



Policy Committee

December 2, 2021
9:00 a.m.

Via Conferencing & Livestreaming

1. Call Meeting to Order
2. Approval of the November 4, 2021 Policy Committee Meeting Minutes (Pages 2-4)
3. Project Matrix (Pages 5-6)
4. Project Presentation (Staff – Company Q&A)
 - a) None
5. MWBE Update
6. UTEP Update (Pages 7-20)
7. Adjournment – Next Meeting **January 6, 2022 at 9:00 a.m.**

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

- DATE:** November 4, 2021
- 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; Paul Vukelic and Maria Whyte
- EXCUSED:** Rev. Mark Blue; Hon. Bryon W. Brown; Colleen DiPirro and Hon. Glenn Nellis
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Jamee Lanthier, Compliance Officer; Robbie Ann McPherson, Director, Marketing & Communications; Brian Krygier, Systems Analyst; Carrie Hocieniec, Operations Assistant; Pat Smith, Bookkeeper; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Alex Carducci, on behalf of City of Buffalo; Lawrence Quinn on behalf of Great Point Studios Buffalo

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

MINUTES

The minutes of the October 7, 2021 Policy Committee meeting were presented. Upon motion made by Mr. Krebs to approve of the minutes, and seconded by Ms. Abbott, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

Great Point Opportunity Fund B QOZB, LLC, 1155 Niagara Street, Buffalo, New York 14213. Ms. O’Keefe presented this proposed amendment to sales tax benefits and real property tax benefits project which was previously approved in August 2020.

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

Ms. O’Keefe stated this amended project involves constructing of a modern studio complex to produce feature films, television movies and series, streaming shows and features as well as other forms of visual entertainment. The complex will provide full production capacity including three cutting edge high-bay studios: two at 5,000 sq. ft. and a large 20,000 sq. ft. studio, executive and general office space, multiple green rooms, a large set production facility, common rooms, cafeteria, truck docs and parking. The company will also add COVID-19 protections including medical testing improvements and install an Atmos Air monitoring system to filter active virus particles through a sophisticated ionization process attached to the building air handling equipment.

Ms. O’Keefe confirmed that Great Point Studios is seeking \$1.8 M in incentives including a PILOT and sales tax exemption. Total payroll over the 10 year term of the PILOT is projected at \$30 M for the direct and indirect jobs created including 103 construction jobs. The resulting cost benefit is 1:18 so for every \$1 of incentives the community benefit is \$18 in payroll & tax revenue.

Ms. Smith spoke in favor of the project. Ms. McDuffie and Mr. Krebs also spoke in favor of the project.

General discussion ensued.

Ms. O’Keefe stated that in exchange for providing the sales and use tax benefits and real property tax benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

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 = \$20,931,998 85% = \$17,792,198

Employment	Coincides with 10-year PILOT	Create 85% of Projected Jobs Projected Jobs = 12 FT / 10 PT 85% = 10 FT / 8 PT Recapture Employment = 10 FT / 8 PT
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 taxes

Ms. Whyte moved and Ms. McDuffie 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.

MWBE UPDATE

Ms. Whyte presented members with an update on the draft MWBE Policy.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:27 a.m.

