



Policy Committee

January 7, 2021
9:00 a.m.

Via Conference Call & Live Streaming

1. Call Meeting to Order
2. Approval of the December 8, 2020 Policy Committee Minutes & December 10, 2020 Special Policy Committee Minutes (Pages 2-6)
3. Project Matrix (Page 7)
4. Project Presentation (Staff – Company Q&A)
 - a) 72 East Niagara Street (Pages 8-47)
 - b) Calspan Corporation (Pages 48-84)
 - c) Eastman Machine Company (Pages 85-116)
 - d) Life Technologies Corp/Thermo Fisher North Expansion (Pages 117-147)
 - e) Pine Pharmaceuticals, LLC (Pages 148-180)
 - f) Sucro Real Estate (Pages 181-211)
5. MWBE Update
6. Adjournment – Next Meeting **February 4, 2021 at 9:00 a.m.**

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

- MEETING:** December 8, 2020, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** Denise Abbott; April Baskin; Rev. Mark Blue; Johanna Coleman; Colleen DiPirro; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn Nellis; Laura Smith; Lavon Stephens and Maria Whyte
- EXCUSED:** Bryon W. Brown; Richard Cummings and David State
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Robbie Ann McPherson, Director of Marketing and Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Alex Carducci on behalf of the City of Buffalo; Joseph Emminger on behalf of the Town of Tonawanda; Shannon Beiter and Gregory Zaepfel on behalf of Zaepfel Development; and Sara Sperrazza, Scott VeRost and Steve Schrader on behalf of Thermo Fisher

There being a quorum present at 12:33 p.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the November 5, 2020 Policy Committee meeting and November 9, 2020 Special Policy Committee meeting were presented. Upon motion made by Ms. McDuffie and

seconded by Ms. DiPirro, the aforementioned Policy Committee meeting minutes were then unanimously approved.

PROJECT MATRIX

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

At this point in time Ms. Whyte joined the meeting.

PROJECT PRESENTATIONS

Life Technologies Corporation-West Expansion (subsidiary of Thermo Fisher Scientific, Inc.), 3175 Staley Road, Grand Island, New York. Ms. Fiala presented this proposed sales tax and real property tax abatement benefits project involving the expansion of the current facility which is approximately 300,000 sq. ft. and to increase the Company’s footprint by 50,000 sq. ft. The new facility will be utilized for the production of liquid animal origin free (AOF) products along with the purchase of approximately \$25M of manufacturing equipment. The company will also be making improvements to 12,000 sq. ft. of existing space.

Ms. Smith expressed her support of the project.

Ms. DiPirro expressed support for the project.

Ms. McDuffie expressed support for the project.

Ms. Fiala stated that in exchange for providing the sales and use tax 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 = \$90,000,000 85% = \$76,500,000
Employment	Coincides with 10-year PILOT	Maintain base: 818 Create 85% of Projected Projected = 60 85% = 51 Recapture Employment: 869
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 tax, real property taxes

Ms. McDuffie moved and Ms. Smith 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.

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

COMPLIANCE

Zaepfel Development/Wythe Will Tzetzto/First Source. Mr. Cappellino reviewed the history and status of this ECIDA PILOT project, noting that the tenant occupying the facility has terminated its business operations, that the Company is no longer able to meet its original pledge of retaining and creating 246 jobs, that it has found a new tenant to occupy the facility that will retain and create 22 jobs, and the Company, based upon the pledge of 22 jobs, would have originally qualified for a 7-year PILOT, instead of a 10-year PILOT, and that the Company has asked that in lieu of terminating the 10-year PILOT, that the Agency amend the PILOT to be a 7-year term, consistent with the term of a PILOT Agreement that the Company would otherwise have been eligible for had it only proposed to create 22 jobs in the first instance. General discussion ensued.

Ms. Smith moved, and Ms. McDuffie seconded, to amend the 10 year PILOT to a 7 year PILOT, provided that the Company make a payment of \$42,988 to the taxing jurisdictions, being an amount equal to the benefit difference between the 10-year and 7-year PILOT schedules for the 2020 County and Town, and the 2019-2020 School District tax years.

MWBE UPDATE

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

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 1:10 p.m.

Dated: December 8, 2020

Karen M. Fiala, Secretary

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

- MEETING:** December 10, 2020, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** Denise Abbott; Hon. April Baskin; 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; Johanna Coleman; Colleen DiPirro; Richard Cummings and Glenn R. Nellis;
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Karen M. Fiala, Vice President/Secretary; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Laurie Hendrix, Administrative Coordinator; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; and Lisa Hicks on behalf of the City of Buffalo

There being a quorum present at 11:11 a.m., the Meeting of the Special Policy Committee was called to order by Mr. Lipsitz.

GUEST PRESENTATION

Ms. Smith gave a report to committee members on the Buffalo Niagara Partnership’s recently completed assessment study entitled: “*Employing Diversity, Equity & Inclusion in WNY*”

2020 Western New York Diversity & Inclusion Business Community Assessment”. General discussion ensued.

At this time, Mr. State and Ms. McDuffie left the meeting.

REVIEW AND DISCUSSION OF POLICY FRAMEWORK DOCUMENT

Workforce Utilization – Onondaga County IDA (“OCIDA”) Example. Mr. Murray reviewed the Onondaga County Industrial Development Agency’s most recently revised Uniform Tax Exemption Policy, revised in September of 2020, which now includes several real property tax abatement (PILOT) schedules containing increased abatement percentages that can be obtained provided a company reaches certain minority and women hiring goals.

General discussion ensued.

Ms. Whyte suggested that the ECIDA consider establishing a minimum PILOT requirement to obtain a baseline level of incentive, but if a company desires to obtain additional PILOT incentive, it can do so provided it agrees/consents to provide additional monitoring/materials to then obtain more incentive/abatement.

Mr. Lipsitz asked if ECIDA staff could prepare a draft framework/process related to increasing PILOT abatements based upon minority and woman hiring to allow the discussion amongst Policy Committee members to continue.

Mr. Cappellino suggested ECIDA should think about sharing ideas and concepts with other IDAs in Erie County, and also suggested that Erie County businesses be consulted so that ECIDA can begin to understand issues and processes and challenges businesses may face in attempts to meet a new ECIDA enhanced incentive policy.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 12:48 p.m.

Dated: December 10, 2020

Karen M. Fiala, Secretary

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval D	Project Amount	Investment	Jobs Retained	Factors		Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Adaptive Reuse	Pay Equity
						Job Creation	Jobs Created							
1	Barcalo Living & Commerce	Feb-20	\$34,727,449	85% threshold \$29,518,331	9	85% -New 25 jobs	30	Mortgage Sales Tax	Yes	2 Years after Project Completion		\$1,003,750	Adaptive Reuse	YES
1	3310 Benzing Road, LLC/Marathon Drains	Mar-20	\$725,000	85% threshold \$616,250	15	85% -New 2 Jobs	2	PILOT Sales Tax	Yes	Period of PILOT 7 Years		\$92,000		YES
1	637 Linwood, LLC/1275 Delaware, LLC	Mar-20	\$12,460,993	85% threshold \$10,591,844	0	85% -New 8 Jobs	10	Mortgage Sales Tax	Yes	2 Years after Project Completion		\$380,911	Adaptive Reuse	YES
1	Jemal's Seneca, LLC	Mar-20	\$45,000,000	85% threshold \$38,250,000	0	85% -New 4.5 Jobs	5	Mortgage	Yes	2 Years after Project Completion		\$337,500		YES
1	Steuben Foods Incorporated	Mar-20	\$25,621,494	85% threshold 21,778,269	604	85% -New 17 Jobs	20	PILOT Sales Tax	Yes	Period of PILOT 10 Years		\$967,505		YES
1	6700 Transit Road, LLC/Big Ditch	May-20	\$32,300,055	85% threshold \$27,455,046	0	85% -New 142 FTE Jobs	168	PILOT Sales Tax Mortgage	Yes	Period of PILOT 10 Years		\$1,883,581		YES
1	Kamax, LLC/Raine Logistics, LLC	Jun-20	\$2,214,000	85% threshold \$1,881,900	12	85% -New 1 Job	1	PILOT Sales Tax Mortgage	Yes	Period of PILOT 7 Years		\$424,250		YES
1	Great Point Opportunity Fund B QOZB, LLC	Aug-20	\$15,984,800	85% threshold \$13,587,080	0	85% -New 10 Jobs	12	PILOT Sales Tax Mortgage	Yes	Period of PILOT 7 Years		\$1,172,625		YES
1	Related Affordable/Elmwood Square Apartments	Sep-20	\$15,826,891	85% threshold \$13,452,857	4	no new jobs	0	Mortgage Sales Tax	Yes	2 Years after Project Completion		\$392,500		YES
1	Fisher Price	Oct-20	\$4,925,058	85% threshold \$4,186,299	274	85% -New 4 Jobs	5	Sales Tax	Yes	2 Years after Project Completion	Amendatory	\$341,277		Yes
1	Tight Holdings, LLC/Mean Guppy	Nov-20	\$2,215,000	85% threshold \$1,882,750	34	no new jobs	0	PILOT Sales Tax	Yes	Period of PILOT 7 Years		\$171,000	Adaptive Reuse	Yes
1	Tonawanda Pirson/Gear Motions	Nov-20	\$4,299,040	85% threshold \$3,654,184	35	85% -New 2 Jobs	2	PILOT Sales Tax Mortgage	Yes	Period of PILOT 10 Years		\$1,099,366		Yes
1	Life Technologies/Thermo Fisher	Dec-20	\$90,000,000	85% threshold \$76,500,000	818	85% -New 51 Jobs	60	PILOT Sales Tax	Yes	Period of PILOT 10 Years		\$2,413,500		Yes
Count						Factors						Incentive Amount		
			Project Amount	Investment	Jobs Retained	Job Creation	Jobs Created							

Adaptive Reuse 2020 Sub Total	3		\$49,403,442		43		40					\$1,555,661		
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2020 Total	13		\$286,299,780		1805		315					\$10,679,765		
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**72 East Niagara Street, LLC
\$2,836,736
INDUCEMENT RESOLUTION**

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 531110
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$146,000 in real property tax savings
EMPLOYMENT
<ul style="list-style-type: none"> • Retained Jobs - 17 • Projected New Jobs - 3 • Annual payroll: \$880,000 • Estimated salary of jobs to be retained: \$40,000 • Estimated salary of jobs to be created: \$40,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 12/30/2020 - Public hearing held. • No SEQRA review required • 01/27/2021 Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 72 East Niagara Street, LLC
 Project Address: 72 East Niagara Street
 Tonawanda, New York 14150
 (City of Tonawanda School District)

Agency Request

A real property tax and mortgage tax exemption in connection with the adaptive reuse of a former school building

Acquisition	\$ 375,000
Renovation	\$2,093,113
Soft Costs	\$ 368,623
 Total Project Cost	 \$2,836,736
 85%	 \$2,411,225

Company Description

The applicant – 72 East Niagara Street, LLC was formed by Dave Pawlik, Russell Kyte and Adam DeMiglio to undertake the project. Mr. Pawlik and Mr. Kyte are also the owners of Creative Structure Services, Inc. which is the general contractor for the project. CSS is a full service general contractor, developer and property manager. The company has a history of contributing to the renovation and adaptive reuse of older, vacant structures. In the past they have redeveloped buildings located at 700 Parkside, 786 Kenmore and 1659 Amherst into facilities that contain both residential and commercial spaces.

Project Description

The project entails the adaptive re-use of a former church and school building in the City of Tonawanda. Once construction is complete, the complex will house 14- 1 and 2 bedroom apartments along with 4,000 sq. ft. of commercial space. The apartments will all be available to residents at or below 80% of the average median income (AMI).

In its efforts to assist with adaptive reuse projects which is key to revitalizing and stabilizing communities, the City of Tonawanda opted into the 485-a real estate exemption program. It was thought too that the school district would also opt in however to date that has not occurred which is the reason the developer is seeking a PILOT through the ECIDA.

AMD Environmental, owned by one of the principals of the LLC, provides environmental services including consulting, sampling and project monitoring will be a tenant in the East Niagara Street facility once the project is complete. They will be relocating from the City of Buffalo where they currently lease space. In accordance with our Inter-Municipal Move Policy, we have notified both Mayors of the company's intention.

Retail Determination

Project Use	Sq. Ft.	Cost	% of Project Costs
Residential	22,000	\$1,779,146	85%
Commercial	4,000	\$ 313,146	15%
Total	26,000	\$2,093,113	100%

Since the retail component of the project represents less than 33% of the project cost, no sign off by the County is required.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-year abatement period	Additional Local Revenue Over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$655,000	\$5,300	\$34,700	\$26,700
Combined Tax Rate: \$40				

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 = \$2,836,736 85% = \$2,411,225
Employment	Coincides with 7-year PILOT	Maintain 100% of retained jobs: Recapture Employment:
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	Recapture of Real Property Taxes

Recapture applies to:
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 17 and created 3 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

**ADAPTIVE REUSE REPORT AND EVALUATIVE CRITERIA
72 East Niagara Street, LLC**

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 172 which is not considered highly distressed per the State statute.
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	The main building was constructed in 1958 and is over 60 years old.
Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes elimination of slum and blight	This former school facility has been vacant for 10 years and in the past few years appx. 4,000 sq. ft. was used on a temporary basis by a small church group.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.	The facility is vacant with no income being generated.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth.
Environmental or Safety Issues.	The building is currently under renovation and will need asbestos and lead paint remediation. The heat had been turned off which caused significant damage to the roof.
LEED/Renewable resources	Not applicable.
Building or site has historic designation	Not applicable.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	The company's contractor utilization plan is as follows: MBE-22%, WBE-16% and SDVOB: 6%

Demonstrated support of local gov't.	Mayor Davis has supplied a letter of support for the project.
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project.	Funding has already been secured for this project.
Transit Oriented Development	The facility is on the 25B Delaware bus route.

January 27, 2021

Return on Investment – 72 East Niagara Street, LLC

Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

The National Development Council, which has experience financing projects in higher risk urban areas across the Northeast, uses 10% - 12% as a benchmark rate of return for urban high-risk projects.

Empire State Development financing officials when reviewing similar projects in the City of Buffalo have used 12% as an acceptable ROI for development projects.

Adaptive Reuse Projects

Many Adaptive Reuse Projects are hampered by upfront development costs that are not typical in new build green field development projects. These upfront costs can hinder the ability of the projects to attract financing and provide cash flow. The upfront costs associated with site contamination, asbestos removal, code compliance, structural deficiencies can make Adaptive Reuse projects difficult to undertake and attract private investment and financing, particularly in real estate markets where rental values are relatively low. Historically real estate projects in the region are difficult to undertake, local real estate developers have indicated that the typical ROI investors and developers seek to achieve in mixed use development projects are in the 10% - 12% range, although they can run higher for projects with significant risk.

Public Incentives Requested

- ECIDA Real Property Tax Abatement in an approximate value of \$146,000

ROI

72 East Niagara Street, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 2.4%

Stated ROI for the project without ECIDA assistance is 1.9%

72 E. Niagara Street, LLC
550 Seneca Street – Suite 100
Buffalo, New York 14204

November 23, 2020

John Cappellino
President & CEO
ECIDA
95 Perry Street- Suite 403
Buffalo, New York 14203

Re: 72 E. Niagara Street
City of Tonawanda, NY

Dear Mr. Cappellino:

Please allow this letter to serve as our official request for consideration of a PILOT through the ECIDA. Our proposed development is located at 72 East Niagara Street, City of Tonawanda NY.

This building formerly served as a school and has been vacant for over (10) years. For the past few years, approximately 4,000 sq. ft. was used temporarily by a small church group. Note: all of the former school's classrooms have not been renovated for well over 10 years.

Through 72 E. Niagara Street, LLC, I serve as the Managing Partner and we have secured our financing through a relatively new program sponsored by the NYS Department of Housing & Community Renewal "HCR" known as the *Small Building Participation Loan Program* and is administered on behalf of HCR, through the Community Preservation Corporation "CPC". Based upon the guidelines of the program, I have agreed to rent the residential units at an affordable 80% AMI or below for (30) years. The 25,000 +/- sq. ft. building will include an office tenant for 5,000 sq. ft. and (14) residential apartments.

I have worked very closely with Mayor Rick Davis, Administrative Assistant to the Mayor- Chuck Gilbert, the entire City of Tonawanda Common Council and the surrounding neighbors for the proposed development. All are in full support and looking forward to a positive transformation of this vacant structure.

The total development cost is \$2,900,000 (including a purchase price of \$375,000 and hard construction cost of \$2,093,113). To date, we have contracted with the following:

- Demolition/abatement: Empire Building Diagnostics
- Electrical: Deltex Electric
- Plumbing: PCS Plumbing
- HVAC: Allied Mechanical
- Cabinets: GHI
- Painting: Dodge Painting

In the spirit of seeing this development move forward, Mayor Davis' Administration and the Elected Officials adopted a 485a. This incentive was critical, knowing the City of Tonawanda tax burden would not allow for such a project to be feasible without a tax incentive.

We were all led to believe that the proposed 485a would be a standard typical 485a. Recently we were informed that the School Board has decided to NOT participate with the 485a. This was a shock and caused a major setback for the development. Based upon my discussions with the Mayor, Council President and the City Assessors; it was agreed that I should contact the ECIDA for consideration of a PILOT.

Note: due in part to our assumption of a successful 485a and knowing the building has severe environmental issues with asbestos, roof leaks and overall disrepair; we needed to stabilize the building with proper asbestos remediation. To date, approximately 25% of the building was remediated. Ongoing construction presently consist of rough MEP's, framing and demolition.

I am offering that through the IDA PILOT, that I will forego any sales tax abatement for this project.

In closing, our development is removing slum and blight that is an eyesore to the community and surrounding neighborhood. We will remove all hazardous material at this site and once completed, we will be contributing a viable building back to the community.

