



Policy Committee

August 5, 2021
9:00 a.m.

95 Perry Street
5th Floor Conference Room
Buffalo, New York 14203

1. Call Meeting to Order
2. Approval of the July 1, 2021 Policy Committee Minutes & July 13, 2021 Special Policy Committee Minutes (Pages 2-6)
3. Project Matrix (Page 7)
4. Project Presentation (Staff – Company Q&A)
 - a) Coca Cola Beverages Northeast, Inc. (Pages 8-41)
 - b) Skycatcher Holdings, LLC (Pages 42-74)
5. Solar PILOTS Update (Pages 75-76)
6. MWBE Update
7. Adjournment – Next Meeting **September 2, 2021 at 9:00 a.m.**

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

- MEETING:** July 1, 2021, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203.
- 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. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn Nellis; Laura Smith; David State; and Maria Whyte
- EXCUSED:** Hon. April Baskin; Rev. Mark Blue; Bryon W. Brown; Johanna Coleman; Colleen DiPirro Lavon Stephens; and Paul Vukelic
- 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; Beth O’Keefe, Business Development Officer; Atiqa Abidi, Assistant Treasurer and Robert Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Alex Carducci on behalf of the City of Buffalo; Lisa Hicks on behalf of the City of Buffalo; and James Panepinto on behalf of 132 Dingens St, LLC

There being a quorum present at 9:13 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

SOLAR PILOTS UPDATE

Mr. Cappellino presented a draft off site commercial solar photovoltaic policy and also identified policies that other IDAs have adopted related to same.

General discussion ensued.

MINUTES

The minutes of the June 3, 2021 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie to approve of the minutes, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

MWBE UPDATE

Mr. Lipsitz advised of the upcoming July 13, 2021 Policy Committee meeting to continue the review of and revisions to the draft MWBE Policy.

PROJECT PRESENTATION

132 Dingens St. LLC, 132 Dingens Street, Buffalo, New York 14206. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of an 81,000 sq. ft. facility for lease to warehouse/distribution/light manufacturing tenants. The building will be constructed upon an existing foundation which remains from a fire which occurred in 2010. The property is currently in the brownfield cleanup program.

General discussion ensued.

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 = \$7,450,000 85% = \$6,332,500 |
| Employment | Coincides with 7-year PILOT | Create 85% of Projected Projected = 23 85% = 20 Recapture Employment = 20 |
| 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 | 7-year PILOT term | Recapture of state and local sales taxes, mortgage recording tax and real property taxes |

Ms. McDuffie moved and Ms. Whyte 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.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:15 a.m.

Dated: July 1, 2021

Karen M. Fiala, Secretary

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

- MEETING:** July 13, 2021, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203
- 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; Johanna Coleman; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie Laura Smith; David State; Lavon Stephens and Maria Whyte
- EXCUSED:** Rev. Mark E. Blue; Hon. Bryon W. Brown; Colleen DiPirro; Hon. Glenn R. Nellis and Paul Vukelic
- 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; Beth O’Keefe, Business Development Officer; Robbie Ann McPherson, Director, Marketing & Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** None.

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

REVIEW AND DISCUSSION OF DRAFT POLICY DOCUMENTS

Mr. Cappellino reviewed the draft MWBE Policy and PILOT schedules in comparison to the current PILOT schedules contained within the Uniform Tax Exemption Policy, confirmed various assumptions regarding use of certain abatement percentages used to assist in the preparation of the draft proposed schedules, discussed construction and post-construction construction concepts and scenarios, and provided examples of the PILOT formula payments based on various investment scenarios.

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

General discussion ensued regarding whether the construction period goal of 30% should be fixed/required or if “good faith efforts” could be shown to allow satisfaction of this

requirement in the event the 30% figure could not otherwise be obtained. Concern was expressed that for certain trades and work, a 30% goal may not even be practical, and regarding whether a company that could only obtain a certain percentage below 30% may abandon use of all MWBE firms given an inability to comply with a 30% threshold.

At this point in time, Mr. State left the meeting.

Mr. Lipsitz then confirmed that staff will take the discussion in consideration to draft some “good faith” concepts for review by the Policy Committee, and that discussions on post-construction MWBE considerations and compliance will also need to be further discussed.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:02 a.m.

Dated: July 13, 2021

Karen M. Fiala, Secretary

Project Matrix/Material Factors/Clawbacks

| Count | Project Name | Approval Date | Project Amount | Investment | Jobs Retained | Job Creation | Jobs Created | Clawback | Local Labor | Length of Term | Additional Findings | *Incentive Amount | Adaptive Reuse | Pay Equity |
|-------------------------------|-----------------------------------|---------------|----------------|-------------------------------|---------------|--------------------|--------------|----------|-------------|--|-----------------------|-------------------|----------------|------------|
| | 1 172 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 | \$3,050,000 | 85% threshold \$2,592,000 | 0 | 85%-New 1 jobs | 1 | Yes | Yes | Period of PILOT 7 Years | | \$304,125 | Adaptive Reuse | Yes |
| | 1 BLD VII, LLC | Apr-21 | \$14,570,786 | 85% threshold \$12,385,168 | 0 | 85%-New 35 jobs | 41 | Yes | Yes | Period of PILOT 10 Years | | \$4,435,879 | | Yes |
| | 1 283 Ship Canal Parkway, LLC | May-21 | \$52,284,244 | 85% threshold \$44,441,607 | 0 | 85%-New 64 jobs | 76 | Yes | Yes | Sales and Mortgage tax | | \$3,422,973 | | Yes |
| | 1 MCG Real Estate Holdings, LLC | May-21 | \$8,258,268 | 85% threshold \$7,019,527 | 0 | 85%-New 1 jobs | 1 | Yes | Yes | Period of PILOT 7 Years | | \$619,250 | Adaptive Reuse | Yes |
| | 1 283 Ship Canal Parkway, LLC | Jun-21 | \$0 | \$0 | 0 | 0 | 0 | Yes | Yes | Period of PILOT 15 Years | Amendatory Inducement | \$1,961,100 | | Yes |
| | 1 132 Diggins Street, LLC | Jul-21 | \$7,450,000 | 85% threshold \$6,332,500 | 0 | 85%-New 20 jobs | 23 | Yes | Yes | Period of PILOT 7 Years | | \$678,750 | | Yes |
| | 1 Polymer Conversions, Inc. | Jul-21 | \$14,250,000 | 85% threshold \$12,112,500 | 125 | 85%-New 13 jobs | 15 | Yes | Yes | Period of PILOT 10 Years | | \$1,169,187 | | Yes |
| Count | | | Project Amount | Investment | Jobs Retained | Job Creation | Jobs Created | | | | | Incentive Amount | | |
| Adaptive Reuse 2021 Sub Total | 3 | | \$14,145,004 | | 8,258,285 | | 8,258,272 | | | | | \$1,069,375 | | |
| 2021 Total | 15 | | \$272,480,034 | | 1,415 | | 366 | | | | | \$25,793,064 | | |

Coca-Cola Beverages Northeast, Inc.
\$22,611,507
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 424490

Project Title: Coca-Cola Beverages Northeast, Inc.

COMPANY INCENTIVES

- Approximately \$1,243,375 in sales tax savings
- Approximately \$1,963,223 in real property tax savings

Project Address: 150 & 200 Milens Road
 Tonawanda, New York 14150
 (Kenmore-Town of Tonawanda Union Free School District)

Agency Request

A sales tax and real property tax exemption in connection with the construction of a building containing 20,000 sq. ft. of office space and 43,000 sq. ft. in warehouse space. A second warehouse facility totaling 49,000 sq. ft. will also be constructed.

EMPLOYMENT

- Current Jobs = 124
- Annual Payroll = \$6,776,602
- Estimated salary of jobs to be retained = \$54,650

| | |
|---------------------------|---------------------|
| New Building Construction | \$21,271,633 |
| Soft Costs/Other | \$ 1,339,874 |
| Total Project Cost | \$22,611,507 |

PROJECT HISTORY

85% \$19,219,781

Company Description

Coca Cola Beverages began as a single bottling operation in Laconia, NH in 1977 and over the past 4 decades has grown into one of the nation’s largest Coco Cola bottlers with over 3,500 associates in 33 locations. The company bottles, sells and distributes brands owned by Coca Cola Company, Keurig, Dr. Pepper, Monster Energy Corp, Fairlife and Body Armor. Coca Cola Buffalo services Erie County and other Counties within New York State. Kirin Holdings Company, Ltd is the sole shareholder of the company.