Dated: November 4, 2021

Gerald Manhard, Assistant Secretary

Tax Incentives Approved - 2021

Approval Date	Project Name	Project City/Town	Private Investment/ Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Length of Term	Incentive Amount
Jan-21	72 East Niagara, LLC ¹	Tonawanda	\$2,836,736	85% threshold \$2,411,225	17	0	3	0	85% -New 2 jobs	Period of PILOT 7 Years	\$146,000
Jan-21	Calspan Corporation Thermo Fisher - North Expansion	Cheektowaga Grand Island	\$13,500,000	85% threshold \$11,475,000	143	3	20	0	85% -New 17 jobs	Period of PILOT 10 Years	\$599,000
Jan-21	Pine Pharmaceuticals, LLC	Tonawanda	\$8,615,000	85% threshold \$7,322,750	807	0	60	0	85% -New 51 jobs	Period of PILOT 10 Years	\$2,912,000
Jan-21	Sucro Real Estate	Lackawanna	\$19,000,000	85% threshold \$16,150,000	5	0	45	0	85% -New 38 jobs	Period of PILOT 10 Years	\$3,392,250
Feb-21	Eastman Machine	Buffalo	\$1,665,000	85% threshold \$1,415,250	126	0	3	0	85% -New 2 jobs	Period of PILOT 7 Years	\$124,588
Feb-21	Time Release Science ²	Lackawanna	\$30,500,000	85% threshold \$25,925,000	103	0	20	0	85% -New 17 jobs	Period of PILOT 10 Years	\$4,591,400
Mar-21	Surmet Ceramics Corp.	Buffalo	\$11,500,000	85% threshold \$9,775,000	13	0	18	0	85% -New 15 jobs	Project Completion	\$65,625
Mar-21	Terzo Development ¹	Buffalo	\$3,050,000	85% threshold \$2,592,000	0	0	1	1	85% -New 1 jobs	Period of PILOT 7 Years	\$304,125
Apr-21	BLD VII, LLC	Lackawanna	\$14,570,786	85% threshold \$12,385,168	0	0	41	0	85% -New 35 jobs	Period of PILOT 10 Years	\$4,435,879
May-21	283 Ship Canal Parkway, LLC MCG Real Estate Holdings, LLC ¹	Buffalo Buffalo	\$52,284,244	85% threshold \$44,441,607	0	0	76	0	85% -New 64 jobs	Project Completion	\$3,422,973
May-21	283 Ship Canal Parkway, LLC ²	Buffalo	\$8,258,268	85% threshold \$7,019,527	0	0	1	1	85% -New 1 jobs	Period of PILOT 7 Years	\$619,250
Jun-21	132 Dingers Street, LLC	Buffalo	\$0	\$0	0	0	0	0	0	Period of PILOT 15 Years	\$1,961,100
Jul-21	Polymer Conversions, Inc.	Orchard Park	\$7,450,000	85% threshold \$6,332,500	0	0	23	0	85% -New 20 jobs	Period of PILOT 7 Years	\$678,750
Sep-21	Coca-Cola Beverages Northeast	Tonawanda	\$14,250,000	85% threshold \$12,112,500	125	0	15	0	85% -New 13 jobs Maintain Base 100% 124 jobs	Period of PILOT 10 Years	\$1,163,187
Sep-21	Skycatcher Holdings, LLC George Lewis House Apartments ¹	Orchard Park Buffalo	\$22,611,507	85% threshold \$19,219,781	124	0	0	0	85% -New 5 jobs	Project Completion	\$2,610,375
Sep-21	Skycatcher Holdings, LLC George Lewis House Apartments ¹	Orchard Park Buffalo	\$2,879,000	85% threshold \$2,447,150	41	0	6	0	85% -New 5 jobs	Project Completion	\$543,000
Sep-21	Skycatcher Holdings, LLC George Lewis House Apartments ¹	Orchard Park Buffalo	\$2,875,000	85% threshold \$2,443,750	0	0	1	0	85% -New 1 jobs	Project Completion	\$82,687

Tax Incentives Approved - 2021

Approval Date	Project Name	Project City/Town	Private Investment/ Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Length of Term	Incentive Amount
Sep-21	Walcot Apartments ¹	Buffalo	\$3,345,000	85% threshold \$2,843,250	0	0	1	0	85% -New 1 jobs	Project Completion	\$106,050
Sep-21	Bullis Road Solar ³	Marilla	\$6,389,343	85% threshold \$5,430,942	0	0	0	0	Maintain Base 100% 1,399 jobs	Period of PILOT 25 Years	\$596,533
Oct-21	Sumitomo Rubber	Tonawanda	\$126,000,000	85% threshold \$107,100,000	1399	0	0	0		Period of PILOT 10 Years	\$1,762,187
Nov-21	Great Point Studios Buffalo ²	Buffalo	\$20,931,998	85% threshold \$17,792,198	0	0	12	10	85% -New 10 FT & 8 PT	Period of PILOT 10 Years	\$1,755,000
Totals:			Private Investment/ Project Amount		FT Jobs Retained	PT Jobs Retained	FT Jobs Created	PT Jobs Created			Incentive Amount
Adaptive Reuse Subtotal			5	\$20,365,004	17	0	7	2			\$1,258,112
2021 Total			22	\$457,511,882	2,979	10	386	12			\$33,248,896

¹ Adaptive Reuse

² Amendatory Inducement

³ Solar PILOT



TO: Policy Committee
DATE: December 2, 2021
RE: Amended and Restated Countywide Industrial Development Agency Uniform Tax Exemption Policy Draft

Under Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “GML”), as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended, the Erie County Industrial Development Agency (the “Agency”) was created and authorized (1) to promote the economic welfare, recreational opportunities and prosperity of the inhabitants of the Erie County (the “County”), and (2) to actively promote, attract, encourage and develop recreation and economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration.