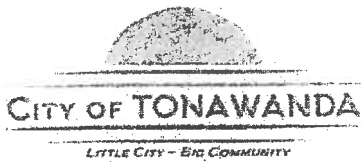
I may be reached at (716) 785-9235 or via email davidp@cssconstruction.biz

Sincerely,



David E. Pawlik
Managing Partner

Cc: Mayor Rick Davis
City of Tonawanda



CITY OF TONAWANDA, NEW YORK

OFFICE OF THE MAYOR

200 Niagara Street Tonawanda, New York 14150 – 1099
Phone: (716) 695 – 8645 Fax: (716) 695 – 8314
E-mail: mayor@tonawandacity.com

RICK DAVIS
Mayor

CHUCK GILBERT
Administrative Assistant
CAITLIN RECH
Executive Secretary

November 18, 2020

John Cappellino
President & CEO
ECIDA
95 Perry Street – Suite 403
Buffalo, NY 14203

Re: 72 E. Niagara Street
City of Tonawanda, NY

Dear Mr. Cappellino:

On behalf of the City of Tonawanda I would like to extend my full support of Mr. Pawlik's re-development efforts of the former school located at 72 E. Niagara Street. It is my understanding that the project will create (14) apartments and (one) office space. This building has been grossly underutilized and an eyesore for years; however, once completed, it will be a viable property in the City of Tonawanda.

In our efforts to assist with the success of the project, the City of Tonawanda established a 485a. We have recently been made aware that unfortunately, the School Board has opted out of participating with this incentive. This is a major setback and is unfortunate since all along it was our intention to have a standard 485a.

At this time, I would encourage the ECIDA Board to consider favoring a PILOT for the resurgence of the 72 E. Niagara building.

Sincerely,

Mayor Rick Davis

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-72 East Niagara Street, LLC

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
\$2,093,113	\$655,000	\$5.33	\$18.55	\$16.31

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$354	\$1,234	\$1,085	\$2,673	\$26,726	\$24,054
2	10%	\$354	\$1,234	\$1,085	\$2,673	\$26,726	\$24,054
3	20%	\$709	\$2,467	\$2,169	\$5,345	\$26,726	\$21,381
4	20%	\$709	\$2,467	\$2,169	\$5,345	\$26,726	\$21,381
5	30%	\$1,063	\$3,701	\$3,254	\$8,018	\$26,726	\$18,708
6	30%	\$1,063	\$3,701	\$3,254	\$8,018	\$26,726	\$18,708
7	30%	\$1,063	\$3,701	\$3,254	\$8,018	\$26,726	\$18,708
TOTAL		\$5,317	\$18,504	\$16,269	\$40,090	\$187,084	\$146,995

***** 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.)
\$2,836,736	\$146,995	\$0	\$0	\$700,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 29.9 %

Cost-Benefit Analysis for 72 East Niagara Street, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
72 East Niagara Street,
LLC

TOTAL INVESTED
\$2.8 Million

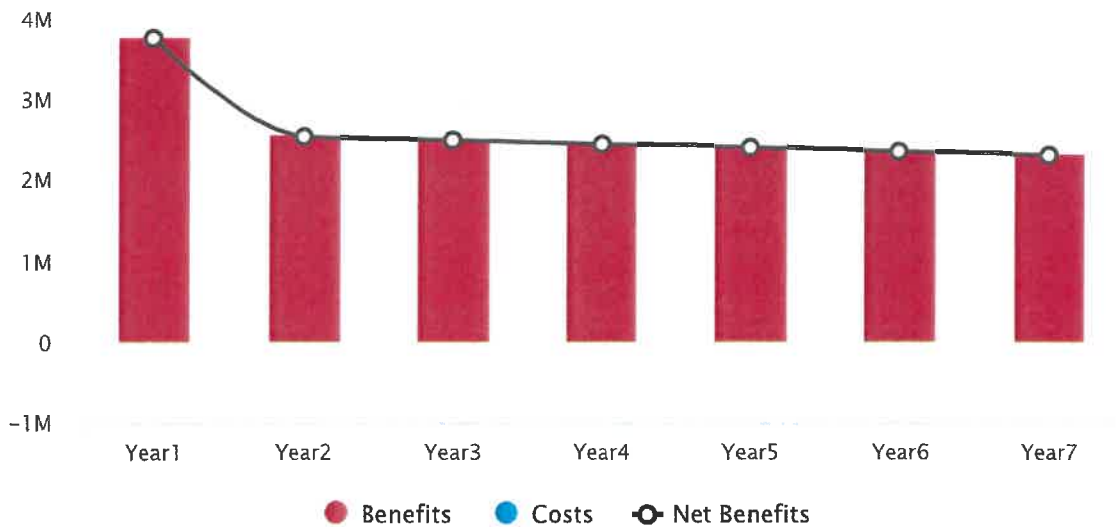
LOCATION
72 East Niagara St,
Tonawanda, NY 14150

TIMELINE
7 Years

F1 FIGURE 1

Discounted* Net Benefits for 72 East Niagara Street, LLC by Year

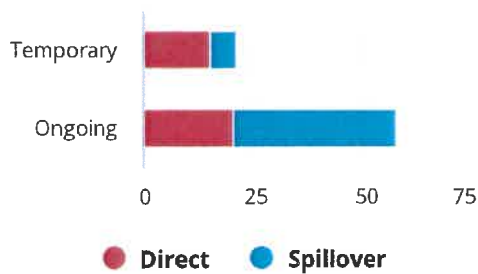
Total Net Benefits: \$18,343,000



Discounted at 2%

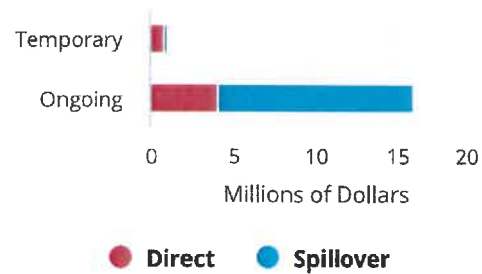
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

72 East Niagara Street, LLC proposes to invest \$2.8 million at 72 East Niagara St, Tonawanda, NY 14150 over 7 years.

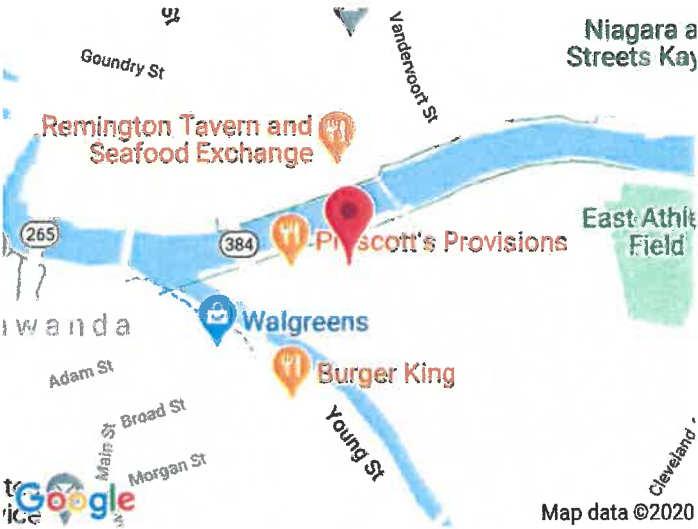
T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$2,093,000
OTHER SPENDING	
Acquisition	\$375,000
Soft Costs	\$369,000
Total Investments	\$2,837,000
Discounted Total (2%)	\$2,837,000

F4 FIGURE 4

Location of Investment



May not sum to total due to rounding.

Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 7 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 72 East Niagara Street, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$146,000	\$139,000
Total Costs	\$146,000	\$139,000

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	\$5,298,000	\$13,170,000	\$18,468,000
To Private Individuals	\$5,174,000	\$12,959,000	\$18,132,000
Temporary Payroll	\$804,000	\$279,000	\$1,084,000
Ongoing Payroll	\$4,369,000	\$12,679,000	\$17,049,000
To the Public	\$124,000	\$211,000	\$336,000
Property Tax Revenue	\$40,000	N/A	\$40,000
Temporary Sales Tax Revenue	\$13,000	\$5,000	\$18,000
Ongoing Sales Tax Revenue	\$71,000	\$207,000	\$278,000
STATE BENEFITS	\$279,000	\$777,000	\$1,057,000
To the Public	\$279,000	\$777,000	\$1,057,000
Temporary Income Tax Revenue	\$39,000	\$14,000	\$53,000
Ongoing Income Tax Revenue	\$167,000	\$581,000	\$748,000
Temporary Sales Tax Revenue	\$11,000	\$4,000	\$15,000
Ongoing Sales Tax Revenue	\$62,000	\$179,000	\$241,000
Total Benefits to State & Region	\$5,577,000	\$13,947,000	\$19,525,000
Discounted Total Benefits (2%)	\$5,311,000	\$13,170,000	\$18,482,000

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	\$17,481,000	\$139,000	126:1
State	\$1,000,000	\$0	N/A
Grand Total	\$18,482,000	\$139,000	133:1

May not sum to total due to rounding.

* Discounted at 2%

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

VIRTUAL PUBLIC HEARING SCRIPT

**72 E. Niagara Street, LLC and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on December 30, 2020 at 11:30 a.m.
via Virtual Conference Software

ATTENDANCE:

David Pawlik – CCS Construction
Karen Fiala – ECIDA
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 11:30 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 72 E. Niagara Street, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, December 18, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) 1.03+/- acre parcel of land located at 72 East Niagara Street, City of Tonawanda, Erie County New York (the "Land") together with an existing 26,000+/- SF of a former vacant school building (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements thereon to consist of 26,000+/- SF of 14 affordable residential units: Nine (9) one-bedroom and Five (5) two-bedroom apartments to be rented below 80% of the average median income ("AMI") and will include approximately 4,000 sq. ft. of commercial space (the "Improvements"); and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the

“Equipment”), and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”), all to be used by the Company. The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

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

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

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on January 26, 2021. There are no limitations on written statements or comments.

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

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

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

David Pawlik – This proposed development of this dilapidated and distressed building at the time of our purchase allowed us to create the 14 affordable housing units and 4,000 sq. ft. of office space. Our company has extreme experience in dealing with former school and church renovations to do exactly what we are attempting on doing at 72 East Niagara. We are looking at moving this project forward and having it complete in the spring of 2021.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 11:34 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on December 30, 2020 at 11:30 a.m.
via Virtual Conference Software

**72 E. Niagara Street, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 72 East Niagara Street, City of Tonawanda, New York 14150

Name	Company and/or Address	X box to speak/ comment
David Pawlik	CCS Construction 500 Seneca Street Buffalo, New York 14204	X
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	



east niagara

[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	72 E. Niagara
Project Summary	renovation of a former vacant school into 14 affordable residential units- to be rented at 80% AMI along with (one) office space
Applicant Name	72 E. Niagara Street, LLC
Applicant Address	550 Seneca Street Suite 100
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14204
Phone	(716) 785-9235
Fax	(716) 882-1227
E-mail	davidp@cssconstruction.biz
Website	www.cssconstruction.biz
NAICS Code	532412

Business Organization

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

Individual Completing Application

Name	David Pawlik
Title	Managing Partner
Address	550 Seneca Street
Address 2	Suite 100
City	Buffalo
State	New York
Zip	14204
Phone	(716) 882-1226

Fax (716) 882-1227

E-Mail davidp@cssconstruction.biz

Company Contact (if different from individual completing application)

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney Brian Attea

Firm Name Attea & Attea

Address 11 W. Main Street

Address 2

City Hamburg

State New York

Zip 14075

Phone (716) 649-4623

Fax (716) 649-2951

E-Mail battea@attealaw.com

Benefits Requested (select all that apply).

Exemption from Sales Tax No

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.

Creative Structure Services Inc. (CSS) is the principal company for 72 East Niagara Street, LLC. the ownership group for the LLC is comprised of David Pawlik 33.33%, Russell D. Kyte 33.33% and Anthony DeMigilo 33.33% CSS was founded in 2008 and is a full service general contractor, developer and property manager with over \$100 million of experience. CSS has significant past experience of both renovation and new construction of residential and commercial projects. It is these past successful projects that will allow 72 East Niagara to be a significant contribution to the city of Tonawanda. In addition, CSS has successfully completed the following similar types of developments located at 700 Parkside Ave (former church and school) transformed into 12 apartments and 5,000 square feet of office space; 786 Kenmore Ave (former church and school) which created 13 residential units and one commercial space; and 1659 Amherst Street (former church/library) which was developed into 5 apartments and one office space.

Estimated % of sales within Erie County	60 %
Estimated % of sales outside Erie County but within New York State	40 %
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?

80

Describe vendors within Erie County for major purchases

Allied Mechanical Deltex Electric B&L Wholesale J&R Specialties Burke Homes 84 Lumber PSI Plumbing BGI

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

72 E. Niagara Street

Town/City/Village of Project Site

City of Tonawanda, New York 15150

School District of Project Site

Tonawanda School District

Current Address (if different)

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

SBL Number(s) for proposed Project

39.38-211.1

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

\$-0-

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

Land

\$ 35,000.00

Building(s)

\$ 350,000.00

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

No

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

The former school has been vacant for several years and when our partnership decided to purchase the building there 2nd floor that had significant roof damage and water and "bird" were found both in the second and a portion of the first floor. There was asbestos on the floor and portions of the ceiling. When we purchased the building it was apparent that for years the building was left vacant with debris inside the building. The structure is approximately 26,000 sq. ft.

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 renovation will include the construction of 14 affordable residential units - 9 one-bedroom and 5 two-bedroom all to be rented out at or below 80% of the average median income ("AMI"). The entire facility is 26,000 sq. ft. and will include approximately 4,000 sq. ft. of commercial space. The commercial space will be leased by AMD Environmental which is owned by one of the members of the LLC. They will be relocating out of 3,000 sq. ft. of leased space in the City of Buffalo. The existing building has been vacant for years and left abandoned with significant roof damage that had water entering the building. We have strong support for the project as evidenced by the support letter provided by Mayor Rick Davis.

Municipality or Municipalities of current operations

City of Tonawanda, NY

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

Yes

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

No

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

Yes

(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:

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)

In its efforts to assist with adaptive reuse projects which is key to revitalizing and stabilizing communities, the City of Tonawanda opted into the 485-a real estate exemption program. It was thought too that the school district would also opt in but to date that has not occurred. ECIDA incentives are critical since the tax burden in the City of Tonawanda would not allow for such a project to be feasible without them.

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?

Without the assistance of the ECIDA - PILOT request will provide extreme hardship to the applicant and the overall development project.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

yes the NFTA bus route 25 B Delaware

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

Yes

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

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

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

Yes

Describe the present zoning/land use

Property is Zoned C-2 (Central Retail District).

Describe required zoning/land use, if different

current zoning is applicable for the renovation into office & residential apartments

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?

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 Yes Services Yes

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
- Yes Mixed Use
- No Multi-Tenant
- No Retail
- No Senior Housing
- No 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	square feet	\$	0	0%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	4,000 square feet	\$	313,966	15%
Specify Other	22,000 square feet	\$	1,779,146	85%

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

8/1/2020

End date : Estimated completion date of project

5/15/2021

Project occupancy : estimated starting date of occupancy

6/15/2021

Project Information

Estimated costs in connection with Project

Land and/or Building Acquisition

\$ 375,000 26,000 square feet 1 acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 0 square feet

Reconstruction/Renovation

\$ 2,093,113 22,000 square feet

Manufacturing Equipment

\$ 0

Infrastructure Work

\$ 0

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

\$ 0

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

\$ 180,828

Other Cost

\$ 187,795

Explain Other Costs

Total Cost 2,836,736

Construction Cost Breakdown:

Total Cost of Construction	\$ 0 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 1,000,000.00
% sourced in Erie County	60%

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	\$ 0
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 0

** 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: \$500,000

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 608,757
Bank Financing:	\$ 2,375,000
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:	\$2,983,757
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).	0
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

Applicant has attached the approved HCR M/WBE Utilization Plan that indicates our proposed M/WBE subcontractors & vendors for the project

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

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

Full time	17	17	3	0
Part time	0	0	0	0
Total	17	17	3	

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	4	\$ 50,000	\$ 10,000	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	16	\$ 40,000	\$ 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

880,000

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

40,000

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

0

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

40,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	40,000	To (Full Time)	40,000
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

72 E. Niagara Street, City of Tonawanda, NY

Name and Address of Owner of Premises

72 E. Niagara Street, LLC David Pawlik- Managing Partner 550 Seneca Street- Suite 100 Buffalo, NY 14204

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

The subject property is located on the Tonawanda East Topographic Map which is located in a urban area along East Niagara Street between East and Long Avenues with an elevation of approximately 570' above sea level. located near the Niagara Canal.

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

the main building was erected in 1958 which is a masonry /brick structure built as a school. the renovation will consist of creating (one) office and (14) affordable residential buildings.

Describe all known former uses of the Premises

School

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?

No

If yes, attach a copy of each permit.

Storage Tanks

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

N/A

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

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

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

There will be (one) 4,000 sq. ft. commercial office tenant and (14) affordable residential units

Have any tenant leases been entered into for this project?

Yes

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

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
-------------	------------------------------------	---	--

*fill out table for each tenant and known future tenants

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

AMD Environmental

Property Address:

712 Main Street- Suite L1

City/Town/Village

Buffalo

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

4,000

What percentage of the building does this represent?

15

Are terms of lease:

NET

If GROSS lease, please explain how Agency benefits are passed to the tenant

Estimated date of occupancy

3/15/2021

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

AMD Environmental

Local Contact Person:

Anthony DeMiglio

Title:

President

Current Address:

712 Main Street- Suite L1

Phone:

(716) 201-2772

Fax:

E-Mail:

anthony@amdenv.com

Website:

Company President/General Manager:

Anthony DeMiglio

Number of employees moving to new project location:

Full-Time:

17

Part-Time:

0

Total:

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

NAICS Code 5416- AMD Environmental is a full service environmental company that services both residential and commercial clients in WNY.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

company started approx 25 years ago with only one owner Anthony DeMigilio

Please list the square footage which the proposed tenant will lease at the Project location

4,000

Please list the square footage which the proposed tenant leases at its present location(s)

3,000

Describe the economic reason for either the increase or decrease in leased space.

currently the tenant is in 3,000 sq. ft. the new space will be 4,000 sq. ft. with expansion to 5,500 sq. ft.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

If owned, what will happen to the existing facility once vacated?

