services for the medical device industry.

Municipality or Municipalities of current operations

Town of Orchard Park

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

MedBio corporate headquarters is based in Grand Rapids, Michigan. MedBio Grand Rapids location has acquired a building contiguous to their property and is evaluating construction costs, labor markets, customer need, and State/Local incentives at both locations to determine growth decision. While Medbio has remained committed to the existing PCI facility, local financial assistance in Western New York is necessary to the growth and expansion of PCI's existing facility.

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

Michigan

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

Describe the reasons why the Agency's financial assistance is necessary, and 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)

PCI is competing with several out-of-state and international competitors, both of which have lower tax burden on their respective business and employees. The ECIDA's tax incentive program will assist PCI in maintaining and growing its world-class facility and state-of-the-science manufacturing equipment and automation necessary to support its business. The tax incentives sought under this Application enables PCI to continue its growth and investment in Orchard Park and Erie County, at large, including the ability to increase its local labor force in highly specialized and well-paying manufacturing jobs.

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?

It could jeopardize the long term feasibility of PCI's current facility and the operations of Polymer and Silikon Technologies, which involve 125 highly competitive jobs located in Erie County. In addition, the 2021 expansion would add 45 new jobs to PCI's existing payroll. Without financial assistance, PCI would lose the opportunity to increase its local Western New York workforce by approximately 36%.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

No

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

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

No

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

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

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

Yes

Describe the present zoning/land use

I-1, Industrial District

Describe required zoning/land use, if different

N/A

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

N/A

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

No

If yes, please explain

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

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

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

Yes

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

10%

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)
- No 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** **Yes Manufacturing**
No Other

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	16,652 square feet	\$	4,300,000	51%
Warehouse	12,000 square feet	\$	2,200,000	26%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	8,818 square feet	\$	800,000	9%
Specify Other	4,200 square feet	\$	1,200,000	14%

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 Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

4/26/2021

End date : Estimated completion date of project

10/1/2021

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

\$ 0 square feet

3.) New Building addition(s)

\$ 8,500,000 41,000 square feet

4.) Reconstruction/Renovation

\$ 0

square feet

5.) Manufacturing Equipment

\$ 4,000,000

6.) Infrastructure Work

\$ 1,000,000

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

\$ 500,000

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

\$ 250,000

9.) Other Cost

\$ 0

**Explain Other
Costs****Total Cost** \$ 14,250,000Construction Cost Breakdown:

Total Cost of Construction	\$ 9,500,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 6,175,000.00
% 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	\$ 6,175,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 540,312

** 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):	\$
Bank Financing:	\$ 14,250,000
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	0

Total Sources of Funds for Project Costs: \$14,250,000
Have you secured financing for the project? No

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). 14,250,000
Lender Name, if Known
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$106,875

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): No

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

Polymer Conversions utilize MBE/WBE contractors and suppliers when appropriate and competitive.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2
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				years) after project completion **
Full time	125	125	15	15
Part time	0	0	0	0
Total	125	125	15	

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	8	\$ 122,314	\$ 24,000	\$ 0	\$ 0
Professional	17	\$ 73,000	\$ 14,600	\$ 0	\$ 0
Administrative	7	\$ 57,200	\$ 11,440	\$ 0	\$ 0
Production	108	\$ 40,000	\$ 8,000	\$ 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	3176 Abbot Rd Hamburg, NY		
Full time	0	6	0
Part time	0	0	0
Total	0	6	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

8,436,972

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

48,211

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

0

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

49,533

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

0

Estimated salary range of jobs to be created

From (Full Time)	30,000	To (Full Time)	90,000
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

5732 Big Tree Road, Orchard Park, New York 14127

Name and Address of Owner of Premises

Birch Run Inc. 5732 Big Tree Road, Orchard Park, New York 14127

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

Industrial park, with wooded terrain, detention pond, and South Branch of Smokes Creek to Casenovia Creek located on the north part of the parcel

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

Initial construction of Facility- 1990 27,000 square foot addition to existing Facility- 2012 Injection molding manufacturing operations, office, and warehouse space.

Describe all known former uses of the Premises

Undeveloped

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

Yes

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

Polymer Conversions, Inc.- Injection molding manufacturing operations, office, and warehouse space. Polymer Conversions, Inc. is the wholly-owned subsidiary of Birch Run Inc.

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?