Section 874 of the General Municipal Law of the State of New York (the “GML”) requires that each industrial development agency (“IDA”) establish a uniform tax exemption policy (“UTEP”), with input from affected tax jurisdictions, which shall be applicable to the provision of financial assistance pursuant to Section 859-a of the GML and shall provide guidelines for the claiming of real property, mortgage recording, and sales tax exemptions (collectively, “Financial Assistance”).

In 2001, the Agency and the Town of Amherst IDA, the Town of Lancaster IDA, the Town of Clarence IDA, the Town of Hamburg IDA, and the Town of Concord IDA collectively adopted a Countywide Industrial Development Agency Uniform Tax Exemption Policy, which was subsequently amended in January of 2010 (the “Existing UTEP”). Related thereto, the Agency also approved two amendments to the Existing UTEP, the first being an amendment to the Hotel/Motel Policy in 2012 and the second being an amendment related to For-Profit Market Rate Rental Senior Citizen Housing Policy in 2015.

Since 2013, the GML has been amended several times by reinstating certain retail restrictions, and by establishing new procedural and transparency requirements and certain provisions allowing for the recapture, modification, and termination of IDA Financial Assistance. More recent GML amendments altered the types of projects eligible for Financial Assistance, for example, various renewal energy projects are now defined to be permissible projects. In consideration of the foregoing, it was determined that the best path forward would be to undertake a fresh rewrite of the Existing UTEP instead of otherwise amending the Existing UTEP.



Several key principals of the overall UTEP rewrite (the “New UTEP”) included:

- Maintaining a baseline “Countywide Policy” for all the IDAs within Erie County, that also allows for each IDA, if desired, to adopt unique requirements or policies specific to an individual IDA, i.e. pay equity policy, local labor policy, senior housing policy, by way of example.
- Simplifying the Existing UTEP making it easier to understand and implement.
- Referencing relevant sections of the GML, for specific requirements instead of reciting entire sections of the GML within the New UTEP, so that the New UTEP would not necessarily inadvertently outdate itself when the GML is amended going forward.
- Continuing the utilization of a Tiered PILOT structure requiring projects to be scored based on established criteria and assigned to a PILOT Tier, whereby projects scoring in the upper tier become eligible for a PILOT having a greater total abatement than a project scoring in a lower tier. Related thereto, the following elements drove the establishment of the various Tiered PILOT schedules:
 - PILOT Schedules would not have any 100% abatement years, so that there would be PILOT revenue realized by the taxing jurisdictions each year.
 - To the extent possible, establishing PILOT schedules having annual payment increases

Summary of New UTEP Sections:

Section I: Eligible Applicants/Projects

- A. The Eligible Applicants section was changed from a NAICS based system to a simplified business activities system, to include commercial business activities, manufacturing and advanced manufacturing activities, warehousing and distributive services activities, and back-office activities. The NAICS system was confusing and outdated due to amendments to the GML. As an example, many of the NAICS categories defined in the Existing UTEP as potentially eligible were no longer eligible due to the retail restrictions. A new “Renewable energy and electric energy storage” activity was added to conform with 2021 GML amendments specifying an IDA’s role in supporting these types of projects in furtherance of New York’s renewable energy goals.
- B. A new Retail Business section was added confirming that retail projects are generally ineligible and cites to Section 862 of the GML for specified exceptions.



- C. A new special projects section was added to outline requirements for mixed use projects containing a mix of retail and other non-retail uses citing to restrictions in Section 862 of the GML and allowing for additional requirements established by each individual IDA. Specifically, this section:
1. Maintains the Adaptive Reuse program and requirements under the existing terms and conditions; and
 2. Maintains the Continuing Care Retirement Community project category (for example, Canterbury Woods) as permitted under New York Law and cites to the applicable GML sections.