No the tenant is currently a tenant '

If leased, when does lease expire?

12/1/2020

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

No

If yes, please provide details as to location, and amount of leased space, how long leased?

N/A

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?

Yes

What is the age of the structure (in years)? 70

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)

Yes

If vacant, number of years vacant.

3

If underutilized, number of years underutilized.

5

Describe the use of the building during the time it has been underutilized:

THE VACANT STRUCTURE HAD ASBESTOS AND LEAD IN THE BUILDING. THE HEAT WAS TURNED OFF AND THERE WAS SIGNIFICANT ROOF DAMAGE.

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)

No

If yes, please provide dollar amount of income being generated, if any

If apartments are planned in the facility, please indicate the following:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	9	630 - 840	\$895 - \$1,000
2 Bedroom	5	1,020 - 1,040	\$1,095 - \$1,200
3 Bedroom	-	-	\$ - \$
Other	-	-	\$ - \$

Does the site have historical significance?

No

If yes, please indicate historical designation

Are you applying for either State/Federal Historical Tax Credit Programs?

No

If yes, provide estimated value of tax credits

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Since this development is primarily an affordable residential housing project creating (14) units at 80% of the AMI along with (one) commercial office tenant. The City of Tonawanda property tax structure does not allow for the project to be feasible. Without the ECIDA PILOT the project would not be doabale nor affordable,

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with

documentation of this support in the form of signed letters from these entities

Included within our ECIDA submission is a support letter from the Mayor of the City of Tonawanda

Indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, structure presents significant costs associated with building code compliance

since the building has been vacant for the several years the building has significant water damage due to the roof damage and asbestos and lead bring a former school.

Indicate census tract of project location

172

Indicate how project will eliminate slum and blight

the derlict building being left vacant with the heat turned off and rood damaged. Once renovated will properly remove any blight that has occured to the building and surrounding neighborhood.

If project will be constructed to LEED standards indicate renewable resources utilized

N/A

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

712 Main Street- Suite L1

City/Town

Buffalo

State

New York

Zip Code

14202

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?

Yes

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:

the tenant is currently in office space and not a plant or facility. a decision of the tenant was to be be involved in owning the building in which they were to relocate into, at 72 E. Niagara the tenant will be 33.33% owner of the LLC. Also, they are in 3,000 sq. ft. and they required future growth. The new space will allow them to expand into 5, 550 sq. ft.. A major factor was in their current space within the City of Buffalo the tenant was paying \$500 a month for parking that since has increased to \$1,600 a month. Making their current office space to be excessive to pay for parking and rent.

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

Within New York State

Yes

Within Erie County

Yes

If Yes to either question, please, explain

A major factor was in their current space within the City of Buffalo the tenant was paying \$500 a month for parking that since has increased to \$1,600 a month. Making their current office space to be excessive to pay for parking and rent. no room to expand their current operation.

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

Yes

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.)

A major factor was in their current space within the City of Buffalo the tenant was paying \$500 a month for parking that since has increased to \$1,600 a month. Making their current office space to be excessive to pay for parking and rent. no room to expand their current operation. The lack to expand and increasing parking expenses were major factors to relocate.

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.)

The commercial tenants is in 3,000 sq. ft. and has immediate needs to move to 4,000 sq. ft. but with room to expand to 5,500 sq. ft. this will allow for future employment expansion. New location has ample off street parking and close proximity to highways and expressway.

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?

Yes

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

workforce, employees housing and access to roadways for travel to their clients.

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

The tenant was informed that their current Land Lord that renting their space would not be an issue.

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.

12 Agassiz & 1275 Delaware

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

Calspan Corporation
\$13,500,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 541715

COMPANY INCENTIVES

- Approximately \$437,500 in sales tax savings
- Approximately \$64,000 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$97,500

EMPLOYMENT

- Retained Jobs = FT =143
PT =3
- Projected New Jobs = 20
- Annual payroll: \$10,725,933
- Estimated salary of jobs to be created: \$70,000
- Estimated salary of jobs to be retained: \$74,000

PROJECT HISTORY

- 12/30/2020 - Public hearing held.
- No SEQRA review required
- 01/27/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

- 2011 - \$2,000,000 Tax Incentive Project Approved.
- 2013 - \$10,000,000 Tax Incentive Project Approved.
- 2016 - \$7,070,000 Tax Incentive Project Approved.

Project Title: Calspan Corporation
 Project Address: 40 Sonwil Drive
 Cheektowaga, New York 14225
 (Lancaster Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the acquisition and renovation of a 65,000 sq. ft. facility

Acquisition	\$3,250,000
Renovation	\$2,000,000
Infrastructure	\$ 1,000,000
Manufacturing Equipment	\$ 4,000,000
Non-Manufacturing Equipment	\$ 3,000,000
Soft Costs	\$ 250,000
Total Project Cost	\$13,500,000

85% \$11,475,000

Company Description

Calspan is the innovative leader in simulation, testing, training, and technology services which improves safety for the aerospace and transportation communities. Beginning with initial investigations into occupant behavior which gave rise to the crash test dummy to the pioneering work in safety restraints which led to the seatbelt, Calspan has constructed significant transportation safety advances throughout its more than sixty-year history. Calspan provides testing and engineering services to major domestic and international companies that are looking to improve their products. They estimate 70% of sales are to companies located outside New York State and 25% in international sales.

Project Description

With the emergence of new autonomous vehicle technologies and the electrification of vehicles, safety testing is essential. The project consists of the acquisition of a 65,000 sq. ft. existing facility which will house two highly precise and powerful test stands.

These test stands will be utilized to evaluate automotive restraints, seating and interior equipment according to domestic and international safety standards. The Calspan-offered testing services will support the needs of the U.S. Department of Transportation, all global automakers and their suppliers. The customer base include such names as the National Transportation Safety Board, as well as major car manufacturers.

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 PILOT Period	New Yearly Taxes Upon Expiration of Abatement Period
\$68,000	\$250,000	\$3,000	\$14,000	\$8,100
Combined Tax Rate: \$32.51				

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 = \$13,500,000 85% = \$11,475,000
Employment	Coincides with 10-year PILOT	Maintain base = 144 FTE Create 85% of Projected Projected = 20 85% = 17 Recapture Employment = 161
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 Mortgage recording tax, state and local sales taxes and real property tax

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 144 FTE and created 20 FTE 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
CALSPAN CORPORATION - 2021

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$70,000 Company estimated average salary of jobs to be created: \$74,000
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside Erie County and within NYS: 4% Outside NYS: 70% Outside U.S.: 25%
In Region Purchases (% of overall purchases)	Approximately 30% of annual supplies and vendor services are within Erie County
Research & Development Activities	100% of the company's activities involve R&D
Investment in Energy Efficiency	The renovated facility and the equipment in it will provide energy efficiency in every possible instance from lighting, HVAC, and construction materials. Items include LED lighting, energy efficient HVAC, roofing systems with better R value.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The land is vacant and zoned for commercial use
LEED/Renewable Resources	NA
Retention/Flight Risk	Vehicle manufacturers and their suppliers have expressed a strong desire for Calspan to relocate testing operations to be closer in proximity to their research and development or production facilities in California, Michigan, North Carolina and Alabama.
MBE/WBE Utilization	Calspan's success is directly tied to the quality of vendors and subcontractors with whom they work. The company continues to search and build upon its network of quality subcontractors/vendors and part of that strategy is to encourage participation of small businesses, disadvantaged, women owned and minority owned companies for all of its projects. Calspan has a track record of engaging M/WBE contractors on past projects such as the new crash test facility where all M/WBE participation requirements related to an Empire State Economic Development Fund capital grant were satisfied. We will strive to engage M/WBE contractors again for this project.
Workforce Access – Proximity to Public Transportation	Facility is on bus route 24

January 27, 2021

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet- Calspan Sled Facility – 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
\$3,000,000	\$250,000	\$5.80	\$9.60	\$17.11

*Apply equalization rate to value

PILOT Year	% Payment PILOT	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$145	\$240	\$428	\$813	\$8,128	\$7,315
2	10%	\$145	\$240	\$428	\$813	\$8,128	\$7,315
3	10%	\$145	\$240	\$428	\$813	\$8,128	\$7,315
4	20%	\$290	\$480	\$856	\$1,626	\$8,128	\$6,502
5	20%	\$290	\$480	\$856	\$1,626	\$8,128	\$6,502
6	20%	\$290	\$480	\$856	\$1,626	\$8,128	\$6,502
7	30%	\$435	\$720	\$1,283	\$2,438	\$8,128	\$5,689
8	30%	\$435	\$720	\$1,283	\$2,438	\$8,128	\$5,689
9	30%	\$435	\$720	\$1,283	\$2,438	\$8,128	\$5,689
10	30%	\$435	\$720	\$1,283	\$2,438	\$8,128	\$5,689
TOTAL		\$3,045	\$5,040	\$8,983	\$17,068	\$81,275	\$64,207

***** 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.)
\$13,500,000	\$64,000	\$437,500	\$97,500	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 4.4%

Cost-Benefit Analysis for Calspan Corporation

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Calspan Corporation

TOTAL INVESTED
\$13.5 Million

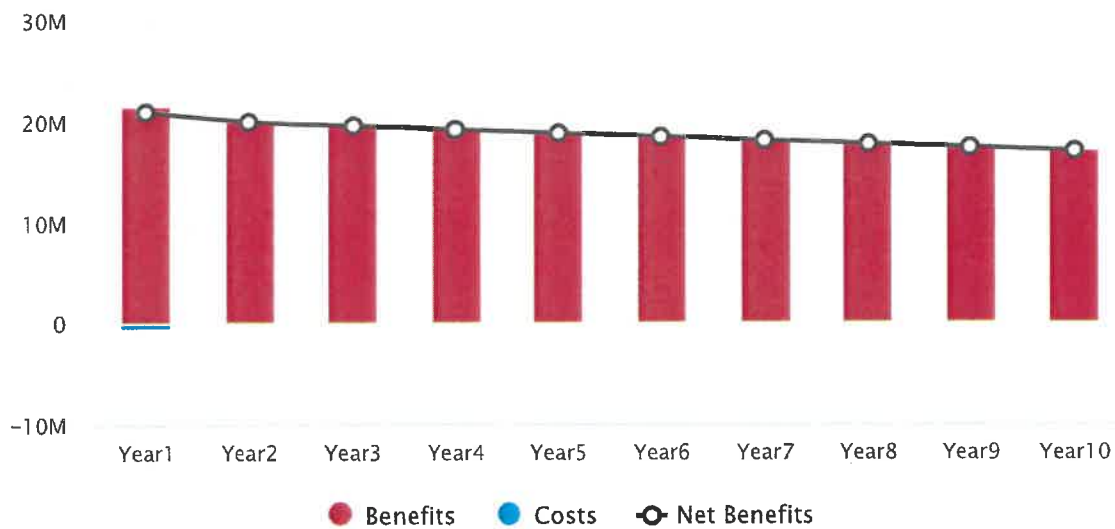
LOCATION
40 Sonwil Drive,
Cheektowaga, NY
14225

TIMELINE
10 Years

F1 FIGURE 1

Discounted* Net Benefits for Calspan Corporation by Year

Total Net Benefits: \$186,988,000



Discounted at 2%

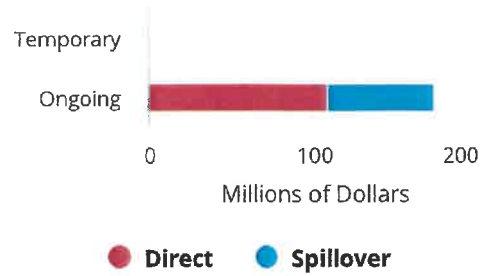
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Calspan Corporation proposes to invest \$13.5 million at 40 Sonwil Drive, Cheektowaga, NY 14225 over 10 years.

TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$2,000,000
OTHER SPENDING	
Acquisition	\$3,250,000
Infrastructure	\$1,000,000
Manufacturing Equipment	\$4,000,000
Non-Manufacturing Equipment	\$3,000,000
Soft Costs	\$250,000
Total Investments	\$13,500,000
Discounted Total (2%)	\$13,500,000

May not sum to total due to rounding.

FIGURE 4

Location of Investment



Cost-Benefit Analysis

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

TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for Calspan Corporation.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$45,000	\$42,000
Sales Tax Exemption	\$436,000	\$436,000
Mortgage Recording Tax Exemption	\$98,000	\$98,000
Total Costs	\$579,000	\$576,000

May not sum to total due to rounding.

* Discounted at 2%

78 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	\$120,799,000	\$72,150,000	\$192,948,000
To Private Individuals	\$118,849,000	\$70,992,000	\$189,841,000
Temporary Payroll	\$769,000	\$267,000	\$1,035,000
Ongoing Payroll	\$118,080,000	\$70,725,000	\$188,805,000
To the Public	\$1,950,000	\$1,158,000	\$3,107,000
Property Tax Revenue	\$12,000	N/A	\$12,000
Temporary Sales Tax Revenue	\$13,000	\$4,000	\$17,000
Ongoing Sales Tax Revenue	\$1,925,000	\$1,153,000	\$3,078,000
STATE BENEFITS	\$7,707,000	\$3,955,000	\$11,662,000
To the Public	\$7,707,000	\$3,955,000	\$11,662,000
Temporary Income Tax Revenue	\$38,000	\$13,000	\$51,000
Ongoing Income Tax Revenue	\$5,992,000	\$2,940,000	\$8,932,000
Temporary Sales Tax Revenue	\$11,000	\$4,000	\$15,000
Ongoing Sales Tax Revenue	\$1,667,000	\$998,000	\$2,665,000
Total Benefits to State & Region	\$128,505,000	\$76,105,000	\$204,611,000
Discounted Total Benefits (2%)	\$117,810,000	\$69,753,000	\$187,564,000

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	\$176,873,000	\$341,000	519:1
State	\$10,691,000	\$235,000	46:1
Grand Total	\$187,564,000	\$576,000	326:1

May not sum to total due to rounding.

* Discounted at 2%

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

VIRTUAL PUBLIC HEARING SCRIPT

**Calspan Corporation, Genesee Holdings III, LLC,
4455 Genesee Street, LLC, Calspan Development and
Construction, LLC and/or Individual(s) or
Affiliate(s), Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on December 30, 2020 at 10:00 a.m.
via Virtual Conference Software

ATTENDANCE:

Peter Sauer – Calspan Corporation
Gregory Campbell – Calspan Corporation
Peter Bordonaro – Calspan Corporation
Steve Federico – Calspan Corporation
Karen Fiala - ECIDA
Carrie Hocieniec - ECIDA
Brian Krygier - ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:03 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Calspan Corporation, Genesee Holdings III, LLC, 4455 Genesee Street, LLC, Calspan Development and Construction, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, December 18, 2020.

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 at located at 40 Sonwil Drive, Town of Cheektowaga, Erie County, New York (the "Land") and any existing

improvements located thereon (the "Existing Improvements"), together with the approximately 65,000 +/- square foot building thereon (the "Existing Improvements"), (ii) the renovation of the Existing Improvements to be used by the Company for a sled testing laboratory which would house two highly precise and powerful vehicle test stands (the "Improvements"); and (iii) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the "Equipment" and, together with the Land, the Existing Improvements, and the Improvements, the "Facility"), all to be used by the Company. The Facility will be initially operated and/or managed by the Company.

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

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

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

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on January 26, 2021. There are no limitations on written statements or comments.

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

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

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

Peter Sauer - The acquisition and renovation of the building at 40 Sonwil Drive will enable Calspan to expand our testing capability and meet our customers' needs well into the future. The modern facility and equipment will ensure that Calspan's customers choose Calspan over other testing labs for years to come. We are grateful for the enabling support of the Erie County Industrial Development Agency and for the support of the public on this exciting project that will bring cutting-edge technology, new investment and construction, and new and permanent good-paying jobs to Western New York

6. ADJOURNMENT:

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

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on December 30, 2020 at 10:00 a.m.
via Virtual Conference Software

**Calspan Corporation, Genesee Holdings III, LLC, 4455 Genesee Street, LLC, Calspan
Development and Construction, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 40 Sonwil Drive, Cheektowaga, New York 14225

Name	Company and/or Address	X box to speak/ comment
Peter Sauer	Calspan Corporation 4455 Genesee Street Cheektowaga, New York 14225	X
Gregory Campbell	Calspan Corporation 4455 Genesee Street Cheektowaga, New York 14225	
Peter Bordonaro	Calspan Corporation 4455 Genesee Street Cheektowaga, New York 14225	
Steve Federico	Calspan Corporation 4455 Genesee Street Cheektowaga, New York 14225	
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	



Calspan Sled Facility application

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name	Calspan Sled Facility
Applicant Name	Calspan Corporation, Genesee Holdings III, LLC, 4455 Genesee Street, LLC, Calspan Development and Construction, LLC
Applicant Address	4455 Genesee Street
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14225
Phone	7166314179
Fax	7166314180
E-mail	peter.bordonaro@calspan.com
Website	www.calspan.com
Federal ID#	20-1840542 (Calspan Corporation); TBD (Genesee Holdings III, LLC); 20-1840612 (4455 Genesee Street, LLC), 37-1881859 (Calspan Development and Construction, LLC)
NAICS Code	541715
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	Genesee Holdings III, LLC
Federal ID#	TBD
State and Year of Incorporation/Organization	New York, 2020
List of stockholders, members, or partners of Real Estate Holding Company	Louis Knotts (50%), John Yurtchuk (50%)

Individual Completing Application

Name	Peter Bordonaro
Title	Corporate Counsel
Address	4455 Genesee Street
Address 2	
City	Buffalo

12/18/2020

The Erie County Industrial Development Agency (ECIDA)

State	New York
Zip	14225
Phone	7166314179
Fax	7166314180
E-Mail	peter.bordonaro@calspan.com

Company Contact (if different from individual completing application)

Name Peter Sauer
Title President
Address 4455 Genesee Street
Address 2
City Buffalo
State New York
Zip 14225
Phone 7166316850
Fax 7166316852
E-Mail peter.sauer@calspan.com

Company Counsel

Name of Attorney Peter Bordonaro
Firm Name In-House Counsel
Address 4455 Genesee Street
Address 2
City Buffalo
State New York
Zip 14225
Phone 7166314179
Fax 7166314180
E-Mail peter.bordonaro@calspan.com

Identify the assistance being requested of the Agency

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

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

Business Organization

Type of Business Corporation
Type of Ownership
Year Established 2005
State of Organization New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Louis Knotts (50%), John Yurtchuk (50%)

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

From the initial investigations into occupant behavior which gave rise to the crash test dummy to the pioneering work in safety restraints which led to the seatbelt, Calspan has contributed significant transportation safety advances throughout its more than 70-year history. Calspan's businesses and capabilities are sustainable and lasting. As an example, Calspan's tire research facility, built in 1971 and updated in 2014/2015, offers capability that was unique in the world at that time and still remains a powerful force in the industry - ensuring good paying jobs in Western New York. Current R&D activities at the project location performed by Calspan include: full scale vehicle crash testing, vehicle child seat safety testing, tire testing, transonic wind tunnel testing and aircraft development, and vehicle crash data research. Calspan provides testing and engineering services to major domestic and international companies who are looking to improve their products.