Project Description

The project consists of two adjacent parcels of land located at 150 and 200 Milens Road in the Town of Tonawanda. Phase I of the project includes the demolition of a 14,490 sq. ft. former trucking facility at 150 Milens Rd. followed by the construction of a building consisting of 20,000 sq. ft. of office space and 43,000 sq. ft. of new warehouse space on the site. Upon completion of Phase I, CCBNE will transfer operations from the warehouse located at 200 Milens Rd. to the newly constructed warehouse at 150 Milens Rd. Phase II of the project begins with the demolition of the existing 88,121 sq. ft. warehouse at 200 Milens Rd. Following the demolition, a new 49,000 sq. ft. warehouse will be constructed on the site. Evidence of lead paint and/or asbestos has been found within 2 buildings being demolished.

The investment of just over \$21,000,000 into these two newly constructed, state of the art facilities will lead to an increase in overall efficiency and will allow for the retention of the existing 124 jobs.

The company has indicated that should additional sales growth be achieved in the future, additional job opportunities may become available.

- 07/28/2021 - Public hearing held. Transcript attached.
- 08/25/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 08/25/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

New Tax Revenue Estimated

| Current Yearly Taxes | Estimated New Assessed Value | Additional County Revenue over 10-year abatement period | Additional Local Revenue Over 10-year abatement period | New Yearly Taxes Upon Expiration of Abatement Period |
|--------------------------------|------------------------------|---|--|--|
| \$105,000 | \$2,460,000 | \$73,000 | \$449,000 | \$248,000 |
| Combined Tax Rate: \$101.00 | | | | |

Draft Recapture Material Terms

| Condition | Term | Recapture Provision |
|------------------|------------------------------|--|
| Total Investment | At project completion | Investment amount equal to or greater than 85% of project amount. Total project amount = \$22,611,507 85% = \$19,219,781 |
| Employment | Coincides with 10-year PILOT | Maintain base = 124 |
| Local Labor | Construction period | Adherence to policy including quarterly reporting |
| Pay Equity | Coincides with 10-year PILOT | Adherence to Policy |
| Unpaid Tax | Coincides with 10-year PILOT | Adherence to Policy |
| Recapture Period | Coincides with 10-year PILOT | Recapture of state and local sales taxes and real property tax savings. |

Recapture applies to:

State and Local Sales Taxes
Real Property 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 124 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

Coca Cola Beverage Northeast, Inc.

| Evaluative Criteria | Notes |
|--|---|
| Wage Rate (above median wage for area) | Erie County per capita income: \$33,350 Company estimated average salary of jobs to be retained: \$54,650 |
| Regional Wealth Creation (% sales/customers outside area) | Sales: Erie County: 66% Outside Erie and within NYS: 34% |
| In Region Purchases (% of overall purchases) | Approximately 25% of total annual supplies, raw materials and vendor services are purchased from firms located in Erie County |
| Research and Development Activities | Not applicable |
| Investment in Energy Efficiency | Not applicable since project includes only building construction and not equipment purchases however the newly constructed facilities will likely be furnished with most up to date energy efficient HVAC systems. |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | The project sites are previously developed parcels and are currently appropriately zoned. |
| Retention/Flight Risk | The company is excited to build this state of the art facility in Tonawanda to guarantee the company's presence in the region for the next 50 years. Without IDA's financial assistance the return on investment calculations are negative and would most likely result in the project being abandoned and the operations of the company moving its operations to the its Rochester location. |
| LEED/Renewable Resources | Not applicable |
| MBE/WBE Utilization | In the past year, the company has expended appx. \$408,000 doing business with minority, veteran and/or women owned businesses which equates to approximately 36% of total spending. The company has yet to choose subcontractors for the project but will use its best efforts to incorporate MWBE/SDVE businesses into the procurement process. |
| Workforce Access – Proximity to Public Transportation | Metro Bus route 25 provides transportation to the facility. |

August 25, 2021

Coca Cola - 2021

Impact on future taxes over 11 yrs. including special district tax increases

| | Current Taxes | PILOT payment including land | special district tax increase based on increase in improved value.* Rate \$6.12 | PILOT + new specials | difference |
|---------|---------------|------------------------------|---|----------------------|------------|
| Year 1 | \$97,151 | \$43,226 | \$10,282 | \$53,508 | -\$43,643 |
| Year 2 | \$97,151 | \$43,226 | \$10,282 | \$53,508 | -\$43,643 |
| Year 3 | \$97,151 | \$43,226 | \$10,282 | \$53,508 | -\$43,643 |
| Year 4 | \$97,151 | \$68,077 | \$10,282 | \$78,359 | -\$18,792 |
| Year 5 | \$97,151 | \$68,077 | \$10,282 | \$78,359 | -\$18,792 |
| Year 6 | \$97,151 | \$68,077 | \$10,282 | \$78,359 | -\$18,792 |
| Year 7 | \$97,151 | \$92,928 | \$10,282 | \$103,210 | \$6,059 |
| Year 8 | \$97,151 | \$92,928 | \$10,282 | \$103,210 | \$6,059 |
| Year 9 | \$97,151 | \$92,928 | \$10,282 | \$103,210 | \$6,059 |
| Year 10 | \$97,151 | \$92,928 | \$10,282 | \$103,210 | \$6,059 |
| Year 11 | \$97,151 | \$266,885 | \$10,282 | \$277,167 | \$180,016 |
| TOTAL | \$1,068,661 | \$972,510 | \$113,098 | \$1,085,607 | \$16,946 |

add'l over 11 yrs

*the increase in the improved value is \$1,680,000 (est. new improved value \$2,460,000 less current improved value of \$780,000)

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-Coca Cola Beverages Northeast, 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 |
|---|--|----------------------|---|----------------------|
| \$21,271,633 | \$2,460,000 | \$14.11 | \$33.76 | \$53.15 |

*Apply equalization rate to value

| PILOT Year | % Payment | County PILOT Amount | Town PILOT Amount | School PILOT Amount | Total PILOT | Full Tax Payment w/o PILOT | Net Exemption |
|------------|-----------|---------------------|-------------------|---------------------|-------------|----------------------------|---------------|
| 1 | 10% | \$3,471 | \$8,305 | \$13,075 | \$24,851 | \$248,509 | \$223,658 |
| 2 | 10% | \$3,471 | \$8,305 | \$13,075 | \$24,851 | \$248,509 | \$223,658 |
| 3 | 10% | \$3,471 | \$8,305 | \$13,075 | \$24,851 | \$248,509 | \$223,658 |
| 4 | 20% | \$6,942 | \$16,610 | \$26,150 | \$49,702 | \$248,509 | \$198,807 |
| 5 | 20% | \$6,942 | \$16,610 | \$26,150 | \$49,702 | \$248,509 | \$198,807 |
| 6 | 20% | \$6,942 | \$16,610 | \$26,150 | \$49,702 | \$248,509 | \$198,807 |
| 7 | 30% | \$10,413 | \$24,915 | \$39,225 | \$74,553 | \$248,509 | \$173,956 |
| 8 | 30% | \$10,413 | \$24,915 | \$39,225 | \$74,553 | \$248,509 | \$173,956 |
| 9 | 30% | \$10,413 | \$24,915 | \$39,225 | \$74,553 | \$248,509 | \$173,956 |
| 10 | 30% | \$10,413 | \$24,915 | \$39,225 | \$74,553 | \$248,509 | \$173,956 |
| TOTAL | | \$72,892 | \$174,404 | \$274,573 | \$521,869 | \$2,485,092 | \$1,963,223 |

***** 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.) |
|--------------------|--------------------------|--|---|--|
| \$22,611,507 | \$1,963,223 | \$1,243,735 | N/A | N/A |

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 14.2%

Cost-Benefit Analysis for Coca-Cola Beverages Northeast, Inc. (10-Year)