Yes

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

NYS Small Quantity Waste Generator EPA ID # NYD 094 167 608

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**

Republic Services

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

Scrap resin and thermoplastic material recycled with Republic Services.

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 storedDischarge 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

Sewage discharged into municipal sewer system.

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 wasteAir 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

One 55 gallon drum (Isopropyl alcohol)

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 Polymer Conversions, Inc.
Address 5732 Big Tree Road
Contact Person Benjamin J. Harp
Phone (716) 622-8550
Fax
E-Mail bharp@polymerconversions.com
Federal ID # 20-2706624
SIC/NAICS Code 326199

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

5732 Big Tree Road

City/Town

Orchard Park

State

New York

Zip Code

14127

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.)

N/A

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

No

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

PCI has been a leading advanced manufacturing facility in Western New York for over 30 years, and has continually grown its facility and footprint in Orchard Park. The assistance of the ECIDA, and other local agencies, throughout the years, has assisted and incentivized the company to remain in Orchard Park and continue its growth and expansion at its existing facility.

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

N/A

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

N/A

Section 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



Memorandum

To: ECIDA Board of Directors
Re: COVID 19 Pandemic Impact

April 28, 2021

Background

On March 7, 2020, Governor Cuomo declared a disaster emergency in New York State due to the emergence and public health threat of COVID-19. As a result of the pandemic and ensuing public health crisis several shutdowns were instituted culminating in NY Pause on March 22, 2020 which closed all non-essential businesses in NYS. The impacts of the global pandemic have been truly historic resulting in a public health and economic crisis not seen in over 100 years. Throughout 2020 and into 2021, the pandemic has taken a terrible toll on our region resulting in a horrific loss of life and an unprecedented economic disruption.

Prior to the pandemic in February of 2020, unemployment in the Buffalo Niagara region was approximately 5%. By April of 2020 it had nearly quadrupled to 19.2%. The resulting economic impacts were unprecedented and far reaching. By the end of the first quarter of 2020, many businesses were struggling to survive and adapt to the new realities of a pandemic economy. Non-essential businesses were required to close. Global shutdowns impacted supply chains, and commodity shortages and disruptions were common. Although some sectors of the economy were less impacted, all businesses experienced disruptions.

By the beginning of the second quarter of 2020, nearly 2/3 of the RDC's loan portfolio was on some form of payment deferral. A general discussion of COVID-19 impacts on Agency assisted companies occurred at several board meetings, with board members expressing a desire that the Agency not further damage companies already adversely impacted by the pandemic by implementing the Agency's recapture policy. Board member consensus recommended that the Agency utilize the existing employment survey process to identify businesses that experienced adverse employment impacts due to the pandemic.

As the region went through the various reopening stages the economy began to slowly recover from the impacts of the pandemic. By December of 2020, the unemployment rate was 7.5% compared to 4.7% in December of 2019. As a result of the impact of the pandemic, many businesses have

struggled and are still struggling to maintain or regain pre-pandemic employment levels. Maintaining and/or obtaining defined employment retention and job creation numbers are a part of the Agency's financial assistance compliance requirements. If an Agency incentivized company fails to meet and/or maintain employment levels as set forth at the time of inducement, such companies would be subject to the Agency's recapture policy and process.

Recommendation

The Agency's Financial Assistance Recapture Policy did not contemplate the severe adverse negative business and regional economic impacts that resulted from the COVID-19 global pandemic. To help stabilize Erie County businesses and our regional economy that has been and continues to be harmed by the COVID-19 global pandemic, it is recommended that the Agency consider adding to its financial assistance recapture policy by adopting a "Special COVID Waiver" with respect to the potential recapture of Agency financial assistance for the 2020 calendar year.

The Special COVID Waiver would waive implementation of recapture procedures for companies that suffered employment losses or that were unable to meet required job creation goals due to documented COVID-19 impacts. Job retention/creation shortfalls will be verified utilizing the Agency's quarterly employment reporting procedures. Companies which did not maintain or meet employment goals would be contacted by Agency staff to document and determine that reasons for missing such job creation/retention requirements were related to COVID-19 impacts. Company specific and overall industry impacts would be taken into consideration and upon a determination by the Agency's President/CEO, in consultation with the Chair, that 2020 job retention/creation requirements were not met due to documented COVID-19 impacts, implementation of Agency recapture protocols would then be waived for the 2020 calendar year.