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.	70
Estimated % of sales outside the U.S.:	25

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

Approximately 30% of Calspan's annual purchase of supplies/services/materials are from Erie County companies.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Cheektowaga, NY

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

Yes

In which Municipality will the proposed project be located

Cheektowaga, NY

Address

40 Sonwil Drive, Cheektowaga, NY 14225

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 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 Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

92.04-1-37

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

Approximately \$68,000

Assessed value of land

\$419,500

Assessed value of building(s)

\$2,108,434

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Cheektowaga, NY

School District of Project Site

Lancaster

Does the Applicant or any related entity currently hold fee title to the Project site?

No

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

Sonwil Distribution Center Inc.

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

No

Describe the present use of the Proposed Project site

The proposed Project Site is an existing building with little to no greenspace.

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, 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)

For more than 60 years, Calspan has made significant contributions to vehicle safety. Calspan continues to take steps to build a state of the art Transportation Safety Research campus in Buffalo, New York. After completing major upgrades to Calspan's Tire Research Facility in 2014 and 2015, Calspan had restored its position as a world leader in Tire Testing and Research. Following the major capital equipment upgrade to the Tire Test capabilities, Calspan initiated a \$20,000,000 investment to build a modern crash test center in Buffalo, NY. The Calspan Crash Test Center offers world renowned automotive crash testing and research capabilities. The Crash Test Center was completed in 2018 and has created over 30 new high paying technical jobs in Buffalo, New York. The Crash Test Center offers full scale vehicle crash testing and has played a major role in accelerating the development of life saving technologies. With the emergence of new autonomous vehicle technologies and the electrification of vehicles, safety testing is absolutely essential. The occupant compartment design in future cars will be altered significantly as a human driver becomes unnecessary. With these revolutionary changes, Calspan will continue to support the rapid development of safety restraint technology by enhancing its capabilities through the addition of cutting edge equipment for dynamic sled testing for non-destructive vehicle component testing. The purchase and renovation of a building of approximately 65,000 square feet for a sled testing laboratory would house two highly precise and powerful vehicle test stands. The test stands will be utilized to evaluate automotive restraints, seating, and interior equipment according to domestic and international safety standards. The testing services offered by Calspan would support the needs of United States Department of Transportation, all global automakers and their suppliers. The customer base includes but is not limited to the National Highway Transportation Safety Administration, Nissan, BMW, Mercedes, Hyundai, Kia, Subaru, Honda, Ford, General Motors, Volkswagon and Audi. Industry and the public will benefit from Calspan's innovation and new capabilities to objectively evaluate these critical life-saving technologies. A building of this size will also allow for space to grow our transportation testing business in the future. In connection with the construction of the sled testing laboratory, Calspan would also make general improvements to the facility campus in order to better serve these customers and suppliers, such as improvements to facility infrastructure and technology.

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:

The Project cannot be undertaken without Financial Assistance by the Agency.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Calspan is considering the possibility of investing in a new dynamic sled testing facility at 40 Sonwil Drive in Cheektowaga, NY. The new test laboratory would have the capability to perform non-destructive crash tests and occupant protection evaluations for automotive and aircrafts. The facility will also specialize in vehicle battery testing to support the ongoing electrification of automobiles. The enhancement of the facility is necessary, as the current sled testing facility was opened in 1969 and utilizes outdated technology. Without the needed capital investments, Calspan's sled testing business will fail and Calspan will be forced to exit the marketplace. Such a failure would not only affect the sled testing jobs at Calspan but would pose significant threats to other jobs at Calspan. Vehicle manufacturers and their suppliers have expressed a strong desire for Calspan to relocate testing operations to be in close proximity to their research and development or production facilities in California, Michigan, North Carolina and Alabama. The ability to compete with independent laboratories MGA Research in Michigan, Transportation Research Center in Ohio, Idiada in California, Element in Michigan and Autoliv in Ontario, depends upon access to the most modern test equipment and capabilities. Absent the investment in modern sled technologies, vehicle manufacturers are beginning to take their testing to Calspan's competition. The modern test equipment will ensure that Calspan's customers choose Calspan over the other independent test labs who are closer to their production and research centers.

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?

Calspan's existing sled testing business will imminently fail without this investment. The investment in a new facility at 40 Sonwil Drive and in modern equipment is essential, as the current laboratories were developed decades ago and are outdated technology. To gain a competitive advantage in the marketplace Calspan must keep up with technological developments in the industry but these investments are expensive. If Calspan's sled testing business falls, it is certain that many other jobs at Calspan will be affected. This is due to the fact that Calspan's overhead and corporate structure support multiple testing facilities. If one

business unit fails, all of the other are burdened with a larger percentage of overall shared costs which put those business units at risk.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Construction equipment.

Site Characteristics

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

Yes

Describe the present zoning/land use

The proposed location is presently zoned for commercial use.

Describe required zoning/land use, if different

Not applicable.

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

Not applicable.

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

Not applicable.

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. The new facility and renovation thereof, and the equipment therein, will take into account energy efficiency in every possible instance - from lighting, to HVAC, to construction materials, to all other applicable aspects. For this project, we intend to purchase the following energy-saving items: LED lighting, energy efficient HVAC system, roofing system with a better R value than current co-located buildings.

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, please explain.

Current R&D activities at the project location performed by Calspan include: full scale vehicle crash testing, vehicle child seat safety testing, tire testing, transonic wind tunnel testing and aircraft development, and vehicle crash data research. All of this R&D activity will continue with this potential project investment.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

Nearly 100%.

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

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales No **Services** Yes

For purposes of this question, 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.

Yes Manufacturing

No Multi-Tenant

No Mixed Use

Yes Acquisition of Existing Facility

Yes Commercial

No Facility for the Aging

No Housing

Yes Back Office

No Civic Facility (not for profit)

Yes Equipment Purchase

No Retail

Yes Other

Services and Engineering

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

\$ 3,250,000	65,000 square feet	acres
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New Building Construction

\$ 0	square feet
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New Building addition(s)

\$ 0	square feet
------	-------------

Infrastructure Work

\$ 1,000,000

Renovation

\$ 2,000,000	65,000 square feet
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Manufacturing Equipment

\$ 4,000,000

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

\$ 3,000,000

Soft Costs: (professional services, etc.)

\$ 250,000

Other Cost

\$ 0

Explain Other Costs**Total Cost**

\$ 13,500,000

Project Refinancing: estimated amount (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):**

\$ 500,000

Bank Financing:

\$ 13,000,000

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:

ESD provided Excelsior job credits, but no grant funds.

Total Sources of Funds for Project Costs:

\$13,500,000

Has a financing preapproval letter or loan commitment letter been obtained?

No

Mortgage Recording Tax Exemption Benefit:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge).

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

\$ 13,000,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):

\$97,500

Construction Cost Breakdown:

Total Cost of Construction

\$ 6,000,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 2,000,000

% sourced in Erie County

75%

% sourced in State

100% (including Erie County)

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

\$ 5,000,000

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

\$ 437,500

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:

Not applicable.

For proposed facility please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	65,000 square feet	\$ 13,500,000	100
Commercial	square feet	\$ 0	0
Retail	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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

2/1/2021

End date : Estimated completion date of project

6/30/2022

Project occupancy : estimated starting date of operations

7/31/2021

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

No

Has the Project received site plan approval from the appropriate planning department?

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
Full time	143	143	20	20
Part time	3	3	0	0
Total	146	143	20	

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***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).

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	# of Employees Retained and 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	38	\$ 114,000	\$ 26,220	\$ 0	\$ 0
Professional	34	\$ 75,000	\$ 17,250	\$ 0	\$ 0
Administrative	4	\$ 57,200	\$ 13,160	\$ 0	\$ 0
Production	87	\$ 56,400	\$ 12,970	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

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

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 10,725,933

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

\$ 74,228

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

\$ 25,235

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

\$ 70,000

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

\$ 0

Estimated salary range of jobs to be created

From (Full Time)	\$ 60,000	To (Full Time)	\$ 80,000
From (Part Time)	\$ 0	To (Part Time)	\$ 0

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

Calspan wishes to expand our presence in Western New York. Vehicle manufacturers and their suppliers have expressed a strong desire for Calspan to relocate testing operations to be in close proximity to their research and development or production facilities in California, Michigan, North Carolina and Alabama. The ability to compete with independent laboratories MGA Research in Michigan, Transportation Research Center in Ohio, Idiada in California, Element in Michigan and Autoliv in Ontario, depends upon access to the most modern test equipment and capabilities. Absent the investment in modern sled technologies, vehicle manufacturers are beginning to take their testing to Calspan's competition. The modern test equipment will ensure that Calspan's customers choose Calspan over the other independent test labs who are closer to their production and research centers.

What competitive factors led you to inquire about sites outside of New York State?

Please see response above.

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

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

Calspan applied for and received assistance from Empire State Development in the form of Excelsior credits.

Section III: 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	Calspan Corporation
Address	4455 Genesee Street
Contact Person	Peter Bordonaro
Phone	7166314179
Fax	7166314180
E-Mail	peter.bordonaro@calspan.com
Federal ID #	20-1840542
SIC/NAICS Code	541715

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out the Tenant information section of this application, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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Section IV: Tenant Information

Section V: Environmental Questionnaire

General Background Information

Address of Premises 40 Sonwil Drive, Cheektowaga NY 14225

Name and Address of Owner of Premises As of the application date, the Premises is owned by Sonwil Distribution Center Inc., with office address at 100 Sonwil Drive, Cheektowaga NY 14225.

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

Existing industrial building with little to no greenspace

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

The Premises is currently a light industrial facility used for warehousing and distribution. Construction of new sled testing facility is intended to be carried on at the Premises.

Describe all known former uses of the Premises

Warehousing / Distribution

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

We have no knowledge of any such spills, releases or unpermitted discharges. An environmental assessment would be undertaken in connection with the purchase of the Premises.

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

We have no knowledge of any such enforcement action as of the application date.

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

We have no knowledge of any such suit, complaint or other procedure as of the application date.

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

We have no knowledge of any such enforcement action as of the application date. An environmental assessment would be undertaken in connection with the purchase of the Premises.

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

We have no knowledge of any such hazardous and/or solid wastes. An environmental assessment would be undertaken in connection with the purchase of 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

None.

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

Wastewater from standard office and industrial space (i.e., sinks, bathrooms). Will discharge into municipal sanitary system.
Stormwater will discharge into municipal storm system.

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the 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

None.

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

No

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

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

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

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

No

If yes, relate all the circumstances

We have no knowledge of any such PCB spills, discharges or other accidents. An environmental assessment would be undertaken in connection with the purchase of the Premises.

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

We have no knowledge of any such asbestos containing materials. An environmental assessment would be undertaken in connection with the purchase of the Premises.

Section VI: 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.

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 or abandonment of an existing facility?

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.)

Additional square footage, high quality employees for high-tech industry, secure premises and facility, unique and world-class facilities

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?

Yes

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

The desire to keep the majority of Calspan's various testing facilities (i.e., tire testing, vehicle crash research, etc.) in one main location alongside Calspan's corporate offices.

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

The current facility will be leased to another tenant who is expanding its footprint on our campus.

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.

The desire to keep the majority of Calspan's various testing facilities (i.e., tire testing, vehicle crash research, etc.) in one main location alongside Calspan's corporate offices has, as of yet, precluded investigation of other specific sites in other states.

Section VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program? No

What is the age of the structure (in years)? 0

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) <BLANK>

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

Describe the use of the building during the time it has been underutilized:

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) No

If yes, please provide dollar amount of income being generated, if any \$

If apartments are planned in the facility, please indicate the following:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	0		\$
2 Bedroom	0		\$
3 Bedroom	0		\$
Other	0		\$

Does the site have historical significance? No

Are you applying for either State/Federal Historical Tax Credit Programs? No

If yes, provide estimated value of tax credits \$

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

Section VIII: Senior Citizen Rental Housing Projects

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

No

Has the project received written support from the city, town or village government in which it is located?

<BLANK>

Describe the location of the project as it relates to the project’s proximity to the town / village / city center or to a recognized hamlet.

Is the project consistent with the applicable municipal master plan?

<BLANK>

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

<BLANK>

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

<BLANK>

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

<BLANK>

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

<BLANK>

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project’s return on investment?

<BLANK>

If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: Retail Determination

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.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 0 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? <BLANK>

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? <BLANK>

If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? <BLANK>

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? <BLANK>

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>

Eastman Machine
\$1,665,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 333249

COMPANY INCENTIVES

- Approximately \$91,088 in sales tax savings
- Approximately \$26,000 in real property tax savings
- Approximately \$7,500 in mortgage tax savings

EMPLOYMENT

- Retained Jobs - 126
- Projected New Jobs - 3
- Total Jobs After Project Completion - 129
- Annual payroll: \$8,500,000
- Estimated salary of jobs to be created: \$45,000
- Estimated salary of jobs to be retained: \$65,000

PROJECT HISTORY

- 12/30/2020 - Public hearing held.
- 01/27/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 01/27/2021 Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

- 1982 - \$2,067,000 Tax Incentive
- 2013 - \$485,000 Tax Incentive

Project Title: Eastman Machine
 Project Address: 775 & 779 Washington Street
 Buffalo, New York 14203
 (Buffalo City School District)

Agency Request

A sales tax, real property tax and mortgage tax exemption in connection with the construction of a 7,400 sq. ft. addition to the company's existing facility.

Building Addition	\$1,435,000
Non-Manufacturing Equipment	\$ 180,000
Soft Costs	\$ 50,000
 Total Project Cost	 \$1,665,000
85%	\$1,415,250

Company Description

Eastman Machine Company is a cutting machine manufacturer, providing custom engineered solutions and innovative technologies for a variety of industries. Eastman offers the industry's widest range of classic, hand-held and manually-operated fabric cutting machines as well as a comprehensive line of fully automated, computerized cutting and plotting systems. Almost all of the company's sales are to customers located outside New York State with 32% to international customers.

Project Description

The project consists of the construction of an approximately 7,400 sq. ft. expansion to the company's existing 130,000 sq. ft. facility. The planned uses for the space include storage for purchased items that are to be used in the assembly process.

Eastman contracted with Insyte Consulting to develop a plan to determine the best solution for this expansion which is required due to the projected growth of automatic machines, feeders, spreaders and accessories.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-year abatement period	Additional Local Revenue Over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$200,000	\$22,000	\$5,000	\$4,800
Combined Tax Rate: \$24.08				

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 = \$1,665,000 85% = \$1,415,250
Employment	Coincides with 7-year PILOT	Maintain base: 126 Create 85% of Projected Projected = 3 85% = 2 Recapture Employment = 128
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 126 jobs and created 3 FT 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
EASTMAN MACHINE**

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$65,000 Company estimated average salary of jobs to be created: \$45,000
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside NYS and within U.S.: 63% International: 32%
In Region Purchases (% of overall purchases)	Approximately 54%
Research & Development Activities	20%
Investment in Energy Efficiency	Energy efficiency is planned with radiant heating and high efficiency lighting and air compressors
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The project will meet all local zoning and land use requirements.
LEED/Renewable Resources	Not applicable.
Retention/Flight Risk	Recapture criteria currently in place requires a company this size to retain 95% of its base FTE jobs.
MBE/WBE Utilization	The general contractor on the job will solicit to MBE subcontractors and strive to reach a 25% goal and solicit WBE subcontractors and strive to reach a 10% goal.
Workforce Access – Proximity to Public Transportation	The facility is accessible by Metro Rail as well as the 3 and 5 bus routes.