Prepared by Erie County IDA using InformAnalytics

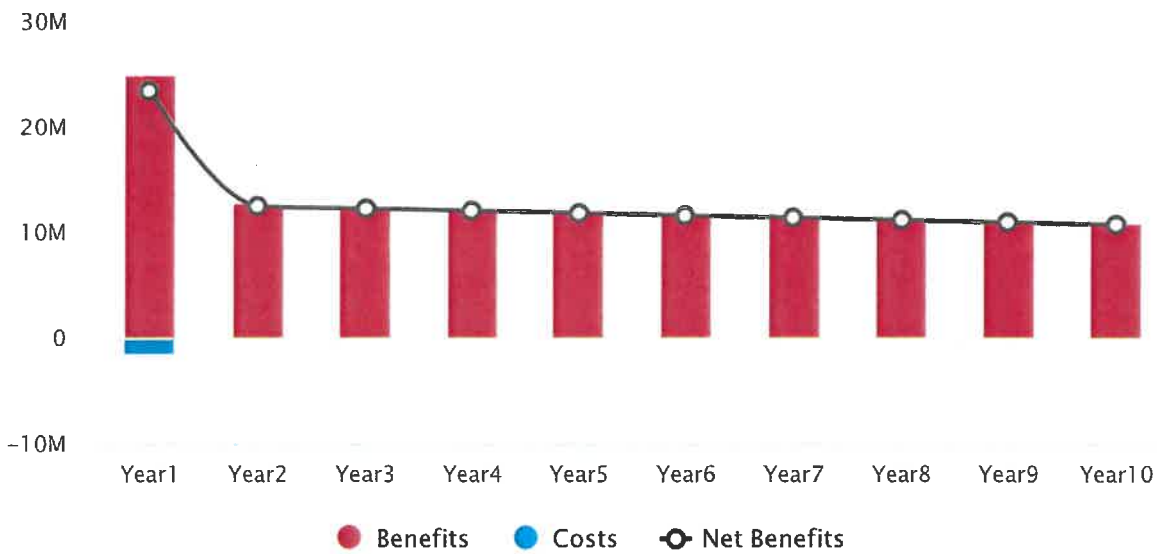
Executive Summary

| | | | | |
|--|--|---|---|-----------------------------|
| INVESTOR Coca-Cola Beverages Northeast, Inc. | TOTAL JOBS 238 Ongoing; 212 Temporary | TOTAL INVESTED \$22.6 Million | LOCATION 150 & 200 Milens Road, Tonawanda, NY 14150 | TIMELINE 10 Years |
|--|--|---|---|-----------------------------|

F1 FIGURE 1

Discounted* Net Benefits for Coca-Cola Beverages Northeast, Inc. (10-Year) by Year

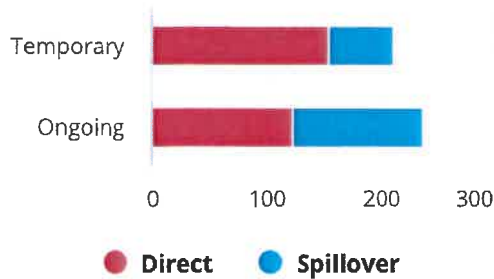
Total Net Benefits: \$128,290,000



Discounted at 2%

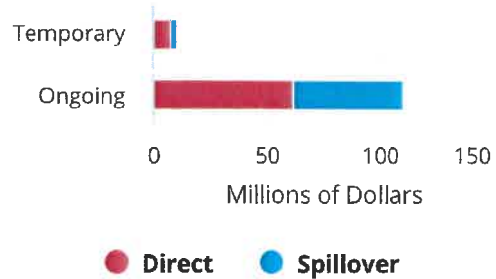
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Coca-Cola Beverages Northeast, Inc. proposes to invest \$22.6 million at 150 & 200 Milens Road, Tonawanda, NY 14150 over 10 years.

T1 TABLE 1

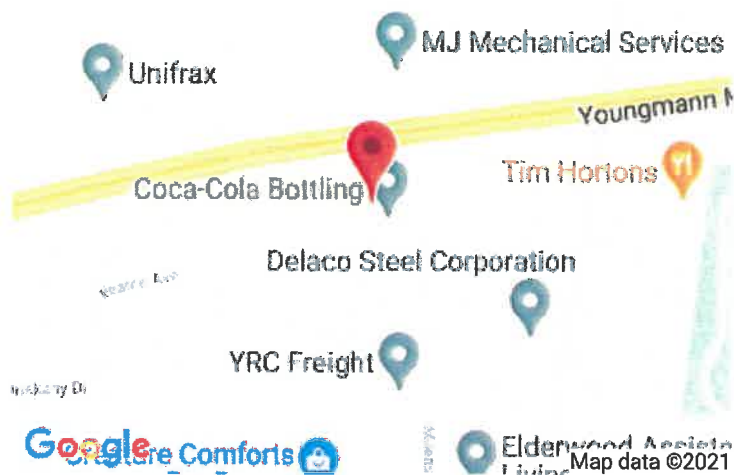
Proposed Investments

| Description | Amount |
|------------------------------|---------------------|
| CONSTRUCTION SPENDING | |
| Construction | \$21,272,000 |
| OTHER SPENDING | |
| Soft Costs/Other | \$1,340,000 |
| Total Investments | \$22,612,000 |
| Discounted Total (2%) | \$22,612,000 |

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 Coca-Cola Beverages Northeast, Inc..

| Description | Nominal Value | Discounted Value* |
|------------------------|--------------------|--------------------|
| Property Tax Exemption | \$1,963,000 | \$1,809,000 |
| Sales Tax Exemption | \$1,243,000 | \$1,243,000 |
| Total Costs | \$3,206,000 | \$3,052,000 |

May not sum to total due to rounding.

* Discounted at 2%

TABLE 3

State & Regional Impact (Life of Project)

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

| Description | Direct | Spillover | Total |
|---|---------------------|---------------------|----------------------|
| REGIONAL BENEFITS | \$77,701,000 | \$56,495,000 | \$134,197,000 |
| To Private Individuals | \$75,941,000 | \$55,589,000 | \$131,530,000 |
| Temporary Payroll | \$8,175,000 | \$2,837,000 | \$11,013,000 |
| Ongoing Payroll | \$67,766,000 | \$52,752,000 | \$120,518,000 |
| To the Public | \$1,760,000 | \$906,000 | \$2,666,000 |
| Property Tax Revenue | \$522,000 | N/A | \$522,000 |
| Temporary Sales Tax Revenue | \$133,000 | \$46,000 | \$180,000 |
| Ongoing Sales Tax Revenue | \$1,105,000 | \$860,000 | \$1,965,000 |
| STATE BENEFITS | \$4,784,000 | \$3,237,000 | \$8,021,000 |
| To the Public | \$4,784,000 | \$3,237,000 | \$8,021,000 |
| Temporary Income Tax Revenue | \$400,000 | \$139,000 | \$538,000 |
| Ongoing Income Tax Revenue | \$3,313,000 | \$2,313,000 | \$5,626,000 |
| Temporary Sales Tax Revenue | \$115,000 | \$40,000 | \$155,000 |
| Ongoing Sales Tax Revenue | \$957,000 | \$745,000 | \$1,701,000 |
| Total Benefits to State & Region | \$82,485,000 | \$59,732,000 | \$142,217,000 |
| Discounted Total Benefits (2%) | \$76,358,000 | \$54,984,000 | \$131,342,000 |

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 | \$123,935,000 | \$2,475,000 | 50:1 |
| State | \$7,407,000 | \$577,000 | 13:1 |
| Grand Total | \$131,342,000 | \$3,052,000 | 43:1 |

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.

PUBLIC HEARING SCRIPT

**Coca-Cola Beverages Northeast, 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 July 28, 2021 at 10:00 a.m.,
at the Town of Tonawanda Town Board Conference Room #2, 2919 Delaware Avenue,
Kenmore, New York 14217

ATTENDANCE:

Barry Carrigan – Nixon Peabody
Kyle Borland – Coca Cola Beverages Northeast
Mark Smith - Coca Cola Beverages Northeast

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:02 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 public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the {Company} 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, July 16, 2021.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 150 and 200 Milens Road, Town of Tonawanda, Erie County, New York (the "Land"), (ii) the demolition of an 14,490 sq. ft. building at 150 Milens Road with the construction on the Land of an approximately 20,000 sq. ft. office and 43,000 sq. ft. warehouse facility and also the demolition of an 88,121 sq. ft. warehouse at 200 Milens Road with the construction on the Land of an approximately 49,000 sq. ft. warehouse facility (the

“Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”).

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

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

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

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on August 24, 2021. There are no limitations on written statements or comments.