Section II: Exemption from Real Property Taxes: Payments in Lieu of Taxes

The Tiered PILOT incentive concept remains in the New UTEP, however the number of tiers, the PILOT schedules, and the tier scoring system are being amended. Major changes include:

1. Elimination of the Ten-Year Enhanced Jobs Plus PILOT schedule.
2. Addition of a new Five-Year PILOT schedule – intended for smaller redevelopment, potentially mixed-use projects.
3. Creation of a new Renewable Energy PILOT to support renewable energy projects, establishing a baseline PILOT framework but allowing for each IDA to adopt their own specific requirements (see, for example, the new ECIDA Community Solar Policy).
4. Adjustments to the various PILOT schedules to minimize multiple years with the same PILOT abatement percentage, and establishing new schedules, to the extent possible, having year over year increase in PILOT payments.
5. Updates to the Tiered PILOT scoring sheet used to score projects for the appropriate PILOT tier.

General Revisions:

Sections III, IV, V, VI and VII of the New UTEP, except for formatting and minor language modifications, remain the same as those provisions/concepts contained within the Existing UTEP.

There are some sections of the Existing UTEP that have been removed because such sections are now outdated and/or irrelevant due to changes to New York State law. The Existing UTEP had specific sections on Medical Projects, Hotel and Motels, and Neighborhood Enhancement Areas which were all rendered irrelevant due to the reinstatement of Retail Restrictions in 2013, having been theretofore eliminated in 2008 by certain sun-setting GML provisions.



In addition, the Adaptive Reuse policy was revised to allow each IDA to adopt its own Adaptive Reuse Policy program, as a separate addendum to the UTEP, if so desired. This will be the same approach to be used relating to some of the policies unique to the Agency, for example, the Pay Equity Policy, the Unpaid Real Property Tax Policy, the For-Profit Senior Housing Policy, and potentially the new MWBE Policy which will be added as addendums to this baseline New UTEP by the Agency upon the Agency's approval of this New UTEP, as so amended and restated and as briefly described herein.

The 2016 revisions to the GML also mandates certain specific requirements and information be included in IDA applications and IDA project agreements, some of which were already included within the Existing UTEP. These provisions were removed from the Existing UTEP but, as so required by the GML, are now included as component parts of the Agency's application and project agreement. This includes our material terms and conditions, our recapture policy language and applicant certification statement requiring applicants to certify to the truthfulness and accuracy of information disclosed within the application under penalty of perjury.



IDA Leadership Council

MEMO

To: IDA Leadership Council

Attached please find the proposed final documents for the new Uniform Tax Exemption Policy (UTEP), scoring sheet and terms. Please share these with your Boards. The proposed schedule and plan for approval of the new UTEP is as follows:

1. Circulate proposed documents to your respective IDA boards, November 2021
2. Review and Approve documents for taxing jurisdictions, November & December 2021
3. Notification of taxing jurisdictions in each individual IDA's community of the proposed UTEP amendment, Late December 2021 – Early January 2022 (We will provide a template document for you to use for your affected taxing jurisdictions)
4. Invite affected taxing jurisdictions to a virtual informational meeting regarding the proposed UTEP amendment, January 2022
5. Dave Mingoia and I would be made available to discuss UTEP documents with your board as needed.
6. Each individual IDA board adopt UTEP in February of 2022, for a March 1st effective date.

Please feel free to reach out to myself or Dave if you have any questions.

John Cappellino

Countywide Industrial Development Agency Uniform Tax Exemption Policy

Town of Amherst Industrial Development Agency, the Town of Clarence Industrial Development Agency, the Town of Concord Industrial Development Agency, the Town of Hamburg Industrial Development Agency, the Town of Lancaster Industrial Development Agency and the Erie County Industrial Development Agency

Amended and Restated as of _____, 202__

The declared policy of New York State is to promote the economic welfare, recreation opportunities and prosperity of its inhabitants, and to promote, attract, encourage and develop recreation, and economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration by the creation of industrial development agencies ("IDA"). IDAs are empowered to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, and commercial facilities and thereby advance the job opportunities, health, and the general prosperity and economic welfare of the people of New York State and to improve their recreational opportunities, prosperity and standard of living.

IDAs are empowered to carry out these statutory purposes by providing for the claiming of real property tax abatements and exemptions from sales, use, and mortgage recording tax, and the issuance of tax exempt bonds (collectively, "Financial Assistance"). The IDAs in Erie County have adopted this Uniform Tax Exemption Policy (the "Policy") to provide for uniform policies for the claiming of IDA Financial Assistance.