January 27, 2021

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-Eastman Machine -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
\$1,435,00	\$200,000	\$7.33	\$16.75	N/A

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$147	\$335	\$482	\$4,816	\$4,334
2	10%	\$147	\$335	\$482	\$4,816	\$4,334
3	20%	\$293	\$670	\$963	\$4,816	\$3,853
4	20%	\$293	\$670	\$963	\$4,816	\$3,853
5	30%	\$440	\$1,005	\$1,445	\$4,816	\$3,371
6	30%	\$440	\$1,005	\$1,445	\$4,816	\$3,371
7	30%	\$440	\$1,005	\$1,445	\$4,816	\$3,371
TOTAL		\$2,199	\$5,125	\$7,224	\$33,712	\$26,488

***** 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.)
\$1,665,000	\$26,488	\$91,088	\$7,500	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 7.5 %

Cost-Benefit Analysis for Eastman Machine

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Eastman Machine

TOTAL INVESTED
\$1.7 Million

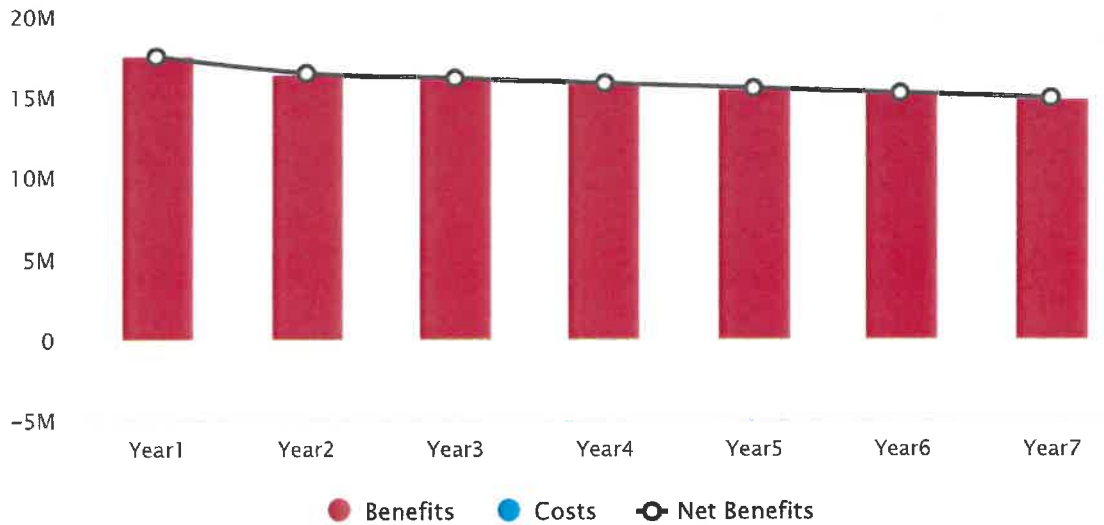
LOCATION
775 & 779 Washington
St, Buffalo, NY 14203

TIMELINE
7 Years

F1 FIGURE 1

Discounted* Net Benefits for Eastman Machine by Year

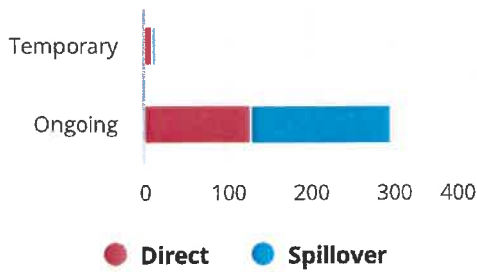
Total Net Benefits: \$111,787,000



Discounted at 2%

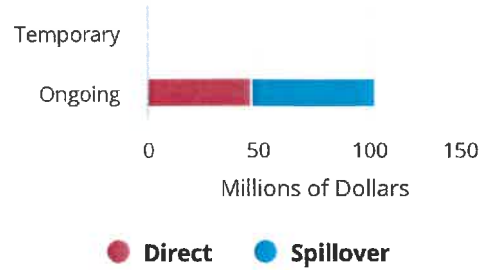
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Eastman Machine proposes to invest \$1.7 million at 775 & 779 Washington St, Buffalo, NY 14203 over 7 years.

TABLE 1

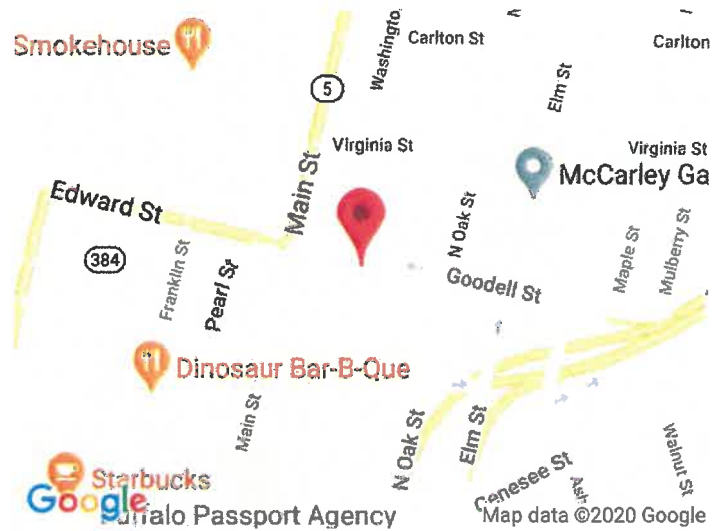
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$1,435,000
OTHER SPENDING	
Non-Manufacturing Equipment	\$180,000
Soft Costs	\$50,000
Total Investments	\$1,665,000
Discounted Total (2%)	\$1,665,000

May not sum to total due to rounding.

FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 7 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 Eastman Machine.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$26,000	\$25,000
Sales Tax Exemption	\$91,000	\$91,000
Mortgage Recording Tax Exemption	\$8,000	\$8,000
Total Costs	\$124,000	\$123,000

May not sum to total due to rounding.

* Discounted at 2%

T3 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	\$51,042,000	\$60,866,000	\$111,908,000
To Private Individuals	\$50,217,000	\$59,889,000	\$110,106,000
Temporary Payroll	\$552,000	\$191,000	\$743,000
Ongoing Payroll	\$49,665,000	\$59,698,000	\$109,363,000
To the Public	\$826,000	\$976,000	\$1,802,000
Property Tax Revenue	\$7,000	N/A	\$7,000
Temporary Sales Tax Revenue	\$9,000	\$3,000	\$12,000
Ongoing Sales Tax Revenue	\$810,000	\$973,000	\$1,783,000
STATE BENEFITS	\$3,163,000	\$3,546,000	\$6,710,000
To the Public	\$3,163,000	\$3,546,000	\$6,710,000
Temporary Income Tax Revenue	\$27,000	\$9,000	\$36,000
Ongoing Income Tax Revenue	\$2,428,000	\$2,692,000	\$5,119,000
Temporary Sales Tax Revenue	\$8,000	\$3,000	\$10,000
Ongoing Sales Tax Revenue	\$701,000	\$843,000	\$1,544,000
Total Benefits to State & Region	\$54,206,000	\$64,412,000	\$118,618,000
Discounted Total Benefits (2%)	\$51,154,000	\$60,756,000	\$111,910,000

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	\$105,580,000	\$78,000	1347:1
State	\$6,330,000	\$45,000	142:1
Grand Total	\$111,910,000	\$123,000	909:1

May not sum to total due to rounding.

* Discounted at 2%

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

VIRTUAL PUBLIC HEARING SCRIPT

**Eastman Machine Company 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 December 30, 2020 at 10:30 a.m.
via Virtual Conference Software

ATTENDANCE:

Steve Calzi – Eastman Machine Company
Karen Fiala – ECIDA
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:30 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Eastman Machine 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 December 18, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the construction of an additional 7,400+/- SF expansion to the Company's existing 130,000+/- SF of an existing manufacturing building located at 775 and 779 Washington Street, Buffalo, New York (the "Improvements") and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property to be utilized for Company operations (the "Equipment," and collectively with the Improvements, the "Facility"), all to be used by the Company. The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits, mortgage recording tax

exemption benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

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

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

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on January 26, 2021. There are no limitations on written statements or comments.

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

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

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

Steven Calzi – Executive Vice President & CFO of Eastman Machine Company. Grant thanks for the introduction to our project and I appreciate the opportunity to speak with the ECIDA about our opportunity that we have been considering for the last year or so. As Grant said we are planning on adding to our current facility about 7,400 sq. ft. which we have deemed necessary to store many of the purchased items that we bring into the building that currently are stored throughout the manufacturing floor which right now really impedes the efficiency of our operation. By adding this additional warehouse space and a second loading dock it will make our operation much more efficient and allow us to hit some of the shortened lead times that customers are now expecting, and our competitors are providing right now. As Grant said we are looking at an additional 7,400 sq. ft. that is just to the west side towards Washington Street to our existing facility. We are also going to enhance our entrance way. Many times, we have customers come to our site for demonstrations on our existing equipment to show that we can meet their expectations. Right now, our entranceway is very outdated, and it does not portray the modern look that we want to give our customers when they come to Eastman Machine. Part of this project also includes enhancing our entranceway to make it more inviting and give it an appearance to show our customers that we are progressing and are a modern type of company.

The total project cost is \$1.6M and of which \$1.4M is the actual construction of the building. What we are looking to do over the next two years is to add 3 positions to the operation because of this addition. A lot of that is going to come through our growth that I think we are going to be able to achieve. Again, by offering these quick lead times that our customers are looking for because it is becoming more demanding that people or manufacturers want their equipment delivered more quickly. Over the next 5 years or so in addition to the 3 jobs we are looking at adding an additional 3 jobs on top of that. So, it is a minimum of 6 individuals over the next 5 years that we are looking to add to the business and again its attributed to the addition.

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:37 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on December 30, 2020 at 10:30 a.m.
via Virtual Conference Software

**Eastman Machine Company and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 775 and 779 Washington Street, Buffalo, New York 14203

Name	Company and/or Address	X box to speak/ comment
Steve Calzi	Eastman Machine Company 779 Washington Street Buffalo, New York 14203	X
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	



Eastman Machine Company

[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	Plant Expansion
Project Summary	Expansion of facility for loading docks, storage, and automated assembly
Applicant Name	Eastman Machine Company
Applicant Address	779 Washington Street
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14203
Phone	(716) 566-7210
Fax	(716) 846-2802
E-mail	scalzi@eastmancuts.com
Website	www.eastmancuts.com
NAICS Code	33329

Business Organization

Type of Business	Corporation
Year Established	1888
State in which Organization is established	New York

Individual Completing Application

Name	Steven F. Calzi
Title	Executive VP/CFO
Address	779 Washington Street
Address 2	
City	Buffalo
State	New York
Zip	14203
Phone	(716) 566-7210

Fax (716) 846-2802
E-Mail scalzi@eastmancuts.com

Company Contact (if different from individual completing application).

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

Company Counsel

Name of Attorney Timothy A. McCarthy, Esq.
Firm Name
Address 779 Washington Street
Address 2
City Buffalo
State New York
Zip 14203
Phone (716) 883-7800
Fax
E-Mail tmccarthy@eastmancuts.com

Benefits Requested (select all that apply).

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

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

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility.

Manufacturer of cutting and material handling equipment. Established in 1888 and selling to customers worldwide. One of the oldest manufacturers (continuous) operating in Buffalo, NY.

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.	63 %
Estimated % of sales outside the U.S.	32 %

(*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?

54

Describe vendors within Erie County for major purchases

Voss Manufacturing, Pooley Inc, SoPark, SMG, Erb, Buffalo Metal Finishing, Forest Materials, Alternative Information Systems, Stanley Steel, Thruway Fasteners, Metal Cladding, Others

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

775 and 779 Washington Street

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

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

SBL Number(s) for proposed Project

111.31-7-6.1, 111.31-12-1.11

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

\$19,469 and \$16,814, respectively.

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

Land

\$

Building(s)

\$

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

Yes

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

Vacant land and parking lot 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)

Eastman's current operations consist of 130,000 sq. ft. of manufacturing space on Washington Street in the City of Buffalo. The planned expansion includes the construction of a 7,400 sq. ft. addition to the existing plant to be located on the West side of the building. The expansion is necessary to store purchased items that are to be used in the assembly process which are currently stored throughout the assembly floor. Removing these items from the floor will allow for rearrangement of the current assembly area and will create more capacity and efficiency.

Municipality or Municipalities of current operations

Buffalo

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

Yes

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

No

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

No

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

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

Yes

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

State of South Carolina, Georgia, Texas and Michigan have contacted Eastman Machine Company to explain incentives and programs to attract manufacturers to their states.

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)

Eastman Machine Company competes in a highly competitive industry with US and foreign competition. Eastman operates in an older 2 story building which presents constraints for a manufacturing operation. Our goal is to make the physical layout more conducive to a manufacturing operation. Recent sales penetration and growth in our automated CNC cutting equipment has necessitated the additional space to keep pace with the demand. To fall behind and not capitalize on our growth potential in this market is not an option.

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?

Eastman would not be able to expand and grow the operation.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Other small manufacturing equipment, 7 year capital lease.

Site Characteristics

Is your project located near public transportation?

Yes

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

Ellicott and Main Street route.

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

Yes

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

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

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

Yes

Describe the present zoning/land use

NOTE; site plan approval application is in process. N-1C, mixed use core.

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?

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

Radiant heating, high-efficiency lighting, high efficiency air compressors.

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.

Approximately 20% of operating expenses are allocable to R&D activities. Eastman Machine Company claims a credit for increasing R&D activities on its federal tax return.

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** **Yes Industrial** **No Life Care Facility (CCRC)**
- No Market Rate Housing** **No Mixed Use** **No Multi-Tenant**

No Retail
No Other

No Senior Housing No Manufacturing

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	0 square feet	\$	0	0%
Warehouse	7,400 square feet	\$	1,615,000	100%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	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

4/1/2021

End date : Estimated completion date of project

12/31/2021

Project occupancy : estimated starting date of occupancy

1/1/2022

Project Information

Estimated costs in connection with Project

Land and/or Building Acquisition

\$ 0 square feet acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 1,435,000 7,400 square feet

Reconstruction/Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

Infrastructure Work

\$ 0

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

\$ 180,000

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

\$ 50,000

Other Cost

\$ 0

**Explain Other
Costs****Total Cost** 1,665,000Construction Cost Breakdown:

Total Cost of Construction	\$ 1,435,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 0
% sourced in Erie County	100%

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	\$ 1,041,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 91,087

** 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):	\$ 415,000
Bank Financing:	\$ 1,000,000
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):	\$ 200,000
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:	\$1,615,000

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). 1,000,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$7,500

Real Property Tax Benefit:

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

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

We will work with local contractors and provide preference to MBE/WBE operators for a certain percentage of the project.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms. Other small manufacturing equipment, 7 year capital lease.

Employment Plan (Specific to the proposed project location)

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

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

Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2
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				years) after project completion **
Full time	126	126	3	3
Part time	0	0	0	0
Total	126	126	3	

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	7	\$ 150,000	\$ 38,000	\$ 0	\$ 0
Professional	52	\$ 90,000	\$ 27,500	\$ 0	\$ 0
Administrative	17	\$ 50,000	\$ 15,000	\$ 0	\$ 0
Production	50	\$ 45,000	\$ 15,000	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

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

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

Address	None.		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

8,830,000

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

70,000

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

0

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

45,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	45,000	To (Full Time)	50,000
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

779 Washington St. Buffalo, NY 14203

Name and Address of Owner of Premises

Nosnevets, LLC 779 Washington St Buffalo, NY 14203

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

Currently a parking lot and vacant land area adjacent to an existing building.

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

Storage of materials, shipping and loading docks, assembly area for equipment.

Describe all known former uses of the Premises

Parking lot.

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

None.

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

None.

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

None.

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility:

Occupant Name Eastman Machine Company
Address 779 Washington Street
Contact Person Eastman Machine Company
Phone (716) 566-7210
Fax (716) 846-2802
E-Mail scalzi@eastmancuts.com
Federal ID # 16-0417160
SIC/NAICS Code 33329

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

779 Washington Street

City/Town

Buffalo

State

New York

Zip Code

14203

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.)

Storage capability of raw materials and finished goods. Addition of a second loading dock.

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

No

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

Existing skilled workforce, long time presence in the City of Buffalo since 1888, access to critical suppliers

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.

None considered.

■ 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

**Life Technologies Corporation- North Expansion
\$85,000,000
INDUCEMENT RESOLUTION**

ELIGIBILITY

- NAICS Section - 3254

COMPANY INCENTIVES

- Approximately \$2,625,000 in sales tax savings
- Approximately \$287,000 in real property tax savings

EMPLOYMENT

- Current Jobs - 807
- Projected New Jobs - 60
- Total Jobs After Project Completion: 867
- Annual payroll: \$55,200,000
- Estimated salary of jobs to be created: \$47,000
- Estimated salary of jobs to be retained: \$60,000

PROJECT HISTORY

- Public hearing held.
- 01/27/2021 - Resolution presented to Board to ratify and confirm Town's SEQRA declaration
- 01/27/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

- 1972 - \$1,000,000
- 1975 - \$600,000
- 1976 - \$300,000
- 1988 - \$4,500,000
- 1990 - \$492,000
- 1995 - \$3,675,000
- 2002 - \$10,042,000
- 2005 - \$4,910,000
- 2008 - \$2,500,000
- 2009 - \$8,000,000
- 2020 - \$90,000,000

Project Title: Life Technologies Corporation-North Expansion
(subsidiary of Thermo Fisher Scientific, Inc.)

Project Address: 3175 Staley Road
Grand Island, New York 14072
(Grand Island Central School District)

Agency Request

A sales tax and real property tax exemption in connection with the construction of a 69,000 sq. ft. addition to the company's existing facility.

New Building Addition	\$34,200,000
Manufacturing Equipment	\$36,000,000
Soft Costs	\$ 14,800,000
Total Project Cost	\$85,000,000
85%	\$72,250,000

Company Description

Life Technologies, formerly known as Grand Island Biological was established in 1962 in Grand Island. Over the decades the company has undergone ownership changes including in November, 2008 when Life Technologies was created from the merger of Invitrogen Corporation and Applied Biosystems, Inc. In 2014, the acquisition of Life Technologies by Thermo Fisher Scientific, Inc. was completed, with Life Technologies Corporation remaining as a corporation and becoming part of the Life Sciences Solutions Group of Thermo Fisher Scientific.

The company is one of the premier global suppliers of cell culture products. These products are used for a wide variety of applications in basic and applied life sciences research and in medical, diagnostic, therapeutic, and large scale industrial biotechnology applications.