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

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

Kyle Boland, General Manager for Coca Cola Buffalo. Just a real brief description. Currently we reside in Tonawanda. We have about 124 full-time employees out of our Tonawanda location. Right now, we are at about 4.5M cases a year and we continue to grow. We service Erie County, Niagara County all the way down to Chautauqua County. We have a satellite facility down south which does about 500,000 cases a year. Really the purpose of the meeting is for the new building. We really need a new building here in Tonawanda and we want to stay here in Tonawanda. We are continuing to grow year after year, and we’ve outgrown the building. We need a new state-of-the-art sales center that will grow with us. We love being here, we want to continue to stay here, our employees are happy here. We need a new building to better serve our employees, our customers but most importantly the community that we serve.

Mark Smith, Director of Facilities for Coca Cola Northeast Beverages Company. Coca Cola Northeast is a company that services 8 states all of New England, Greater New York, and a little bit of Pennsylvania. We have about 3,500 employees and 124 reside at the Tonawanda facility. Our goal is to optimize the WNY delivery system. We have been studying New York for a few years now and unfortunately 2020 hit and we had to put everything on hold. Our goal here in WNY is we have looked at opportunities, different ways of doing business and we think staying

in Tonawanda is the best possible solution for the optimization of the network. As Kyle mentioned we have 124 full-time employees. The building is about 70 years old and as you previously mentioned it's a multi-phase construction to put a state-of-the-art facility, a much more efficient state-of-the-art facility is what we are looking for here in the Tonawanda area at 200 Milens Road. The goal here today for us, for a company we are struggling. Obviously, the cost of materials is through the roof, construction is through the roof. We look at this project and we would love to stay here in Tonawanda, but we are looking for assistance. The company right now, the cost of this project is \$21.5M estimated budget and that does not include sales tax on construction materials. Obviously real tax property is another situation we would like to discuss.

For this project to move forward we are asking for assistance. That adds about \$1M on the sales tax and construction and that's a significant cost that the company probably could not bear on the return on investment. There is a certain amount we are able to go to and right now we are struggling at \$21.5M. We have options other than Tonawanda but again our goal is to stay in Tonawanda, and we would love to stay here. We love the community, we want to invest in the community, and we have a lot of potential growth in this community and obviously that's Kyle's job and we have great expectations for Kyle. So that's what I'd like to say and Barry if I've missed anything please throw a few more in there.

Barry Carrigan – Nixon Peabody, attorney for Coca Cola Beverages Northeast. I think Mark and Kyle both done a great job laying out the business case for the incentives here. In working with them it's important to note that they have been here for 70 years and they want to be here for the next 50 and to do that they need to build a state-of-the-art facility that will grow with the community and the economic incentives are an important part of that process. In speaking with them this project just doesn't pencil without the economic incentives offered by the ECIDA and if the economic incentives are not available then they would have to go back and either downsize the project or look to another location which is not their preference and so we appreciate everyone's time and understanding and that's all I have to add.

6. ADJOURNMENT:

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

**SIGN IN SHEET
PUBLIC HEARING**

July 28, 2021 at 10:00 a.m.,
at the Town of Tonawanda Town Board Conference Room #2, 2919 Delaware Avenue,
Kenmore, New York 14217, regarding:

**Coca-Cola Beverages Northeast, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 150 and 200 Milens Road, Town of Tonawanda, Erie County, New York

| Name | Company and/or Address | X box to speak/ comment |
|----------------|---|------------------------------------|
| Barry Carrigan | Nixon Peabody 1300 Clinton Square Rochester, New York 14534 | X |
| Kyle Boland | Coca Cola Beverages Northeast 200 Milens Road Tonawanda, New York 14150 | X |
| Mark Smith | Coca Cola Beverages Northeast 200 Milens Road Tonawanda, New York 14150 | X |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



CCBNE Inc.

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 | CCBNE New Facility |
| Project Summary | The 14,490 square foot building at 150 Milens Rd will be demolished and a new 20,000 square foot office and 43,000 square foot warehouse will be built as Phase I. Once Phase I is completed, Coca-Cola operations will transfer from the 88,121 square foot warehouse at 200 Milens Rd into the newly constructed building at 150 Milens Rd and the existing warehouse at 200 Milens Rd will be demolished. Following demolition, a new 49,000 square foot warehouse will be constructed. The entire project will be occupied by the Company. |
| Applicant Name | Coca-Cola Beverages Northeast, Inc. |
| Applicant Address | 1 Executive Park Drive |
| Applicant Address 2 | |
| Applicant City | Bedford |
| Applicant State | New Hampshire |
| Applicant Zip | 03110 |
| Phone | (603) 627-7871 |
| Fax | |
| E-mail | msmith@cokenortheast.com |
| Website | https://www.cokenortheast.com/ |
| NAICS Code | 424490 |

Business Organization

| | |
|---|-------------|
| Type of Business | Corporation |
| Year Established | 1977 |
| State in which Organization is established | Delaware |

Individual Completing Application

| | |
|------------------|---------------------------|
| Name | David Dumont |
| Title | Vice President Operations |
| Address | 1 Executive Park Drive |
| Address 2 | |
| City | Bedford |

State New Hampshire
Zip 03110
Phone (603) 627-7871
Fax
E-Mail ddumont@cokenortheast.com

Company Contact (if different from individual completing application).

Name Mark Smith
Title Director of Facilities & Procurement
Address 1 Executive Park Drive
Address 2
City Bedford
State New Hampshire
Zip 03110
Phone (603) 627-7871
Fax
E-Mail msmith@cokenortheast.com

Company Counsel

Name of Attorney Barry Carrigan
Firm Name Nixon Peabody LLP
Address 1300 Clinton Square
Address 2
City Rochester
State New York
Zip 14604
Phone (585) 263-1591
Fax
E-Mail bcarrigan@nixonpeabody.com

Benefits Requested (select all that apply).

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

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

Applicant Business Description

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

The Company began as a single bottling operation in Laconia, New Hampshire in 1977 and over the last four decades has grown into one of the nation's largest Coca-Cola bottlers with over 3,500 associates in 33 locations. The Company bottles, sells and distributes brands owned by The Coca-Cola Company, Keurig Dr Pepper, Monster Energy Corporation, fairlife, and BODY ARMOR. We offer over 500 different beverage choices, including over 160 low and no-sugar options. Coca-Cola Buffalo is our local sales and service distribution center proudly servicing Erie and other counties in New York State. Kirin Holdings Company, Limited is the sole shareholder of the Company.

| | |
|---|------|
| Estimated % of sales within Erie County | 66 % |
| Estimated % of sales outside Erie County but within New York State | 34 % |
| 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?

25

Describe vendors within Erie County for major purchases

The Company utilizes a number of local vendors for packaging, material handling, design and mechanical services. Over the last twelve months, the Company has spent over \$280,000 with local vendors.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

150 & 200 Milens Road

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Kenmore - Town of Tonawanda Union Free School District

Current Address (if different)

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

SBL Number(s) for proposed Project

52.16-2-13 & 17

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

104,895.81 (both lots)

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

No

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

The property consists of two parcels (i) 150 Milens Road - which is a 14,490 square foot vacant former trucking building, and (ii) 200 Milens Road which is a 88,121 square foot wholesale distribution warehouse for Coca-Cola products, that services the Western New York area.

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

The 14,490 square foot building at 150 Milens Road will be demolished and a new 20,000 square foot office and 43,000 square foot warehouse will be built as Phase I. Once Phase I is completed, Coca-Cola operations will transfer from the 88,121 square foot warehouse at 200 Milens Rd into the newly constructed building at 150 Milens Rd and the existing warehouse at 200 Milens Rd will be demolished. Following demolition, a new 49,000 square foot warehouse will be constructed. The entire project will be occupied by the Company. The investment of over \$21,000,000 into these two newly constructed, state of the art facilities will lead to an increase in overall efficiency and will allow for the retention of the existing 124 jobs.

Municipality or Municipalities of current operations

Town of Tonawanda

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?

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?

No

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

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)

Without the Agency's financial assistance this project would be impossible to move forward. The capital replacement for new buildings is a large expense for any company and in a competitive market, it is much easier to save money by closing facilities and combining with other locations. The Company built the facility in Tonawanda in 1951 and has had a continued presence at that location for over 70 years. The Company would like to build a state of the art facility in Tonawanda to guarantee the Company's presence in the region for the next 50 years. Without the IDA's financial assistance the return on investment (ROI) calculations are negative and would most likely result in the project being abandoned and the operations of the Company moving to the Company's Rochester, NY location.