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, an IDA is authorized to establish guidelines and policies for the evaluation and selection of projects for which Financial Assistance will be provided, the suspension, discontinuance, or modification of real property tax abatements, and the recapture of all or part of the Financial Assistance as a consequence of job creation/retention shortfalls or other material violations of the terms and conditions established for the provision of Financial Assistance. Each applicant for Financial Assistance should consult with the appropriate individual IDA to confirm such an IDA's relevant guidelines and policies.

I. Eligible Applicants/Projects

A. By way of example only, Applicants involved in the following business activities may be eligible to apply for Financial Assistance:

1. Commercial activities
2. Manufacturing/Advanced Manufacturing
3. Warehousing/Distributive Services
4. Back office (headquarters, data and call centers)
5. Renewable energy and/or electric energy storage¹

¹ Renewable energy and/or electric energy storage projects will be evaluated based upon consideration of evaluative criteria which are appropriate for such projects particularly where the goals of the project may be broader than typical job retention and creations goals.

B. Retail Business. Retail projects are generally ineligible to receive Financial Assistance except in compliance with Section 862 of the New York General Municipal Law (“GML”). Applicants are strongly encouraged to consult Section 862 of the GML if a proposed project involves the sales of goods and services to customers who personally visit the project site.

C. Special Projects. Applications which contain a mix of retail uses and other non-retail uses (a mixed use project) must comply with Section 862 of the GML and meet additional requirements, if any, as established by each such IDA.

1. Adaptive Reuse Project/Neighborhood Enhancement Area Project. Adaptive Reuse Projects/Neighborhood Enhancement Area Projects will be evaluated based upon consideration of evaluative criteria which are appropriate for such projects particularly where the goals of the project may be broader than typical job retention and creation goals. IDA Financial Assistance may be provided to an Adaptive Reuse Project that involves adapting old structures or sites for new purposes, including but not limited to, potentially a mix of retail uses (in compliance with Section 862 of the GML) and commercial uses, and/or market rate or below market rate housing, and/or as otherwise permitted under any exception or amendment to this Policy for each individual IDA. An Adaptive Reuse Project is one that will benefit the host municipality and Erie County by redeveloping a blighted site or structure, promoting infill development utilizing existing infrastructure, creating new economic activity at difficult sites and buildings thus helping to eliminate neighborhood slum and blight, promoting re-use of existing buildings and sites, and helping to maintain a neighborhood’s fabric. Adaptive Reuse Projects prevent economic deterioration and promote employment opportunities. IDAs may also provide Financial Assistance, as determined by each such IDA, to projects that are retail or have retail components, in compliance with Section 862 of the GML, if the project is located in or contemplating relocating to areas within Erie County that are designated, by the respective municipal legislatures, as Neighborhood Enhancement Areas.

2. Additional Commercial Special Projects. Continuing Care Retirement Community Project as permitted under Sections 854(19) and 859-b of the GML.

II. Exemption from Real Property Taxes: Payments in Lieu of Taxes

The IDAs maintain a policy for the provision of real property tax exemptions with a corresponding Payment In Lieu Of Tax Agreement (“PILOT Agreement”) to provide a real property tax abatement for qualified projects. Each project receiving an abatement from real property tax will be subject to a PILOT Agreement in a form proscribed by the IDA. Such PILOT Agreement will also require payment of any and all special district assessments.

The calculation of the amount of the PILOT payments, and the amount of such payments, is not set forth in statute. The PILOT Agreement payment schedules contained within this Policy establish a varied real property tax abatement schedule to incentivize certain investments over others. In this manner, projects that meet all or some of the region’s planning and economic development goal criteria will be rewarded with a more beneficial real property tax abatement schedule in comparison to those projects that meet less of the region’s planning and economic development goal criteria. To meet this goal, a four-tiered PILOT incentives schedule will be utilized. Consideration of the following “PILOT Tier Criteria” will be utilized in analyzing and selecting the appropriate tiered PILOT schedule to be utilized for each particular project: (i) capital investment, (ii) employment creation and employment

retention, (iii) consistency with regional and community based planning, and (iv) overall community benefit.

Below is a listing of the current tiered PILOT schedules:

A. Tier 1: Five Year PILOT Schedule

A five year PILOT Schedule will be applied to projects that score at the Tier 1 level based upon application of the PILOT Determination Scoring Worksheet.