52% of the company's sales are to customers located outside of New York State and 45% outside the United States.

Project Description

Life Technologies' current facility in Grand Island is approximately 300,000 sq. ft. The proposed expansion project would increase the company's footprint by 69,000 sq. ft. The new facility will be utilized for the production of liquid animal origin free (AOF) liquid media products. The company will also be adding approximately \$36M in manufacturing equipment in order to increase production capacity.

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
\$0	\$1,380,000	\$16,200	\$60,000	\$36,280
Combined Tax Rate: \$26.29				

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 = \$85,000,000 85% = \$72,250,000
Employment	Coincides with 10-year PILOT	Maintain base:807 Create 85% of Projected Projected =60 85% = 51 Recapture Employment = 858
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	Real Property Taxes and State and Local Sales Taxes

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 807 FTE and created an additional 60 FTE 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

Life Technologies, Corporation – North Expansion

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$80,000 Company estimated average salary of jobs to be created: \$47,000
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside NYS and within U.S.: 52% International: 45%
In Region Purchases (% of overall purchases)	Approximately 5%
Research & Development Activities	While the overall facility includes research and development activities, the new project expansion does not involve R&D.
Investment in Energy Efficiency	New purchases of energy efficient chillers and high efficiency air handlers are planned.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	Site is zoned industrial.
LEED/Renewable Resources	Not applicable.
Retention/Flight Risk	The Grand Island facility competes in the life sciences industry against companies such as Merck (Germany), Millipore (MA), Lonza (MD) and GE/Hyclone (UT). Company manufacturing operations are located in Europe and other locations within the U.S. The Grand Island facility faces both internal and external competition to retain market share as well as compete for future growth. Recapture criteria currently in place requires a company this size to retain 95% of its base FTE jobs.

<p>MBE/WBE Utilization</p>	<p>Through our Diversity and Inclusion Recruiting Counsel, we have developed relationships with select external diversity-focused organizations to recruit top talent from underrepresented ethnic groups such as African-Americans and Hispanic-Latinos. We consider candidates from various career levels, including recent graduates, mid-level managers and senior executives. Organizations worked with in the past include Prospanica (Hispanic-MBA's) and the National Black MBA Associates.</p>
<p>Workforce Access – Proximity to Public Transportation</p>	<p>The closest bus stop is 4 miles from the facility. This service is provided by bus line 40A Niagara Falls.</p>

January 27, 2021

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-Thermo Fisher North - 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
\$34,200,000	\$1,380,000	\$5.59	\$2.92	\$17.78

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$771	\$403	\$2,454	\$3,628	\$36,280	\$32,652
2	10%	\$771	\$403	\$2,454	\$3,628	\$36,280	\$32,652
3	10%	\$771	\$403	\$2,454	\$3,628	\$36,280	\$32,652
4	20%	\$1,543	\$806	\$4,907	\$7,256	\$36,280	\$29,024
5	20%	\$1,543	\$806	\$4,907	\$7,256	\$36,280	\$29,024
6	20%	\$1,543	\$806	\$4,907	\$7,256	\$36,280	\$29,024
7	30%	\$2,314	\$1,209	\$7,361	\$10,884	\$36,280	\$25,396
8	30%	\$2,314	\$1,209	\$7,361	\$10,884	\$36,280	\$25,396
9	30%	\$2,314	\$1,209	\$7,361	\$10,884	\$36,280	\$25,396
10	30%	\$2,314	\$1,209	\$7,361	\$10,884	\$36,280	\$25,396
Total		\$16,200	\$8,462	\$51,526	\$76,188	\$362,802	\$286,614

***** 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.)
\$85,000,000	\$287,000	\$2,625,000	\$0	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 3.4%

Cost-Benefit Analysis for Life Technologies Corporation

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Life Technologies Corporation - North Expansion

TOTAL INVESTED
\$85.0 Million

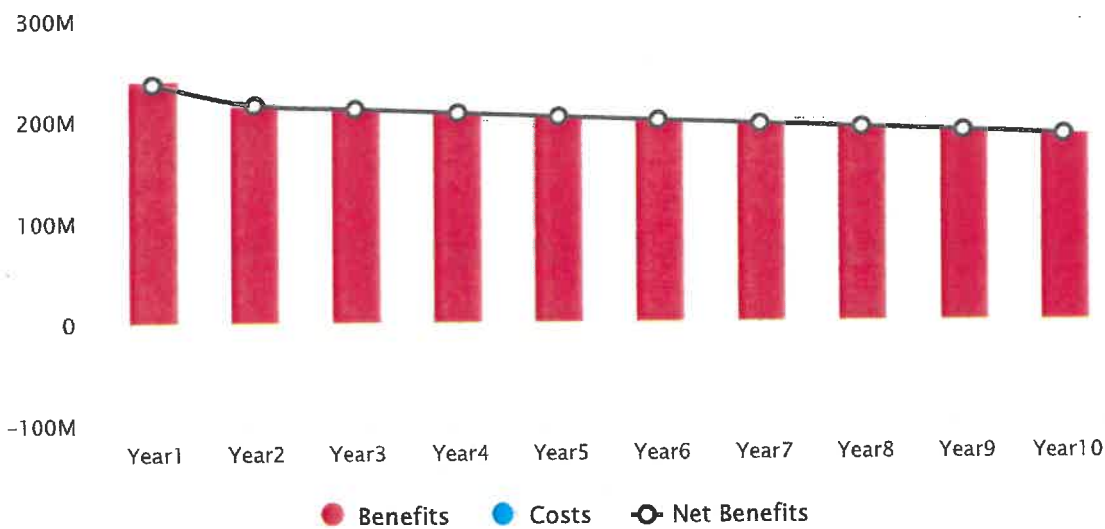
LOCATION
**3175 Staley Road,
 Grand Island, NY 14072**

TIMELINE
10 Years

FIGURE 1

Discounted* Net Benefits for Life Technologies Corporation by Year

Total Net Benefits: \$2,033,511,000



Discounted at 2%

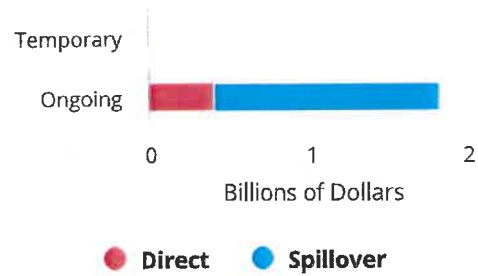
FIGURE 2

Total Jobs



FIGURE 3

Total Payroll



Proposed Investment

Life Technologies Corporation - North Expansion proposes to invest \$85.0 million at 3175 Staley Road, Grand Island, NY 14072 over 10 years.

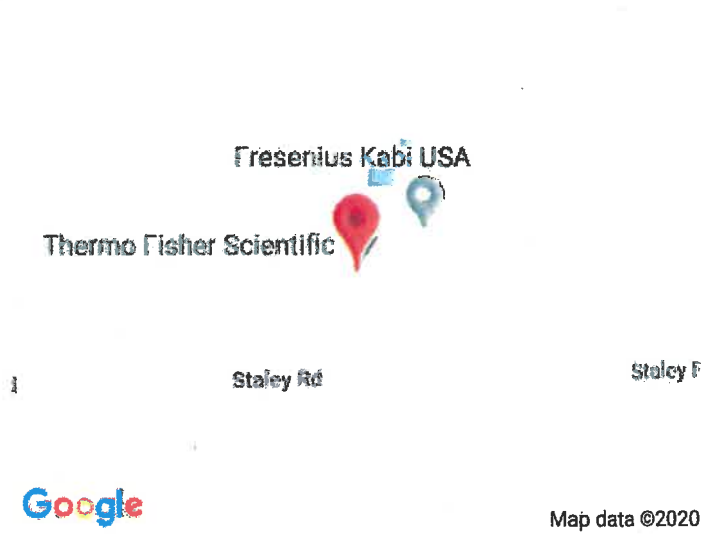
TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$34,200,000
OTHER SPENDING	
Manufacturing Equipment	\$36,000,000
Soft Costs	\$14,800,000
Total Investments	\$85,000,000
Discounted Total (2%)	\$85,000,000

FIGURE 4

Location of Investment



May not sum to total due to rounding.

Cost-Benefit Analysis

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

TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for Life Technologies Corporation - North Expansion.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$266,000	\$245,000
Sales Tax Exemption	\$2,624,000	\$2,624,000
Total Costs	\$2,890,000	\$2,869,000

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	\$484,837,000	\$1,607,008,000	\$2,091,845,000
To Private Individuals	\$476,989,000	\$1,581,226,000	\$2,058,215,000
Temporary Payroll	\$13,144,000	\$4,562,000	\$17,706,000
Ongoing Payroll	\$463,845,000	\$1,576,664,000	\$2,040,509,000
To the Public	\$7,848,000	\$25,782,000	\$33,630,000
Property Tax Revenue	\$71,000	N/A	\$71,000
Temporary Sales Tax Revenue	\$214,000	\$74,000	\$289,000
Ongoing Sales Tax Revenue	\$7,563,000	\$25,708,000	\$33,271,000
STATE BENEFITS	\$30,049,000	\$98,931,000	\$128,980,000
To the Public	\$30,049,000	\$98,931,000	\$128,980,000
Temporary Income Tax Revenue	\$642,000	\$223,000	\$865,000
Ongoing Income Tax Revenue	\$22,674,000	\$76,390,000	\$99,063,000
Temporary Sales Tax Revenue	\$186,000	\$64,000	\$250,000
Ongoing Sales Tax Revenue	\$6,547,000	\$22,254,000	\$28,801,000
Total Benefits to State & Region	\$514,886,000	\$1,705,940,000	\$2,220,825,000
Discounted Total Benefits (2%)	\$472,945,000	\$1,563,435,000	\$2,036,380,000

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	\$1,918,112,000	\$1,651,000	1162:1
State	\$118,268,000	\$1,218,000	97:1
Grand Total	\$2,036,380,000	\$2,869,000	710:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the 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.



Liquid Expansion North - Thermo Fisher Scientific

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	Thermo Fisher Scientific's Liquid North Expansion
Project Summary	Adding building and process equipment to expand liquid media and other operations to meet customer demand and secure growth opportunities for the benefit of Western New York economy.
Applicant Name	Thermo Fisher Scientific Inc's subsidiary: Life Technologies Corporation
Applicant Address	3175 Staley Road
Applicant Address 2	
Applicant City	Grand Island
Applicant State	New York
Applicant Zip	14072
Phone	(716) 774-6700
Fax	(716) 774-6999
E-mail	patrick.whitehead@thermofisher.com
Website	https://www.thermofisher.com/us/en/home.html
NAICS Code	325414

Business Organization

Type of Business	Public Corporation
Year Established	2008
State in which Organization is established	Delaware

Individual Completing Application

Name	Patrick Whitehead
Title	Manufacturing Engineer
Address	3175 Staley Road
Address 2	
City	Grand Island
State	New York
Zip	14072

Phone (716) 534-2077
Fax (716) 774-6999
E-Mail patrick.whitehead@thermofisher.com

Company Contact (if different from individual completing application).

Name Mary McCormick
Title Senior Finance Manager
Address 3175 Staley Road
Address 2
City Grand Island
State New York
Zip 14072
Phone (716) 464-0464
Fax (716) 774-6805
E-Mail mary.mccormick@thermofisher.com

Company Counsel

Name of Attorney Paul D Meosky
Firm Name Hodgson Russ LLP
Address 140 Pearl Street
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 848-1482
Fax
E-Mail pmeosky@hodgsonruss.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.

Grand Island Biological Company ("GIBCO") was established in 1962 in Grand Island, New York as an entrepreneurial effort to bring commercially prepared cell culture products to local markets such as Roswell Park Cancer Research Center and the State University of New York at Buffalo's biological and medical science research laboratories. Over the decades, the company has undergone ownership changes including in November 2008 when Life Technologies Corporation was created from the merger of Invitrogen Corporation and Applied Biosystems Inc. In 2014, the acquisition of Life Technologies Corporation by Thermo Fisher Scientific Inc. was completed, with Life Technologies Corporation remaining as a corporation and becoming part of the Life Sciences Solutions Group of Thermo Fisher Scientific Inc. The GIBCO brand is one of the premier global suppliers of cell culture products. Cell culture products manufactured at the Grand Island facility are used for a wide variety of applications in basic and applied life sciences research and in medical, diagnostic, therapeutic, and large-scale industrial biotechnology applications. Such applications include research into biological processes, cellular nutrition and genetic analyses, Covid research, cancer, AIDS research, and genetically-engineered pharmaceutical drug manufacturing. We compete in the life sciences industry against companies such as Merck (Germany), Millipore (MA), Lonza(MD), and GE/Hyclone (UT). The cell culture marketplace is growing at a fast pace. Company manufacturing operations are located in Europe and other locations in the United States besides Grand Island. As such, the Grand Island facility faces both internal and external competition to retain market share as well as compete for future growth. We need local development assistance to help secure these growth opportunities for the benefit of the Western New York Economy. Thermo Fisher Scientific is a U.S.-based provisioner of scientific instrumentation, reagents and consumables, and software and services to healthcare, life science, and other laboratories in academia, government, and industry (including in the biotechnology and pharmaceutical sectors).

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	2 %
Estimated % of sales outside New York State but within the U.S.	52 %
Estimated % of sales outside the U.S.	45 %

(*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?

5

Describe vendors within Erie County for major purchases

Landscaping, Outside Council, Uniforms, Cleaning and Lab Supplies, Raw Materials

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

3175 Staley Road

Town/City/Village of Project Site

Grand Island

School District of Project Site

Grand Island Central School District

Current Address (if different)

N/A

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

N/A

SBL Number(s) for proposed Project

36.00-4-31

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

263,000+/-

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

Land

\$

Building(s)

\$

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.)

Expand northeast corner of existing building to accommodate additional manufacturing and warehousing space.

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)

Existing building is ~300,000 sf. The proposed project involves construction of a 69,000+/- sf addition (between two floors) to the existing manufacturing plant for the production of Animal Origin Free (AOF) Liquid Media (LM) products and the purchase of new machinery equipment in order to increase production capacity. Installation of dispensary suites, formulation tanks, filtration and finishing equipment are also in scope. New facility space will allow for expansion of operations to meet customer demand. **Job information has been completed from the perspective of Life Technologies Corporation, as it is the payables and payroll entity that the Grand Island, New York locations fall under. Job figures shown in Project Details Part 3, Section 2 show current employment of 1063. This employment figure includes Life Technologies Corporation workers at Staley Road (789), Whitehaven Road (256) and workers who are remote due to space constraints at Staley Rd (18). As discussed with ECIDA, Whitehaven Rd is an annex to Staley Rd. Further breakout of workers by location is included in the Supplementary Information Attachment that is included within this application submission.**

Municipality or Municipalities of current operations

Grand Island, Erie County, NY

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

Yes

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

No

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

No

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

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

No

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

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

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

Preliminary meetings with various NYS agencies on possible incentives.

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:

Obtaining the assistance encourages the company to expand at the Grand Island location rather than outside of the state.

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)

Although the facility itself will not move, this large expansion and business opportunity is dependent upon receiving assistance. This project will create ~60 new full time permanent jobs at the project location. The project will enable us to serve our existing customer's increasing demand for our products as well as compete in the expanding life sciences industry and gain additional customers/business. The opportunity exists to build this expansion in our Miami, Florida facility or Greenville, NC facility, where government agencies have provided assistance for similar projects.

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?

If the project moves out of Grand Island, the county will lose the opportunity for job creation and its economic impacts.

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?**

Yes

If Yes, include the applicable municipality's and/or planning department's approval resolution, the related State Environmental Quality Review Act ("SEQR") "negative declaration" resolution, if applicable, and the related Environmental Assessment Form (EAF), if applicable.**If No, list the ECIDA as an "Involved Agency" on the related EAF that will be submitted to the appropriate municipality and/or planning department for site plan approval.****Will the Project meet zoning/land use requirements at the proposed location?**

Yes

Describe the present zoning/land use

Industrial zoning.

Describe required zoning/land use, if different

N/A

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

N/A

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

No

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Energy efficient chillers and high efficiency air handling units.

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.

The large facility site includes R&D, the new project expansion will not involve R&D.

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.

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 0 square feet 0 acres

2.) New Building Construction

\$ 0 0 square feet

3.) New Building addition(s)

\$ 34,200,000 69,000 square feet

4.) Reconstruction/Renovation

\$ 0 0 square feet

5.) Manufacturing Equipment

\$ 36,000,000

6.) Infrastructure Work

\$ 0

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

\$ 0

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

\$ 14,800,000

9.) Other Cost

\$ 0

Explain Other Costs N/A

Total Cost \$ 85,000,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 34,200,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 22,200,000.00
% sourced in Erie County	25%

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 \$ 30,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 2,625,000

** 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):	\$ 85,000,000
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, ESD, other public sources)	0
Total Sources of Funds for Project Costs:	\$85,000,000
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).	0
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): No

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

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

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

Thermo Fisher Scientific is committed to providing equal employment opportunity and ethical employment practices, including promoting human rights, within the Company's sphere of influence.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	807	807	60	60
Part time	0	0	0	0
Total	807	807	60	

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	20	\$ 178,234	\$ 44,558	\$ 0	\$ 0
Professional	189	\$ 87,463	\$ 29,737	\$ 0	\$ 0
Administrative	45	\$ 41,236	\$ 17,674	\$ 0	\$ 0
Production	553	\$ 48,711	\$ 20,877	\$ 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			
	1870 Whitehaven Road acts as an annex to the Staley Road complex.		
Full time	256	0	0
Part time	0	0	0
Total	256	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

55,200,000

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

59,940

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

0

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

45,875

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

0

Estimated salary range of jobs to be created

From (Full Time)	46,000	To (Full Time)	220,000
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

3175 Staley Road, Grand Island, NY 14072

Name and Address of Owner of Premises

Life Technologies (subsidiary of Thermo Fisher Scientific), 3175 Staley Road, Grand Island, NY 14072

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

Flat level terrain.