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

Yes

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

The applicant will not move forward with the project and would investigate other locations to invest to service this market, such as the Company's Rochester, NY location.

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

Performance Standard. Current wholesale distribution warehouse conforms to Performance Standards.

Describe required zoning/land use, if different

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

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

Yes

If yes, please explain

A 2017 survey by GYMO found lead paint at 200 Milens Rd. A 2017 survey by Paradigm found asbestos in both 150 and 200 Milens Rd buildings. 1999 and 2017 studies were undertaken to quantify groundwater contaminants from the General Electric facility at 125 Milens Rd and onsite discontinued USTs at both 150 Milens Rd and 200 Milens Rd.

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

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

Please check any and all end uses as identified below.

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

No Retail

No Senior Housing No Manufacturing

Yes Other

Distribution

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

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

| | | | Cost | % of Total Cost |
|--------------------------|--------------------|----|------------|-----------------|
| Manufacturing/Processing | square feet | \$ | 0 | 0% |
| Warehouse | 91,936 square feet | \$ | 13,608,508 | 64% |
| Research & Development | square feet | \$ | 0 | 0% |
| Commercial | square feet | \$ | 0 | 0% |
| Retail | square feet | \$ | 0 | 0% |
| Office | 20,000 square feet | \$ | 7,663,125 | 36% |
| 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 No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

8/26/2021

End date : Estimated completion date of project

12/31/2023

Project occupancy : estimated starting date of occupancy

12/31/2023

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 21,271,633 112,000 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0

square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

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

\$ 0

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

\$ 1,039,874

9.) Other Cost

\$ 300,000

| | |
|----------------------------|----------------------|
| Explain Other Costs | Fleet Shop Equipment |
| Total Cost | \$ 22,611,507 |

Construction Cost Breakdown:

| | |
|-----------------------------------|--|
| Total Cost of Construction | \$ 21,271,633 (sum of 2, 3, 4 and 6 in Project Information, above) |
| Cost of materials | \$ 10,711,392 |
| % sourced in Erie County | 50% |

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 | \$ 14,210,000 |
| Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): | \$ 1,243,375 |

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

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

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

If Yes, describe particulars: Approximately \$200,000 of costs have been incurred for preliminary engineering and real property due diligence.

Sources of Funds for Project Costs:

| | |
|---|---------------|
| Equity (excluding equity that is attributed to grants/tax credits): | \$ 22,611,507 |
| Bank Financing: | \$ 0 |
| Tax Exempt Bond Issuance (if applicable): | \$ 0 |
| Taxable Bond Issuance (if applicable): | \$ 0 |
| Public Sources (Include sum total of all state and federal grants and tax credits): | \$ 0 |
| Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, | 0 |

ESD, other public sources)

Total Sources of Funds for Project Costs: \$22,611,507

Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing).

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

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

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

From June 2020 through June 2021, the Company at this facility has spent \$407,840 with minority, veteran and/or women owned businesses, which is approximately 36% of its total spending at this facility. The Company has not retained any contractors for construction yet, but the Company will use its best efforts to incorporate MWBE/SDVE contractors into the construction procurement.

Is project necessary to expand project employment?

No

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 | 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 | Estimate number of residents of the Labor Market Area in which the project is located |
|---|--|--|---|
|---|--|--|---|

| | relocated at project location | | 24 months (2 years) after Project completion | that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion ** |
|--------------|-------------------------------|------------|--|--|
| Full time | 124 | 124 | 0 | 0 |
| Part time | 0 | 0 | 0 | 0 |
| Total | 124 | 124 | 0 | 0 |

Salary and Fringe Benefits for Jobs to be Retained and Created

| Category of Jobs to be Retained and/or Created | # of Employees Retained and/or Created | Average Salary for Full Time | Average Fringe Benefits for Full Time | Average Salary for Part Time (if applicable) | Average Fringe Benefits for Part Time (if applicable) |
|--|--|------------------------------|---------------------------------------|--|---|
| Management | 31 | \$ 73,210 | \$ 32,795 | \$ 0 | \$ 0 |
| Professional | 90 | \$ 48,621 | \$ 21,935 | \$ 0 | \$ 0 |
| Administrative | 3 | \$ 43,735 | \$ 16,132 | \$ 0 | \$ 0 |
| Production | 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Independent Contractor | 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Other | 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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

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

| Address | | | |
|--------------|----------|----------|----------|
| Full time | 0 | 0 | 0 |
| Part time | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

Payroll Information

Annual Payroll at Proposed Project Site upon completion

6,776,602

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

54,650

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

0

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

0

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

0

Estimated salary range of jobs to be created

From (Full Time) 0 To (Full Time) 0

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

150 & 200 Milens Rd, Tonawanda NY 14150

Name and Address of Owner of Premises

Coca-Cola Beverages Northeast, Inc. 1 Executive Park Drive Bedford, NH 03110

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

Approximately 78% of the property is paved and used for wholesale trucking. There is a small area of wetlands that was delineated by Earth Dimensions, Inc. and that wetlands is not regulated under current federal rules.

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

150 Milens Rd was constructed in 1959 as a trucking terminal. 200 Milens Rd was constructed in 1962 as a Coca-Cola Production and warehouse facility. In 2018 production was discontinued and 150 Milens Road was vacated.

Describe all known former uses of the Premises

See above. Prior to the construction of the building the area was an airfield, prior to that the area was agricultural.

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

See Haley & Aldrich Environmental Site Assessment Phase I report.

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

Proposed floor drains in cooler service and fleet garage run through a sand/oil/grease basin before discharging to the public sewer - single point of discharge. Sanitary Discharge (3,000gpd), Cooling Water (400gpd), boiler blowdown (500gpd) and process wastewater (12,000gpd) all discharged to Town of Tonawanda sewer system.

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

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

10,000 gallon diesel fuel above ground storage tank. Historical fuel tanks were underground and removed or abandoned in place.

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

Yes

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

See Haley & Aldrich Environmental Site Assessment Phase I Report.

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

See Haley & Aldrich report dated August 11, 2017.

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 Coca-Cola Beverages Northeast, Inc.
Address 1 Executive Park Drive, Bedford, NH 03110
Contact Person Mark Smith
Phone (603) 627-7871
Fax
E-Mail msmith@cokenortheast.com
Federal ID # 04-2614952
SIC/NAICS Code 424490

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

150 & 200 Millens Rd

City/Town

Tonawanda

State

New York

Zip Code

14150

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

<BLANK>

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

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

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

Section IX: Senior Housing

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

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

No

Skycatcher Holdings, LLC
\$2,879,000
INDUCEMENT RESOLUTION

ELIGIBILITY
 • NAICS Section – 531120

COMPANY INCENTIVES

- Approximately \$36,750 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$17,550

EMPLOYMENT

- Retained Jobs = 41
- Projected New Jobs = 6
- Total Jobs after Project Completion = 47
- Annual Payroll = \$2,768,430
- Estimated salary of jobs to be created = \$53,167
- Estimated salary of jobs to be retained = \$66,183

PROJECT HISTORY

- No public hearing required since estimated benefit amount is less than \$100,000
- 08/25/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 08/25/2021 Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

Project Title: Skycatcher Holdings, LLC
Project Address: 15 Cobham Drive
 Orchard Park, New York 14127
 (Orchard Park Central School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the acquisition, renovation and equipping of an existing facility.

| | |
|------------------------------|--------------------|
| Building Acquisition | \$1,715,000 |
| Renovation | \$ 760,000 |
| Manufacturing Equipment | \$ 250,000 |
| Non- Manufacturing Equipment | \$ 30,000 |
| Soft Costs/Other | \$ 99,000 |
| | |
| Total Project Cost | \$2,879,000 |
| | |
| 85% | \$2,447,150 |

Company Description

Skycatcher Holdings, LLC was formed to purchase the property at 15 Cobham Drive in the Town of Orchard Park which facility will be leased to Sti-Co Industries, Inc. Sti-Co Industries was founded over 50 years ago by Robert Kaiser. Sti-Co’s 2 shareholders include Kyle Swiat and Antoinette Kaiser. The company designs and manufacturers mission-critical communication systems that are sold to law enforcement, rail and federal government agencies. 91% of the company’s sales are to companies/agencies located outside of New York State.