Year	1	2	3	4	5
% Abatement	75%	65%	55%	45%	35%

B. Tier 2: Seven Year PILOT Schedule

A seven year PILOT Schedule will be applied to projects that score at the Tier 2 level based upon application of the PILOT Determination Scoring Worksheet.

Year	1	2	3	4	5	6	7
% Abatement	95%	90%	85%	80%	75%	70%	65%

C. Tier 3: Ten Year PILOT Schedule

A ten year PILOT Schedule will be applied to projects that score at the Tier 3 level based upon application of the PILOT Determination Scoring Worksheet.

Year	1	2	3	4	5	6	7	8	9	10
% Abatement	95%	90%	85%	85%	80%	80%	75%	75%	70%	65%

D. Tier 4: Renewable Energy PILOT Schedule

A PILOT Schedule unique to renewable energy projects that may or may not also have an electric energy storage component is available to support statewide renewable energy production goals, currently established at achieving 70% renewable electricity production by 2030. With respect to a renewable energy project, an IDA, in its sole discretion, may authorize a payment in lieu of taxes agreement for up to a twenty-five (25) year benefit period, and shall calculate such payments based upon a formula expressed as a dollar value per Mega Watt (MW) multiplied by the total MW(s) to be generated by such a project. A determination to grant a Renewable Energy PILOT containing terms consistent with the provisions described within this section shall not be considered a deviation from this Policy.

III. Exemption from Sales and Use Taxes

The IDAs maintain a policy for the provision of sales and use tax exemptions, being a 100% exemption from the New York State and local sales and use taxes related to the acquisition, construction, re-construction and equipping of any approved project, inclusive of rentals and all other elements of the Project qualifying for exemption. In coordination with an IDA, an Applicant must confirm the amount of sales and use tax exemption in connection with a qualified project. Operating

and maintenance expenses are not eligible for a New York State and local sales and use tax exemption benefit.

IV. Exemption from Mortgage Recording Taxes

The IDAs maintain a policy for the provision of a mortgage recording tax exemption that permits a mortgage recording tax exemption on a portion of the New York State Mortgage Recording Tax in Erie County, statutorily limited to .0075% on any commercial mortgage or security instrument arising out of or related to the financing or refinancing of an approved project.

V. Deviation from the Uniform Tax Exemption Policy

The following constitutes the procedure for deviation from this Policy, as required pursuant to Section 874(4)(b) of the GML. An IDA may authorize a deviation from the Policy after it: (i) provides prior written notification to the affected taxing jurisdiction(s) of the proposed deviation from the Policy and the reasons for the deviation from this Policy including articulated consideration of the issues identified in Section 874(4)(a) of the GML, and (ii) sets forth in writing the reasons for deviating from the Policy.

VI. Intermunicipal Movement of Facility or Plant

If a project involves the removal or abandonment of a facility or plant within the state, adherence to Section 862 of the GML is required prior to making a Financial Assistance determination.

If a project involves the relocation from one municipality within Erie County (the "Current Municipality") to a different municipality also within Erie County (the "Proposed Municipality"), the IDAs in Erie County set forth the following additional procedures:

A. Upon receipt of a draft application or sufficient materials from a prospective applicant, the relevant IDA with jurisdiction over the Proposed Municipality shall notify the designated economic development representative from the Current Municipality of the pending project unless there is reason the project remain confidential. Upon receipt of a completed Application for Financial Assistance, the IDA will forward a written notice to the chief elected officer of the Current Municipality and the Proposed Municipality (along with their respective economic development designees), which notice shall include (i) said Application, (ii) sites located in the Current Municipality that were considered by the applicant, along with the reasons for rejecting those sites, and (iii) such other information or documentation with regard to the proposed relocation as the IDA may be in possession of.

B. If the applicant declines to respond to such questions regarding its proposed move or indicates that it has not met with representatives of the Current Municipality or reviewed/considered alternative sites within the Current Municipality, the applicant will be strongly urged by IDA representatives to do so prior to final submission of the application, and a determination of said application being considered complete, for consideration of Financial Assistance.