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

Main plant constructed circa 1963 under GIBCO name with multiple expansions over the years for warehouse, research and development and cell culture manufacturing.

Describe all known former uses of the Premises

Horse farm prior to founding, circa 1963 construction.

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?

Yes

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

NYD012691499

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**

No hazardous and/or solid wastes are transported to the Premises. Hazardous waste is transported from the Premises by: Clean Harbors Environmental Services Solid wastes are transported from the Premises by: Clean Harbors Environmental Services, Tonawanda Tank Transportation Services, Frank's Vacuum Truck Service, Inc. and Modern Disposal Services

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

Hazardous Waste Disposal companies which received waste from Premises in the past 2 years: Clean Harbors Environmental Services
Non hazardous and/or solid wastes companies which received waste from Premises in the past 2 years: Clean Harbors Environmental Services, Covanta Niagara Company LP, Stericycle, EQ Transfer and Processing Facility, Sunking and Modern Disposal Services

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

No

If yes, please identify the substance, the quantity and describe how it is storedDischarge Into Waterbodies**Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges**

The sources of industrial process discharges are: a) Regular municipal sewage which consists of discharges from: sinks, toilets, and cafeteria water (about 20% of total Volume). b) Industrial/Pharmaceutical discharges which includes: Water for injection (WFI/sterile water), boiler blowdowns, equipment and room washings, and tank cleanings from the Liquid and Powder production of cell the culture media (about 80% of total Volume). All of these sources of water are treated through the Facultative Lagoon Wastewater Treatment System and are discharged in compliance per NYS SPDES permit.

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

The NYS SPDES discharge permit (NY0000400) covers the facilities' treated wastewater and its stormwater discharges.

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the wasteAir Pollution**Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?**

Yes

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Site emissions are regulated through Air Facility Registration ID: 9-1446-00007/00013

Are any of the air emission sources permitted?

Yes

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

a) Bulk petroleum above ground storage: five generator fuel tanks of various capacity b) Four transformers containing oil c) Non-Hazard waste above ground storage: four storage tanks of various capacity

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility.

Occupant Name Life Technologies Corporation (subsidiary of Thermo Fisher Scientific)
Address 3175 Staley Road
Contact Person Mary McCormick
Phone (716) 464-0464
Fax (716) 774-6805
E-Mail mary.mccormick@thermofisher.com
Federal ID # 33-037-3077
SIC/NAICS Code 325414

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

3175 Staley Road

City/Town

Grand Island

State

New York

Zip Code

14072

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:

N/A

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

N/A

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

No

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

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

N/A

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

No

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

N/A

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

N/A

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

N/A

Section IX: Senior Housing

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

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

No

Pine Pharmaceuticals, LLC
\$8,615,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 325412

COMPANY INCENTIVES

- Approximately \$975,000 in real property tax savings.
- Approximately \$364,437 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$37,500

EMPLOYMENT

- Current Jobs: FT - 76
PT - 7
- New Jobs Projected: FT - 40
- Total Jobs After Project Completion - 119
- Annual payroll: \$5,775,000
- Estimated salary of jobs to be created: \$55,000
- Estimated salary of jobs to be retained: \$75,000

PROJECT HISTORY

- 12/30/2020 - Public hearing held.
- 01/27/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 01/27/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

- ◆ 2017 - \$5,600,000 Tax Incentive

Project Title: Pine Pharmaceuticals, LLC
 Project Address: 355 Riverwalk Parkway
 Tonawanda, New York 14150
 (Kenmore –TTN UFSD)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of a 50,000 sq. ft. manufacturing facility.

Land Acquisition	\$ 240,000
New Building Construction	\$ 5,900,000
Manufacturing Equipment	\$ 1,700,000
Non-Manufacturing Equipment	\$ 400,000
Soft Costs	\$ 375,000
Total Project Cost	\$8,615,000
85%	\$7,322,750

Company Description

Pine Pharmaceuticals is an FDA-registered outsourcing facility. This entity was created in November, 2013 to allow custom pharmaceuticals to be shipped directly to a physician for in office use. The company creates sterile and non-sterile compounds and sells them to practitioners for administration in office to the patient. Products are made for ophthalmologists, dermatologists as well as for hospital use.

Project Description

In 2017, with IDA assistance, Pine Pharmaceutical constructed a 25,000 sq. ft. facility in the Riverview Solar Technology Park. Since that time the company's operations have grown and are now in need of additional space. They will be constructing a 50,000 sq. ft. expansion to the existing facility. Since Pine is a sterile compounder, significant purchases will be made to equip new cleanrooms.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10 Year Abatement Period	Additional Town Revenue over 10 Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$1,250,000	\$37,000	\$222,000	\$123,450
Combined Tax Rate: \$98.76				

PILOT Table
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 = \$8,615,000 85% = \$7,322,750
Employment	Coincides with 10-year PILOT	Maintain Base = 80 FTE Create 85% of Projected Projected = 40 85% = 34 Recapture Employment = 114
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	10 year PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Recording Taxes

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 80 FTE jobs and created 40 FT 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

PINE PHARMACEUTICALS, LLC

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: \$75,000 Company estimated average salary of jobs to be created: \$55,000
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside NYS and within U.S.: 93%
In Region Purchases (% of overall purchases)	12% of annual supplies and vendor services are within Erie County
Research & Development Activities	The company performs research and development on every product prior to selling. Approximately 15% of costs are devoted to research and development.
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The land is zoned for industrial and manufacturing uses.
LEED/Renewable Resources	The company's location is within the Riverview Solar Technology Park provides reduced energy costs. All buildings within the development are constructed using the latest green construction methods to minimize their environment impact. N/A
Retention/Flight Risk	Recapture criteria currently in place requires a company this size to retain 95% of its base FTE jobs.
MBE/WBE Utilization	Pine along with its general contractor, Montante Construction, endeavors to support M/WBE businesses to grow capacity and provide opportunities. This includes early outreach and active targeting to bidders off a list of approved vendors compiled by the City of Buffalo, State of NY and Erie County. They will include diversity language in all subcontractor materials – including bid packages, purchase orders and contracts, which ensures that any subs hired on the job is also promoting M/WBE hiring and utilization.
Workforce Access – Proximity to Public Transportation	The facility is on bus route 40/Niagara Falls.

January 27, 2021

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-Pine Pharmaceutical - 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
\$5,900,000	\$1,250,000	\$14.16	\$33.00	\$51.60

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$1,770	\$4,125	\$6,450	\$12,345	\$123,450	\$111,105
2	10%	\$1,770	\$4,125	\$6,450	\$12,345	\$123,450	\$111,105
3	10%	\$1,770	\$4,125	\$6,450	\$12,345	\$123,450	\$111,105
4	20%	\$3,540	\$8,250	\$12,900	\$24,690	\$123,450	\$98,760
5	20%	\$3,540	\$8,250	\$12,900	\$24,690	\$123,450	\$98,760
6	20%	\$3,540	\$8,250	\$12,900	\$24,690	\$123,450	\$98,760
7	30%	\$5,310	\$12,375	\$19,350	\$37,035	\$123,450	\$86,415
8	30%	\$5,310	\$12,375	\$19,350	\$37,035	\$123,450	\$86,415
9	30%	\$5,310	\$12,375	\$19,350	\$37,035	\$123,450	\$86,415
10	30%	\$5,310	\$12,375	\$19,350	\$37,035	\$123,450	\$86,415
TOTAL		\$37,170	\$86,625	\$135,450	\$259,245	\$1,234,500	\$975,255

***** 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.)
\$8,615,000	\$975,255	\$364,437	\$37,500	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 16%

Cost-Benefit Analysis for Pine Pharmaceuticals, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Pine Pharmaceuticals,
LLC

TOTAL INVESTED
\$8.6 Million

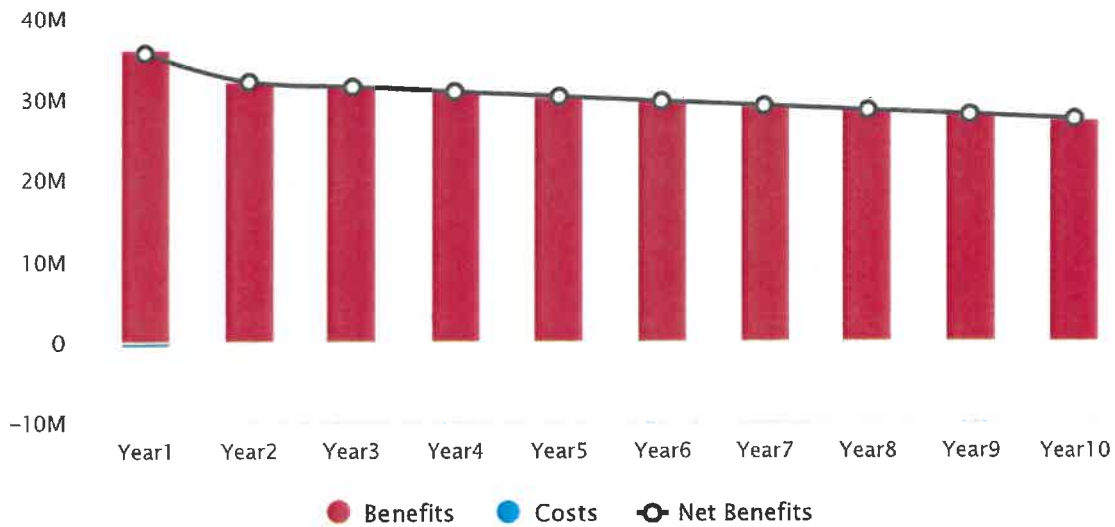
LOCATION
**355 Riverwalk Parkway,
Tonawanda, NY 14150**

TIMELINE
10 Years

F1 FIGURE 1

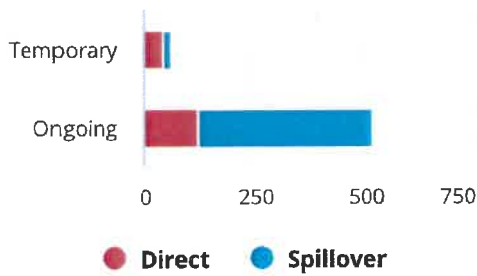
Discounted* Net Benefits for Pine Pharmaceuticals, LLC by Year

Total Net Benefits: **\$303,438,000**



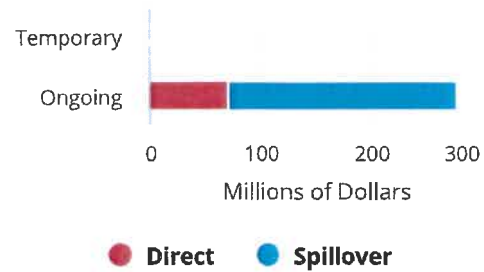
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Pine Pharmaceuticals, LLC proposes to invest \$8.6 million at 355 Riverwalk Parkway, Tonawanda, NY 14150 over 10 years.

TABLE 1

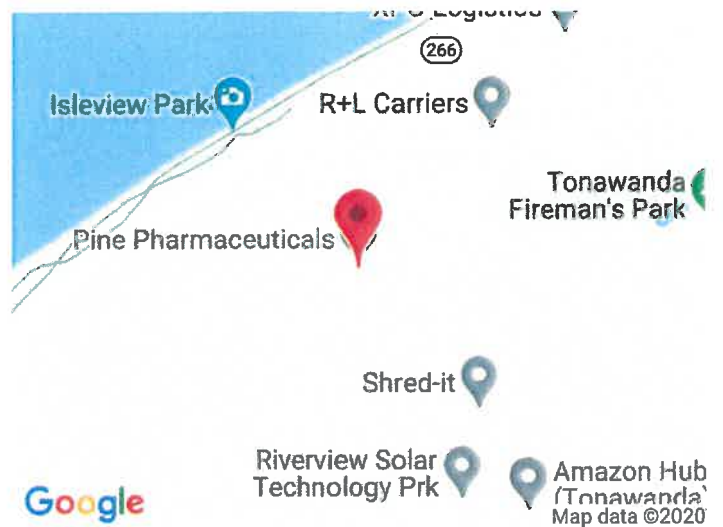
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$5,900,000
OTHER SPENDING	
Land Acquisition	\$240,000
Manufacturing Equipment	\$1,700,000
Non-Manufacturing Equipment	\$400,000
Soft Costs	\$375,000
Total Investments	\$8,615,000
Discounted Total (2%)	\$8,615,000

May not sum to total due to rounding.

FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 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 Pine Pharmaceuticals, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$975,000	\$897,000
Sales Tax Exemption	\$365,000	\$365,000
Mortgage Recording Tax Exemption	\$38,000	\$38,000
Total Costs	\$1,377,000	\$1,300,000

May not sum to total due to rounding.

* Discounted at 2%

T3 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	\$81,638,000	\$231,303,000	\$312,941,000
To Private Individuals	\$80,268,000	\$227,592,000	\$307,859,000
Temporary Payroll	\$2,268,000	\$787,000	\$3,055,000
Ongoing Payroll	\$78,000,000	\$226,805,000	\$304,805,000
To the Public	\$1,371,000	\$3,711,000	\$5,082,000
Property Tax Revenue	\$62,000	N/A	\$62,000
Temporary Sales Tax Revenue	\$37,000	\$13,000	\$50,000
Ongoing Sales Tax Revenue	\$1,272,000	\$3,698,000	\$4,970,000
STATE BENEFITS	\$5,202,000	\$14,152,000	\$19,354,000
To the Public	\$5,202,000	\$14,152,000	\$19,354,000
Temporary Income Tax Revenue	\$111,000	\$38,000	\$149,000
Ongoing Income Tax Revenue	\$3,958,000	\$10,901,000	\$14,859,000
Temporary Sales Tax Revenue	\$32,000	\$11,000	\$43,000
Ongoing Sales Tax Revenue	\$1,101,000	\$3,201,000	\$4,302,000
Total Benefits to State & Region	\$86,840,000	\$245,454,000	\$332,295,000
Discounted Total Benefits (2%)	\$79,775,000	\$224,962,000	\$304,738,000

May not sum to total due to rounding.

TABLE 4

Benefit to Cost Ratio

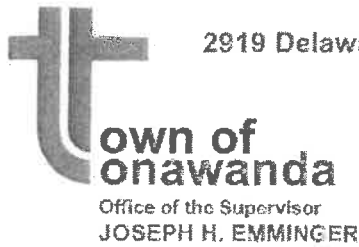
The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$286,989,000	\$1,118,000	257:1
State	\$17,748,000	\$182,000	98:1
Grand Total	\$304,738,000	\$1,300,000	234:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the 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.



2919 Delaware Avenue - Room 11 • Kenmore, New York 14217 • (716) 877-8804
Fax: (716) 877-1261

December 28, 2020

Mr. John Cappellino
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, New York 14203

RE: Pine Pharmaceuticals LLC

Dear Mr. Cappellino,

The Town of Tonawanda is in support of the application by Pine Pharmaceuticals to the Erie County Industrial Development Agency requesting the Agency to construct an additional 50,000+/- square feet expansion to the Company's existing 25,000+/- square feet, at the building located at 355 Riverwalk Parkway, Tonawanda, New York.

Tonawanda is a great place to do business and the expansion of the building by approximately an additional 50,000 square feet, in the Town of Tonawanda's Riverview Solar Technology Park, will add the space needed for the expansion of the Company and create more jobs for the Town of Tonawanda.

The expansion is a welcome addition to the continued development of Tonawanda's commercial properties and will add to the success of Pine Pharmaceuticals who has chosen to operate one of the nation's leading FDA-registered outsourcing facilities in the Town of Tonawanda.

Sincerely,



Joseph H. Emminger, Supervisor
Town of Tonawanda

JHE/js

cc: Karen Fiala, Erie County Industrial Development Agency
Carrie A. Hocieniec, Erie County Industrial Development Agency
Alfonse J. Muto, Pine Pharmaceuticals

"A GREAT PLACE TO LIVE, WORK AND PLAY"



VIRTUAL PUBLIC HEARING SCRIPT

**Pine Pharmaceuticals LLC and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on December 30, 2020 at 11:00 a.m.
via Virtual Conference Software

ATTENDANCE:

Morgan Morreale - Pine Pharmaceuticals, LLC
Alfonse J. Muto - Pine Pharmaceuticals, LLC
Karen Fiala - ECIDA
Carrie Hocieniec - ECIDA
Brian Krygier - ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 11:00 a.m. My name is Beth O'Keefe. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Pine Pharmaceuticals LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in [The Buffalo News](#) on Friday, December 18, 2020.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the construction of an additional 50,000+/- SF expansion to the Company's existing 25,000+/- SF building located at 355 Riverwalk Parkway, Tonawanda, New York (the "Improvements") and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property to be utilized for Company operations (the "Equipment," and collectively with the Improvements, the "Facility"), all to be used by the Company. The Facility will be initially operated and/or managed by the Company.

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

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

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

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on January 26, 2021. There are no limitations on written statements or comments.