Project Description

Sti-Co currently leases a 14,000 sq. ft. facility adjacent to the proposed project site. The plan is to renovate 15 Cobham and then transfer operations from the existing leased facility to this new renovated, more efficiently laid-out building. The lease on the current site expires in August, 2023. The new facility will provide office, manufacturing and research and development functional areas. It will be used for manufacturing all antenna systems and related components including raw material parts. Inventory that is now stored offsite will be housed in the new facility eliminating the need for offsite warehouse space and the associated inefficiency and expense.

Draft Recapture Material Terms

| Condition | Term | Recapture Provision |
|------------------|----------------------------------|--|
| Total Investment | At project completion | Investment amount equal to or greater than 85% of project amount. Total project amount = \$2,879,000 85% = \$2,447,150 |
| Employment | Coincides with recapture period | Retained Jobs = 41 Create 85% of Projected Projected = 6 85% = 5 Recapture Employment = 46 |
| Local Labor | Construction period | Adherence to policy including quarterly reporting |
| Pay Equity | Coincides with recapture period | Adherence to Policy |
| Unpaid Tax | Coincides with recapture period | Adherence to Policy |
| Recapture Period | 2 years after project completion | Recapture of Mortgage recording tax, state and local sales taxes |

Recapture applies to:

State and Local Sales Taxes
Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has 47 employees at the facility, 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
STI-CO INDUSTRIES

| Evaluative Criteria | Notes |
|--|--|
| Wage Rate (above median wage for area) | Erie County per capita income: \$33,598 Estimated salary of jobs to be created: \$53,167 |
| Regional Wealth Creation (% sales/customers outside area) | 91% of sales are to companies located outside of New York State. |
| In Region Purchases (% of overall purchases) | Sti-Co estimates 30% of total annual supplies, raw materials and vendor services are sourced from Erie County companies. |
| Research & Development Activities | 24% of departmental expenses are related to research and development. |
| Investment in Energy Efficiency | Most equipment being purchased will have more efficient motors generating energy savings and lowering costs. Also, the purchase of a new compressor will result in energy savings from more efficient technology and will provide for significant noise reduction. |
| Locational Land Use Factors, Brownfields or Locally Designated Development Areas | Property is zoned for commercial use. |
| LEED/Renewable Resources | Not applicable |
| Retention/Flight Risk | Not applicable |
| MBE/WBE Utilization | Sti-Co's purchasing department strives to locate certified M/WBE vendors. In addition, Sti-Co follows its Affirmative Action Program and maintains an audit and reporting system to determine overall compliance with its equal opportunity mandates. Sti-Co's purchasing department estimates approximately 7% of vendor purchases are procured from minority and women businesses. The Krog Group has been selected as the general contractor and has a history of working with M/WBE contractors as outlined on the attached statement. |
| Workforce Access – Proximity to Public Transportation | Facility on bus route 72. |

August 25, 2021

MBE/WBE Utilization



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

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

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

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

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

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



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

A. Equal Employment Opportunity

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

We are committed to assuring that:

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

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-Skycatcher Holdings, 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 |
|---|--|----------------------|---|----------------------|
| \$760,000 | N/A | | | |

*Apply equalization rate to value

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

| Total Project Cost | Estimated Value of PILOT | Estimated Value of Sales Tax Incentive | Estimated Value of Mortgage Tax Incentive | Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.) |
|--------------------|--------------------------|--|---|--|
| \$2,879,000 | N/A | \$36,750 | \$17,550 | N/A |

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 1.9%

Cost-Benefit Analysis for Skycatcher Holdings, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Skycatcher Holdings, LLC

TOTAL JOBS
162 Ongoing;
8 Temporary

TOTAL INVESTED
\$2.9 Million

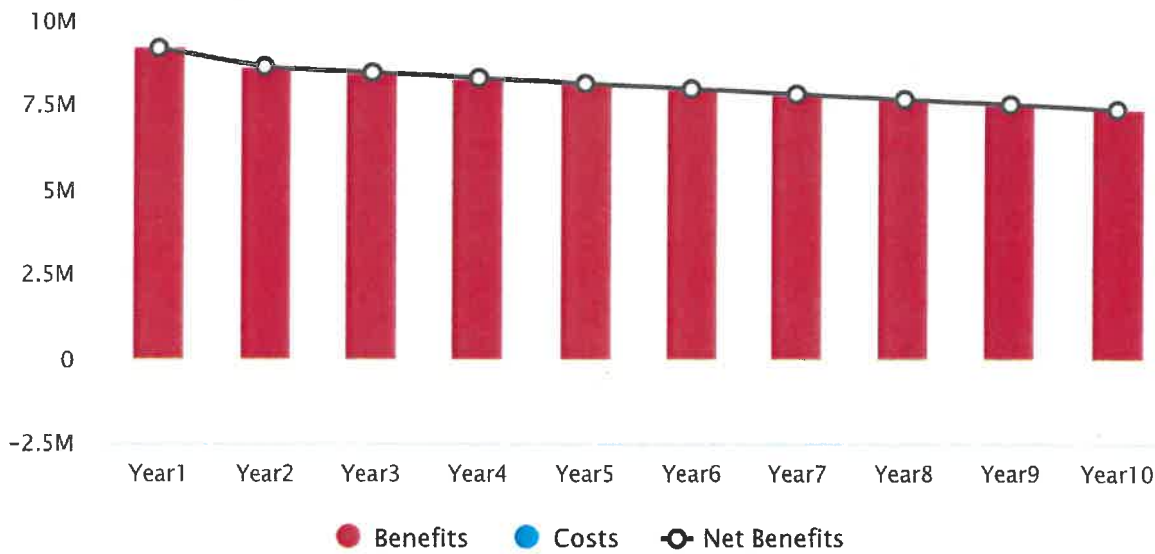
LOCATION
15 Cobham Drive,
Orchard Park, NY
14127

TIMELINE
10 Years

F1 FIGURE 1

Discounted* Net Benefits for Skycatcher Holdings, LLC by Year

Total Net Benefits: \$81,226,000



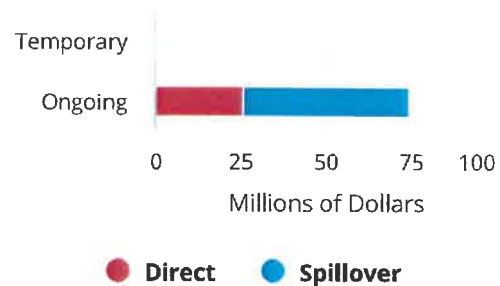
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Skycatcher Holdings, LLC proposes to invest \$2.9 million at 15 Cobham Drive, Orchard Park, NY 14127 over 10 years.

T1 TABLE 1

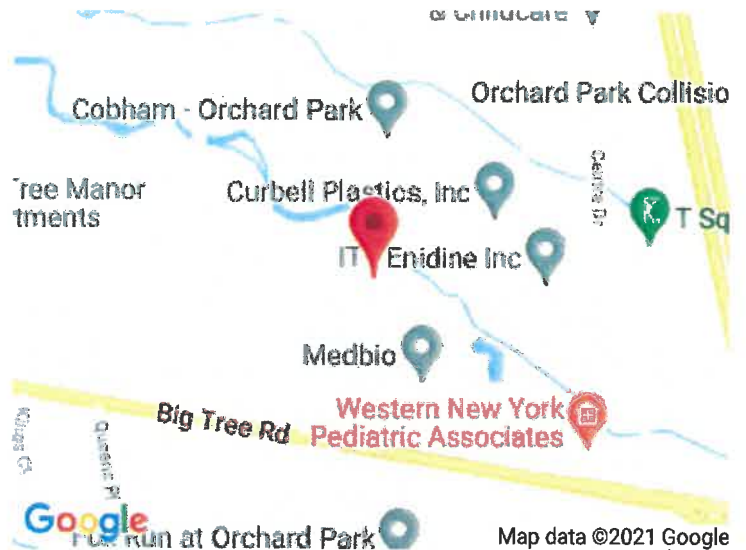
Proposed Investments

| Description | Amount |
|------------------------------|--------------------|
| CONSTRUCTION SPENDING | |
| Construction | \$760,000 |
| OTHER SPENDING | |
| Building Acquisition | \$1,715,000 |
| Manufacturing Equipment | \$250,000 |
| Non-Manufacturing Equipment | \$30,000 |
| Soft Costs/Other | \$99,000 |
| Total Investments | \$2,854,000 |
| Discounted Total (2%) | \$2,854,000 |

May not sum to total due to rounding.