C. A written response or acknowledgement from the chief elected officer of the Current Municipality will be sought with regard to the application for Financial Assistance, and any such response or acknowledgement will be included in the record to be considered by the IDA which has jurisdiction over the Proposed Municipality. This need not be a "sign-off" or an approval of the intermunicipal move. The chief elected officer of the Current

Municipality and the Proposed Municipality (and their respective economic development designees) will be invited to address the IDA Board when it considers any such application for Financial Assistance.

VII. IDA Leadership Council

On an as needed basis, a leadership council meeting of the IDAs may be convened to encourage further collaborative efforts, to facilitate the uniform implementation of this Policy, and to provide a forum to address other common concerns with regard to economic development in Erie County. Each IDA signatory to this Policy may permit a representative to attend such a meeting, when such a meeting is convened, provided that such individual represents an IDA, a municipality for whose benefit an IDA was created, and/or any other economic development/community organization. The leadership council will, through the consensus of its members, consider and resolve any concerns raised by an IDA with regard to the interpretation of the Policy, and will coordinate other joint activities of the IDAs to promote a countywide program of economic development.

VIII. Effective Date

This Uniform Tax Exemption Policy shall be effective as of *insert adoption date*, and shall apply to all projects for which an IDA has adopted or adopts an Inducement Resolution after *insert adoption date*, however, it shall not apply to projects for which an IDA, through issuance of its bonds, execution of leases, or the passage of an Inducement Resolution, has authorized any assistance prior to *insert adoption date*, whether or not such projects are thereafter refinanced or modified.

IX. Amendments

An IDA, by resolution of its members, and upon notice to all affected taxing jurisdictions as may be required by law, may amend or modify this Policy as it may, from time to time, in its sole discretion determine.

X. Changes in Law

This Policy has been developed consistent with the applicable provisions of Article 18-A of the GML existing as of the Effective Date. In the event of a change in law, rule or regulation affecting any provision of this Policy, this Policy shall be interpreted consistent with such law, rule or regulation, without giving effect to any provision in the Policy to the contrary.

PILOT DETERMINATION SCORING WORKSHEET

Baseline Requirements (Must Achieve All)

- Application Complete Local Labor Compliance
- Eligible Project Per Countywide UTEP Planning Approval (If Applicable)

PILOT Scoring Metrics

1 Point Per Checked Box Except Where Noted

Investment, Employment, and Construction Employment are Cumulative Categories

- | | | |
|--|---|--|
| <input type="radio"/> <u>Location</u> | <input type="radio"/> <u>Investment</u> | <input type="radio"/> <u>Community</u> |
| <input type="radio"/> Distressed Census Tract | <input type="radio"/> Under \$10 Million | <input type="radio"/> Out of Region Sales > 30% |
| <input type="radio"/> Designated Development Area | <input type="radio"/> \$10 Million - \$20 Million | <input type="radio"/> In Region Purchase > 50% |
| <input type="radio"/> Historic Preservation | <input type="radio"/> Over \$20 Million | <input type="radio"/> Average Wage > Median |
| <input type="radio"/> Building Re-use | | <input type="radio"/> ROI Ratio > 15 to 1 |
| <input type="radio"/> Infill Development | <input type="radio"/> <u>Employment</u> | <input type="radio"/> Local Revenue/Abatement Ratio > 2 to 1 |
| <input type="radio"/> Transit | <input type="radio"/> <u>New Jobs</u> | <input type="radio"/> Workforce Housing |
| <input type="radio"/> Green Building | <input type="radio"/> 1-15 | <input type="radio"/> MWBE |
| <input type="radio"/> Brownfield | <input type="radio"/> 16-40 | <input type="radio"/> Out of Area Option(s) |
| | <input type="radio"/> 41-85 | |
| | <input type="radio"/> 86-150 | |
| | <input type="radio"/> 151+ | |
| <input type="radio"/> <u>Strategic Industry (2pts)</u> | <input type="radio"/> <u>Retained Jobs</u> | <input type="radio"/> <u>Construction Employment</u> |
| <input type="radio"/> Advanced Manufacturing | <input type="radio"/> 1-75 | <input type="radio"/> 1-50 |
| <input type="radio"/> Back Office | <input type="radio"/> 76-150 | <input type="radio"/> 51-100 |
| <input type="radio"/> Life Sciences | <input type="radio"/> 151+ | <input type="radio"/> 101+ |
| <input type="radio"/> Technology | | |
| <input type="radio"/> Distribution/Logistics | | |
| <input type="radio"/> Agriculture | | |
| <input type="radio"/> Renewable Energy | | |
| <input type="radio"/> Regional Tourism/Arts | | |

5-Year PILOT = 1-6 Points (75,65,55,45,35)

7-Year PILOT = 7-12 Points (95,90,85,80,75,70,65)

10-Year PILOT = 13+ Points (95,90,85,80,75,70,65)

Incentive Worksheet Terms/Glossary

Location:

Distressed Census Tract: Designated geographic area that meets low/mod income guidelines. For NYS Retail purposes, census tracts and contiguous tracts also must meet unemployment thresholds to qualify as “distressed”.