T2 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 Skycatcher Holdings, LLC.

| Description | Nominal Value | Discounted Value* |
|----------------------------------|-----------------|-------------------|
| Sales Tax Exemption | \$37,000 | \$37,000 |
| Mortgage Recording Tax Exemption | \$18,000 | \$18,000 |
| Total Costs | \$54,000 | \$54,000 |

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 | \$28,984,000 | \$54,744,000 | \$83,727,000 |
| To Private Individuals | \$28,339,000 | \$53,865,000 | \$82,205,000 |
| Temporary Payroll | \$292,000 | \$101,000 | \$393,000 |
| Ongoing Payroll | \$28,047,000 | \$53,764,000 | \$81,811,000 |
| To the Public | \$644,000 | \$878,000 | \$1,523,000 |
| Property Tax Revenue | \$181,000 | N/A | \$181,000 |
| Temporary Sales Tax Revenue | \$5,000 | \$2,000 | \$6,000 |
| Ongoing Sales Tax Revenue | \$457,000 | \$877,000 | \$1,334,000 |
| Purchases Sales Tax Revenue | \$1,000 | N/A | \$1,000 |
| STATE BENEFITS | \$1,786,000 | \$3,143,000 | \$4,929,000 |
| To the Public | \$1,786,000 | \$3,143,000 | \$4,929,000 |
| Temporary Income Tax Revenue | \$14,000 | \$5,000 | \$19,000 |
| Ongoing Income Tax Revenue | \$1,371,000 | \$2,378,000 | \$3,749,000 |
| Temporary Sales Tax Revenue | \$4,000 | \$1,000 | \$6,000 |
| Ongoing Sales Tax Revenue | \$396,000 | \$759,000 | \$1,155,000 |
| Purchases Sales Tax Revenue | \$1,000 | N/A | \$1,000 |
| Total Benefits to State & Region | \$30,770,000 | \$57,886,000 | \$88,657,000 |
| Discounted Total Benefits (2%) | \$28,234,000 | \$53,046,000 | \$81,280,000 |

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 | \$76,762,000 | \$31,000 | 2445:1 |
| State | \$4,518,000 | \$23,000 | 197:1 |
| Grand Total | \$81,280,000 | \$54,000 | 1497:1 |

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.



Skycatcher Holdings, LLC

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 | Building Purchase & Renovation |
| Project Summary | Skycatcher Holdings, LLC was formed to purchase the building at 15 Cobham Drive, Orchard Park, NY. The building will have one tenant, STI-CO Industries, Inc., which is a manufacturing company. |
| Applicant Name | Skycatcher Holdings, LLC |
| Applicant Address | 810 Heim Road |
| Applicant Address 2 | |
| Applicant City | Getzville |
| Applicant State | New York |
| Applicant Zip | 14068 |
| Phone | (716) 316-6100 |
| Fax | |
| E-mail | kyle.swiat@sti-co.com |
| Website | |
| NAICS Code | 531120 |

Business Organization

| | |
|---|-------------|
| Type of Business | Corporation |
| Year Established | 1967 |
| State in which Organization is established | New York |

Individual Completing Application

| | |
|------------------|-----------------|
| Name | Kim Ferguson |
| Title | Controller |
| Address | 11 Cobham Drive |
| Address 2 | |
| City | Orchard Park |
| State | New York |
| Zip | 14127 |

Phone (716) 662-2680
Fax (800) 685-1122
E-Mail kimberly.ferguson@sti-co.com

Company Contact (if different from individual completing application)

Name Kyle Swiat
Title CEO / President
Address 11 Cobham Drive
Address 2
City Orchard Park
State New York
Zip 14127
Phone (716) 662-2680
Fax (800) 685-1122
E-Mail kyle.swiat@sti-co.com

Company Counsel

Name of Attorney Clark Trow
Firm Name Barclay Damon
Address 200 Delaware Avenue, Suite 1200
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 858-3882
Fax (716) 768-2882
E-Mail ctrow@barclaydamon.com

Benefits Requested (select all that apply)

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

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

Applicant Business Description

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

STI-CO Industries, Inc. was founded over 50 years ago and is a Woman owned business.. We design and manufacture mission-critical communication systems. Initially, the company manufactured and sold products to law enforcement and Federal government agencies. Several years ago, STI-CO Industries expanded into the rail market by designing and manufacturing antenna systems for the Positive Train Control rail mandate. A main objective of our strategy moving forward is expanding into the military market. STI-CO markets to our customers with a combination of tactics that include a direct sales force and a network of over 500 dealers. Our antenna systems are on a vast number of Class I locomotives and we also serve customers such as the Special Operations Covert teams. STI-CO Industries, Inc. has two shareholders: Kyle Swiat (82% owner) and Antoinette Kaiser (18% owner).

| | |
|---|------|
| Estimated % of sales within Erie County | 1 % |
| Estimated % of sales outside Erie County but within New York State | 4 % |
| Estimated % of sales outside New York State but within the U.S. | 91 % |
| Estimated % of sales outside the U.S. | 4 % |

(*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

The top vendors in Erie County relate to rent payments, health insurance, computer services and raw material purchases.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

15 Cobham Drive

Town/City/Village of Project Site

Orchard Park

School District of Project Site

Orchard Park

Current Address (if different)

11 Cobham Drive, Orchard Park

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

SBL Number(s) for proposed Project

161.18-2-13

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

\$56,704

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

Land

\$ 0

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.)

The present building is primarily used as a warehouse.

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)

Currently STI-CO is working out of a 14000sf Building with a lease that expires in August of 2023. It is the companies intention to sub let the current facility until the lease is complete. The project involves the purchase of the 25,250 square foot building at 15 Cobham Drive in Orchard Park. The building is primarily warehouse space. The plan is to convert this space into office, manufacturing and research and development functional areas. The facility will be used for manufacturing all our antenna systems and related components including machining some raw material parts. It will provide us the opportunity to expand our machining department lowering future product material costs. In addition, it will warehouse all our inventory eliminating the need for an offsite warehouse and the associated inefficiency expense. Furthermore, the building will provide space for research and development activities and enhance our antenna testing capability leading to faster turnaround for new product development. Lastly, all our administrative functions will be performed from this facility. In summary, the additional space will allow us to meet our strategic sales growth targets. The estimated renovation cost to the building is \$760,000 and estimated new equipment purchases is \$305,000.

Municipality or Municipalities of current operations

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?

Yes

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

STI-CO Industries, Inc. would prefer to stay in New York State due to the proximity to many key raw material suppliers and service providers. Almost 50% of the company's purchases of goods and services are made within New York state. In addition, we have a very experienced and dedicated workforce located in Western New York. However, there are minimal sales generated within New York State. Most of our sales are generated from locations near government facilities (Maryland) or rail/transit customers (Texas). Moving our facility to one of these areas could significantly enhance future growth.

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

We have completed an application for the Excelsior Tax Program through Empire State Development of NY state. We are seeking tax credits related to job creation and investments.

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)

STI-CO Industries, Inc. has outgrown its current facility. Our manufacturing area has no additional room to expand, and our warehouse area has reached its capacity requiring the leasing of offsite warehouse space. To meet our strategic sales growth plan of 65% growth over the next five years, we need to move to a larger facility. Our strategy is primarily focused on growing sales in the military market. In conjunction with this plan, we are developing new products and hiring sales personnel for this targeted area. In addition, we are expanding our existing transit fleet market with more product offerings in 4G/5G. A larger building will not only rectify our current space constraints but will also provide space for enhanced research and development activities and critical antenna testing. To achieve our sales growth, we will need financial assistance to support the building purchase. The financial assistance will also help with establishing the necessary infrastructure to support the sales increase, including fulfilling critical staffing needs, purchasing the necessary manufacturing equipment, and conducting research and development activities. The building purchase, renovation costs and equipment purchases are estimated at \$2,780,000 which is a significant investment for a small business. An ancillary benefit of the financial assistance is that we would maintain a competitive edge by continuing to manufacture our products in the U.S while our competitors manufacture products overseas. Many of the federal and Department of Defense customers require products made in the U.S.

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

Yes

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

The impact would be the inability to move to a larger facility and meet our sales growth targets. STI-CO Industries, Inc. would not be able to manufacture products at the level needed to expand the business. This would have a negative impact on the company's profit and cash flow. In addition, it would result in decreased purchases from local suppliers and reduced hiring of local workers.

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

Commercial. Building is currently used as a warehouse.

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?