Designated Development Area: An area of a community targeted for development or redevelopment by a Comprehensive or Area Plan.

Historic Preservation: Building(s) designated by a State (NYS Office of Historic Preservation) Agency or Local Commission as having historical significance.

Building Re-Use: A building of significant community interest as determined by the municipal body the property is in.

Infill Development: A site of significant community interest as determined by the municipal body the property is in.

Transit: Site or Building adjacent to a transit stop, or serviced by bus and/or shuttle, within reasonable walking distance to the stop.

Green Building: A building utilizing technology to share information about what goes on in the building between systems to optimize its performance. Also includes green building materials and renewable energy systems. This leads to efficiencies in various processes, from heating and ventilation to air conditioning and security.

Brownfield Site: A site that has documented environmental contamination, or is in the NYS Brownfield Clean Up Program.

Strategic Industry:

Advanced Manufacturing: Examples include automotive part producers (GM Powertrain) and their suppliers; aerospace and defense (Moog); industrial chemicals (Dupont), advanced plastics (Polymer Conversions) and new polymers; processing and packaging of food stuffs (Perry’s, Steuben Foods). Processes or facilities that provided significant added value to manufactured

product, and or use advanced technologies or manufacturing processes to achieve product production.

Back Office: Defined as professional support facilities (GEICO) and corporate headquarters (Delaware North) that perform non-retail, outbound call processing or other business functions, data centers in the finance, insurance or business support sectors.

Life Sciences: Defined as companies involved in medical device production, pharmaceutical development/production and research and development. Examples include device manufacturers (Wilson Greatbatch); pharmaceutical production (Thermo Fisher); pharmaceutical research (Empire Genomics).

Agriculture: Defined as enterprises involved in the growth of fruits, vegetables, livestock and/or storage and refinement of these raw materials into a finished product. Examples include dairy farms; milk processing facilities; cheese factories; Christmas tree farms.

Technology: Defined as a type of business that focuses mainly on the development and manufacturing of technology products or providing technology as a service. Examples Include ACV Auctions and Synacor.

Distribution/Logistics: Defined as businesses involved with the transport and distribution of goods. Examples include freight forwarders; brokers; warehousing.

Renewable Energy: Defined as companies involved in the production of renewable energy through renewable energy sources, or the manufacture or research and development of technologies, products or equipment related to renewable energy production or research.

Regional Tourism/Arts: Defined as businesses that attract a significant percentage of their revenues from visitors outside of the region. Examples include entertainment attractions (Shea's Performing Arts, Fantasy Island); museums/cultural attractions (Albright Knox, Buffalo Zoo).

Community:

Out of Region Sales > 30%: The firm realizes revenues of at least 30% from products/services it exports beyond Erie County.

In Region Purchases >50%: The firm purchases at least 50% of its goods and services from Erie County companies for operational functions and construction materials.

Employment – Average Wage > Median Worker Wage: The firm pays above the median wage in the County.

Overall ROI (return on investment) > 15 to 1: Utilizing cost benefit software, a project will be assessed on the economic value of the benefits it provides back to the community (wages, taxes, etc.) versus the amount of tax incentives provided.

Local Revenue/Abatement Ratio > 2 to 1: Add up the amount of new taxes generated over the abatement period and divide by the value of the tax abatements. (Could include value of sales taxes, special taxes generated etc...)

Workforce Housing: Development of for-rent housing considered affordable to households earning between 80 and 130 percent and above of area median income. This segment targets middle income workers and is not considered subsidized housing that necessitates vouchers or low-income housing credits.

MWBE: A business or project owned or undertaken by a minority or woman owned business.

Out of Area Option(s): Applicable if the company provides an offer from another out of state location or it is determined by staff that the company is a flight risk based on their out of region sales, market or facilities.