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Most of the equipment purchased will run on 220V 3 phase service and will have more efficient motors generating energy savings and lowering costs. Also, the purchase of a new compressor will result in energy savings from more efficient technology and will provide a significant noise reduction.

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.

R&D Departmental expenses represent 24% of the total operating expenses. 71% of the R&D Departmental expenses relate to salaries for engineers and technical / documentation employees. Other expenses relate to R&D supplies used in designing prototypes and software maintenance for engineering programs instrumental in developing and testing new antennas.

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 | 25,250 square feet | \$ 760,000 | 0% |
| Warehouse | square feet | \$ 0 | 0% |
| Research & Development | square feet | \$ 0 | 0% |
| Commercial | 0 square feet | \$ 0 | 0% |
| Retail | 0 square feet | \$ 0 | 0% |
| Office | square feet | \$ 0 | 0% |
| Specify Other | square feet | \$ 0 | 0% |

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities

9/15/2021

End date : Estimated completion date of project

12/31/2021

Project occupancy : estimated starting date of occupancy

1/31/2022

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 1,715,000

25,250 square feet

4 acres

2.) New Building Construction

\$ 0

square feet

3.) New Building addition(s)

\$ 0

square feet

4.) Reconstruction/Renovation

\$ 760,000

square feet

5.) Manufacturing Equipment

\$ 275,000

6.) Infrastructure Work

\$ 0

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

\$ 30,000

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

\$ 49,000

9.) Other Cost

\$ 50,000

Explain Other Costs Moving costs

Total Cost \$ 2,879,000

Construction Cost Breakdown:

| | |
|-----------------------------------|---|
| Total Cost of Construction | \$ 760,000 (sum of 2, 3, 4 and 6 in Project Information, above) |
| Cost of materials | \$ 380,000 |
| % sourced in Erie County | 95% |

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 420,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 36,750

** 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): \$ 260,000

Bank Financing: \$ 2,340,000

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: \$2,600,000

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). 2,340,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$17,550

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

Our purchasing department keeps in mind the MBE/WBE certification when locating new vendors. They understand the importance of utilizing vendors with that certification. In addition, STI-CO Industries, Inc. has maintained a written Affirmative Action Program since 2012. STI-CO maintains an audit and reporting system to determine overall compliance with its equal opportunity mandates. See attached statement from Krog Corp. regarding outreach efforts to M/WBE contractors.

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 years) after project completion ** |
|------------------|--|---|--|---|
| Full time | 41 | 41 | 6 | 6 |
| Part time | 1 | 1 | 0 | 0 |
| Total | 42 | 42 | 6 | |

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 | 5 | \$ 153,729 | \$ 47,150 | \$ 0 | \$ 0 |
| Professional | 8 | \$ 85,119 | \$ 32,300 | \$ 0 | \$ 0 |
| Administrative | 9 | \$ 56,045 | \$ 15,420 | \$ 54,930 | \$ 8,240 |
| Production | 26 | \$ 43,636 | \$ 16,745 | \$ 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 | N/A |
|------------------|------------|
| Full time | 0 |

| | | | |
|------------------|---|---|---|
| Part time | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

Payroll Information

Annual Payroll at Proposed Project Site upon completion

2,768,430

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

66,183

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

54,930

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

53,167

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

0

Estimated salary range of jobs to be created

| | | | |
|-------------------------|--------|-----------------------|---------|
| From (Full Time) | 37,000 | To (Full Time) | 100,000 |
| From (Part Time) | 0 | To (Part Time) | 0 |

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

15 Cobham Drive, Orchard Park

Name and Address of Owner of Premises

Genius Tools Atlantic Inc. (Mark Tien-Hsi Chang)

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

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

Existing building was built in 2007. The building is primarily used as a warehouse. The existing building will be renovated to include areas for manufacturing, research and development and administrative functions.

Describe all known former uses of the Premises

Currently, building is primarily used as a warehouse.

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

N/A

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

N/A

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?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

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

N/A

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

<BLANK>

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section 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 STI-CO Industries, Inc.
Address 11 Cobham Drive, Orchard Park, NY 14127
Contact Person Kim Ferguson
Phone (716) 662-2680
Fax
E-Mail kimberly.ferguson@sti-co.com
Federal ID # 16-0959126
SIC/NAICS Code 334220

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

11 Cobham Drive

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.)

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

<BLANK>

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

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

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

Section IX: Senior Housing

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

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

No

Draft as of August 5, 2021

Off Site Commercial Solar Photovoltaic Policy

Purpose

The Erie County Industrial Development Agency (ECIDA), in response to 2021 amendments to the New York IDA Law that specifically permits the ECIDA to provide financial assistance to renewable energy projects, desires to adopt an off-site commercial solar photovoltaic policy with respect to community solar projects.¹ The ECIDA’s definition of community solar projects follows the guidance and definition as provided by the New York State Energy and Research Development Authority. This solar policy is intended to encourage responsible solar development within Erie County in an effort to support the statewide goal of achieving 70% renewable electricity production by 2030.

Policy

The ECIDA Off Site Commercial Solar Photovoltaic Policy (Solar Policy) provides for the provision of financial assistance for off-site solar projects that provide renewable energy benefits to residential and commercial customers. Off-site Commercial solar projects approved under this Solar Policy shall be eligible for the following incentives:

Property Tax – In lieu of making real estate tax payments on the increased value resulting from solar system improvements, such improvements are eligible for an ECIDA payment in lieu of taxes (PILOT). PILOT payments will range from \$4,500 to \$5,500 per megawatt (MW) of the facility’s nameplate capacity, with a 2% increase each year for a maximum term of 25 years. The length of term and dollar amount of PILOT payments will be determined on a project-by-project basis at the discretion of the ECIDA Board. PILOT payments will be distributed to the affected taxing jurisdictions based on their pro-rata share of the non-abated local tax payment.

¹ Off-site solar refers to a solar system installed at an off-site location different from the end user’s property, such that the electricity so produced is shared by more than one property. This is in contrast to on-site solar, which refers to a solar system installed directly on the end user’s property whose electricity is only used for operations on that property. Although this policy would not preclude the Agency from providing financial assistance to an on-site solar system, the aforementioned 2021 amendments allowing an Industrial Development Agency to provide financial assistance to renewable energy projects will primarily impact off-site solar projects. The term “Community Solar Project” typically refers to the New York State Public Service Commission off-site solar system project capped at 5MW, being the maximum rate capacity of a solar system project that can participate in and receive benefits for construction of such a solar system under New York’s clean energy program.

If the host community has opted out of the renewable energy exemption program provided for under Section 487 for the New York State Real Property Tax law, the ECIDA will not entertain an application for financial assistance under the Solar Policy for a PILOT unless the host community requests or otherwise consents to a PILOT under the terms of this Solar Policy.

Sales Tax – Exemption from state and local sales tax on eligible project costs as outlined in the ECIDA’s standard policies and procedures.

Mortgage Recording Tax – Exemption from the mortgage recording tax as outlined in the ECIDA’s standard policies and procedures.

Requirements – Projects must meet all the requirements as defined by New York State Law and comply with all the ECIDA standard policies, project requirements and agreements. In addition, projects considered under this policy must meet the following additional requirements:

- 1) Project applicants must provide evidence of a negotiated Host Community Agreement with the municipality in which the project is located, or written evidence of the municipality’s determination not requiring, or deferring, same.
- 2) **Financial assistance shall not be provided until** project applicants provide evidence that they capitalized into a decommissioning fund or provided a bond to the satisfaction of the local municipality or Erie County sufficient to remove the solar arrays and associated site improvements at the end of the project without cost to the local community.
- 3) If a project is located on active agricultural lands, defined as a property that is receiving an Agricultural Property Tax Exemption through the NYS Tax Department form RP-305, project applicants must provide (i) confirmation from Erie County that the loss of any agricultural lands from operation of the Project is minimized due to the location of the solar arrays at issue and the loss or failure to use areas that are or could be used as farmland is not anticipated to be significant, and (ii) evidence of a negotiated Host Community Agreement with Erie County which will be utilized by Erie County to promote and implement farmland protection initiatives consistent with the Erie County Agriculture and Farmland Protection Plan , (iii) **or written approval of Erie County of other arrangements in support of agricultural initiatives as deemed satisfactory and appropriate in meeting the goals of the county.**
- 4) Project applicants shall have obtained any and all local municipal approvals and evidence of compliance with the New York State Environmental Quality Review Act.