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

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

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

Alfonse Muto – I am one of the owners. I think Beth summed it up pretty well. We are expanding here and currently have 25,000 sq. ft. and we are looking to add an additional 50,000 sq. ft. We are creating 40 jobs consisting of operation jobs, production jobs, warehousing jobs, quality control jobs, quality assurance and some administrative jobs as well. We are looking into making investments in equipment for dedicated manufacturing lines to expand our product portfolio and to bring in some new capabilities as well.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 11:04 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on December 30, 2020 at 11:00 a.m.
via Virtual Conference Software

**Pine Pharmaceuticals LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 355 Riverwalk Parkway, Tonawanda, New York 14150

Name	Company and/or Address	X box to speak/ comment
Morgan Morreale	Pine Pharmaceuticals, LLC 355 Riverwalk Parkway Tonawanda, New York 14150	
Alfonse J. Muto	Pine Pharmaceuticals, LLC 355 Riverwalk Parkway Tonawanda, New York 14150	
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	



Pine - Expansion 2021

[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 Pine - Expansion 2021
Project Summary Pine - Expansion 2021
Applicant Name Pine Pharmaceuticals LLC
Applicant Address 355 Riverwalk Pkwy
Applicant Address 2
Applicant City Tonawanda
Applicant State New York
Applicant Zip 14150
Phone (716) 248-1025
Fax (716) 768-3948
E-mail ajmuto@pinepharmaceuticals.com
Website www.pinepharmaceuticals.com
NAICS Code 325412

Business Organization

Type of Business Limited Liability Company
Year Established 2014
State in which Organization is established New York

Individual Completing Application

Name Alfonse J. Muto
Title Owner
Address 355 Riverwalk Pkwy
Address 2
City Tonawanda
State New York

Zip 14150
Phone (716) 248-1025
Fax (716) 768-3948
E-Mail ajmuto@pinepharmaceuticals.com

Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney David Colligan
Firm Name Colligan Law LLP
Address 12 Fountain Plaza
Address 2 Suite 600
City Buffalo
State New York
Zip 14202
Phone (716) 855-1150
Fax
E-Mail

Benefits Requested (select all that apply)

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

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

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility.

Pine Pharmaceuticals is an FDA-registered 503B Outsourcing Facility. This entity was created in November of 2013 to allow custom pharmaceuticals to be shipped directly to a physician for in office use. Our firm creates sterile and non-sterile compounds and sells them to practitioners for administration in office to the patient. We make products for ophthalmology, dermatology, hospitals and other niche areas. Our firm also manufactures investigational pharmaceuticals for clinical trials. We are one of only about 70 companies in the United States registered as an outsourcing facility.

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	6 %
Estimated % of sales outside New York State but within the U.S.	93 %
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?

12

Describe vendors within Erie County for major purchases

WNY Imaging Park Place Installations Philpac Corporation Network Services

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

355 Riverwalk Pkwy Tonawanda, NY 14150

Town/City/Village of Project Site

Town of 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

52.06-3-11.112

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

13,555.70

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

Land

\$.

Building(s)

\$.

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.)

Proposed project site is currently vacant land.

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

Currently, Pine occupies a 25,000 square foot space in Tonawanda, NY. The business continues to grow and Pine is building a 50,000 square foot expansion to accommodate current and future growth. Pine Pharmaceuticals will be the sole tenant of the building. Because Pine is a sterile compounder, significant equipment purchases will be made to equip the new cleanrooms. Equipment such as HVAC, HEPA filters, biological safety cabinets, laminar flow workbenches, convection ovens, and autoclaves.

Municipality or Municipalities of current operations

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?

Yes

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

NYS Excelsior Jobs Program, ReChargeNY

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:

The Agency's Financial Assistance is necessary due to the large capital investment into the growth of this company. Our project entails investing \$8.6 million dollars in a building and equipment. This expansion is paramount in allowing us to increase our manufacturing capacity and stay competitive in the industry. The expansion will allow for dedicated production lines, allowing for sustained and competitive growth in the industry. Investments will be made in R&D of new product lines as well as production equipment and personnel.

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

The agency's financial assistance is necessary for this project to take place due the significant upfront investment in the building and equipment. As a pharmaceutical producer of sterile products, specialized building features and equipment are necessary to achieve the specifications according to FDA's current good manufacturing practices. The financial assistance is necessary in keeping ongoing costs down and allowing us to remain competitive in the marketplace.

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?

If financial assistance is unable to be obtained, it would greatly affect the likelihood that the project proceeds, certainly not to the size as proposed or the number of jobs that would be created. Because of the significant investments from large public companies and private equity firms in competing businesses, a lack of assistance could put the current operation and associated jobs in danger due to competitive forces.

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

\$ 5,900,000

48,000 square feet

Reconstruction/Renovation

\$ 0

square feet

Manufacturing Equipment

\$ 1,700,000

Infrastructure Work

\$ 0

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

\$ 400,000

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

\$ 375,000

Other Cost

\$ 0

Explain Other Costs

Total Cost 8,615,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 7,600,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 3,765,000.00
% 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	\$ 4,165,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 364,437

** 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:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 3,615,000
Bank Financing:	\$ 5,000,000
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: \$8,615,000

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). 5,000,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$37,500

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

Pine Pharmaceuticals and its General Contractor, Montante Construction, acknowledge the importance of promoting MBE/WBE hiring and utilization. As the Pine Pharmaceuticals Expansion Project is completed, they will endeavor to support local MBE/WBE businesses. They will work to grow capacity and provide opportunities through an MBE/WBE hiring and utilization program that consists of: • Early outreach and involvement - including the active dissemination of information about the availability of upcoming contracting and employment opportunities; • Active targeting of MBE/WBE firms - including MBE/WBE bidders off a master list of vendors, which is regularly updated with the approved vendors lists issued by the City of Buffalo, State of New York, and Erie County; • Sustained follow up with MBE/WBE firms - including direct follow up to MBE/WBE firms in order to explain the opportunities and scopes of work for each bid package and to encourage their participation; • Inclusion of diversity language in all subcontractor materials - including bid packages, purchase orders, and contracts, which ensures that any subcontractor hired on the job also is promoting MBE/WBE hiring and utilization; and • Subcontractor utilization - direct follow up with subcontractors right after the bid submission to confirm and verify their plans for promoting diversity hiring and utilization.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	76	76	40	40
Part time	7	7	0	0
Total	83	83	40	

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	\$ 150,000	\$ 13,000	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	19	\$ 50,000	\$ 7,000	\$ 0	\$ 0
Production	62	\$ 53,000	\$ 8,000	\$ 13,000	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	37	\$ 50,000	\$ 7,000	\$ 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

5,775,000

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

75,000

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

13,000

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

55,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	50,000	To (Full Time)	60,000
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

355 Riverwalk Pkwy Tonawanda, NY 14150

Name and Address of Owner of Premises

5201 River Road Inc. 2760 Kenmore Avenue Tonawanda NY 14150

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

This project includes the construction of a 1-story manufacturing and warehouse facility with associated parking on parcel on the west side of Riverwalk Pkwy, south of River Road, in the Town of Tonawanda, New York. The site is currently undeveloped, mostly brush and trees containing a clearing and previously-placed earthen spoil piles.

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

This project includes the construction of a 1-story manufacturing and warehouse facility with associated parking on a parcel on the west side of Riverwalk Pkwy, south of River Road, in the Town of Tonawanda, New York. Pine Pharmaceuticals will utilize the new state-of-the-art facility to product and distribute compounded pharmaceutical products throughout the country. More specifically, they will focus on providing non-patient specific sterile injectable products for medical practices, clinics, hospitals and other medical facilities.

Describe all known former uses of the Premises

There were no known former uses of the property.

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

Yes

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

None

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

This development will result in an increase in impervious surfaces on this site. In turn, there will be an increase in the rate of storm water runoff. After the proposed development occurs, runoff from the new building and parking areas will be collected and conveyed to a bio retention basin. The dry detention basin will provide the storm water attenuation required to control the discharge of the increased storm water in accordance with Town of Tonawanda requirements.

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

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name Pine Pharmaceuticals LLC
Address 355 Riverwalk Pkwy Tonawanda, NY 14150
Contact Person Alfonse J. Muto
Phone (716) 248-1025
Fax (716) 768-3948
E-Mail ajmuto@pinepharmaceuticals.com
Federal ID # 46-5276266
SIC/NAICS Code 325412

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?

<BLANK>

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

City/Town

State

Zip Code

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

No

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

No

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

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

Within New York State

<BLANK>

Within Erie County

<BLANK>

If Yes to either question, please, explain

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

<BLANK>

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

Sucro Real Estate NY, LLC
\$19,000,000
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 311314
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$393,750 in sales tax savings • Approximately \$2,886,000 in real property tax savings • Up to 3/4 of 1% of the final mortgage amount estimated at \$112,500
EMPLOYMENT
<ul style="list-style-type: none"> • Retained Jobs = 5 • Projected New Jobs = 45 • Annual payroll: \$2,968,500 • Estimated salary of jobs to be created: \$47,000 • Estimated salary of jobs to be retained: \$45,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 12/30/2020 - Public hearing held. • 01/25/2021 - City of Lackawanna adopts a Negative Declaration in accordance with SEQRA. • 01/27/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Sucro Real Estate NY, LLC

Project Address: 2303 Hamburg Turnpike
Lackawanna, New York 14218
(Lackawanna Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the acquisition and renovation of a 174,000 sq. ft. facility and construction of a new 33,600 sq. ft. building

Land/ Building Acquisition	\$ 3,000,000
New Construction	\$ 1,000,000
Renovation	\$ 6,500,000
Infrastructure	\$ 1,500,000
Manufacturing Equipment	\$ 6,000,000
Non-Manufacturing Equipment	\$ 100,000
Soft Costs	\$ 900,000
 Total Project Cost	 \$19,000,000
 85%	 \$16,150,000

Company Description

The applicant The applicant is a wholly-owned subsidiary of Sucro Holdings, LLC and was founded in 2014. They are a cane sugar wholesaler with operations that span the U.S. Canada, European Union, Carribean and the Andean regions. Sucro operates a similar facility in Hamilton, Ontario where they produce liquid and refined sugar for industrial customers. The company's existing company base includes Kraft-Heinz, Wholesome Sweeteners, Kellogg's and Nestle. 60% of the company's sales are to customers outside Erie County and 29% to those located outside New York State.

Project Description

The project consists of the renovation of two existing buildings on the former Bethlehem Steel site. The existing buildings encompass approximately 174,600 sq. ft. In addition, the company will construct a new 33,600 sq. ft. facility and purchase approximately \$6,000,000 of production equipment. The buildings will accommodate new bulk and finished product storage, logistical operations as well as sugar refining operations.

The company is also in the process of completing environmental remediation pursuant to the Brownfield Cleanup Program.

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 PILOT Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$10,000,000	\$137,700	\$629,600	\$365,400
Combined Tax Rate: \$36.54				

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 = \$19,000,000 85% = \$16,150,000
Employment	Coincides with 10-year PILOT	Maintain base = 5 Create 85% of Projected Projected = 45 85% = 38 Recapture Employment = 43
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 Mortgage recording tax, state and local sales taxes and real property tax

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

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 5 jobs and created 45 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
 Sucro Real Estate NY, LLC

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County median worker income: \$33,350 Company estimated average salary of jobs to be retained: \$45,000 Company estimated average salary of jobs to be created: \$46,888
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside Erie County within NYS: 60% Outside NYS: 29%
In Region Purchases (% of overall purchases)	Approximately 90%
Research & Development Activities	10%
Investment in Energy Efficiency	Efficiency is planned through the use of energy efficient motors, steam generators, condensation return and water regeneration.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The project will meet all local zoning and land use requirements.
LEED/Renewable Resources	Not applicable.
Retention/Flight Risk	Recapture criteria currently in place requires a company this size to retain 95% of its base FTE jobs.
MBE/WBE Utilization	Sucro is a minority-owned business and is committed to hiring minority contractors for all project work.
Workforce Access – Proximity to Public Transportation	The facility is accessible Bus route 42

January 27, 2021

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-Sucro Real Estate NY, LL- 2021

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$9,000,000	\$10,000,000	\$6.56	\$17.15	\$12.83

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$6,560	\$17,150	\$12,830	\$36,540	\$365,400	\$328,860
2	10%	\$6,560	\$17,150	\$12,830	\$36,540	\$365,400	\$328,860
3	10%	\$6,560	\$17,150	\$12,830	\$36,540	\$365,400	\$328,860
4	20%	\$13,120	\$34,300	\$25,660	\$73,080	\$365,400	\$292,320
5	20%	\$13,120	\$34,300	\$25,660	\$73,080	\$365,400	\$292,320
6	20%	\$13,120	\$34,300	\$25,660	\$73,080	\$365,400	\$292,320
7	30%	\$19,680	\$51,450	\$38,490	\$109,620	\$365,400	\$255,780
8	30%	\$19,680	\$51,450	\$38,490	\$109,620	\$365,400	\$255,780
9	30%	\$19,680	\$51,450	\$38,490	\$109,620	\$365,400	\$255,780
10	30%	\$19,680	\$51,450	\$38,490	\$109,620	\$365,400	\$255,780
Total		\$137,760	\$360,150	\$269,430	\$767,340	\$3,654,000	\$2,886,660

***** 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.)
\$19,000,000	\$2,000,000	\$393,750	\$112,500	\$3,500,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 31.6%

Cost-Benefit Analysis for Sucro Real Estate NY, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
Sucro Real Estate NY, LLC

TOTAL INVESTED
\$19.0 Million

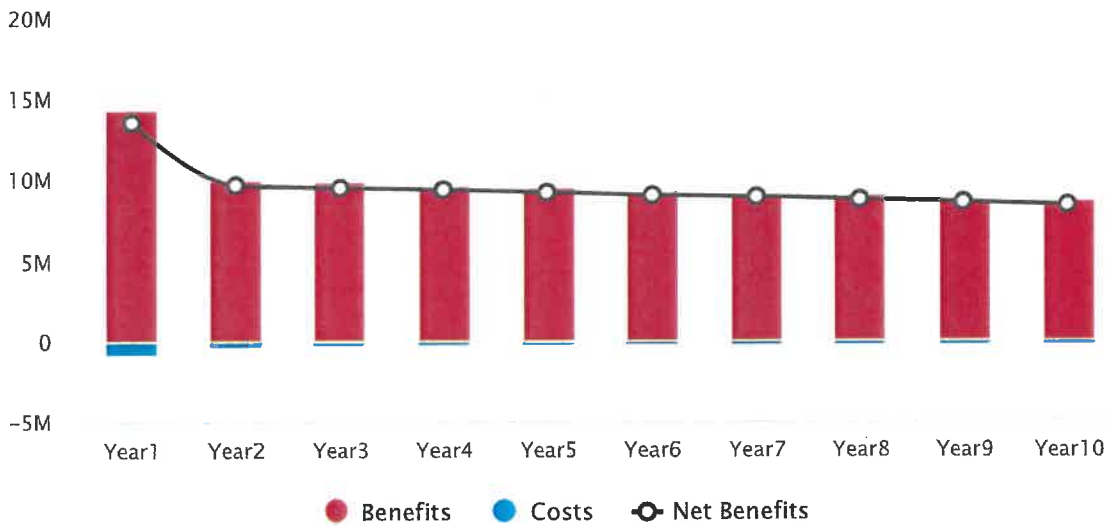
LOCATION
2303 Hamburg Turnpike, Lackawanna, NY 14218

TIMELINE
10 Years

F1 FIGURE 1

Discounted* Net Benefits for Sucro Real Estate NY, LLC by Year

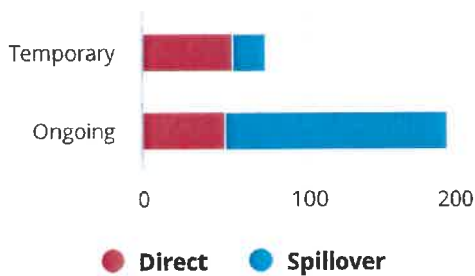
Total Net Benefits: \$94,710,000



Discounted at 2%

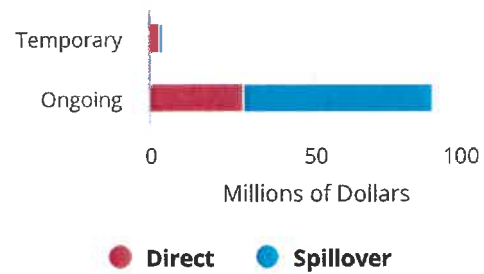
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Sucro Real Estate NY, LLC proposes to invest \$19.0 million at 2303 Hamburg Turnpike, Lackawanna, NY 14218 over 10 years.

T1 TABLE 1

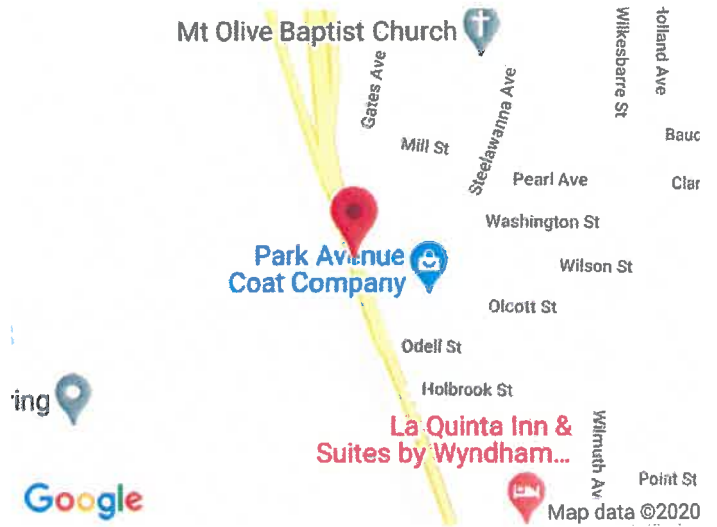
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$7,500,000
OTHER SPENDING	
Land/Building Acquisition	\$3,000,000
Infrastructure	\$1,500,000
Manufacturing Equipment	\$6,000,000
Non-Manufacturing Equipment	\$100,000
Soft Costs	\$900,000
Total Investments	\$19,000,000
Discounted Total (2%)	\$19,000,000

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 Sucro Real Estate NY, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$2,868,000	\$2,643,000
Sales Tax Exemption	\$397,000	\$397,000
Mortgage Recording Tax Exemption	\$113,000	\$113,000
Total Costs	\$3,377,000	\$3,152,000

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	\$35,296,000	\$65,046,000	\$100,341,000
To Private Individuals	\$33,979,000	\$64,002,000	\$97,981,000
Temporary Payroll	\$2,882,000	\$1,000,000	\$3,883,000
Ongoing Payroll	\$31,097,000	\$63,002,000	\$94,098,000
To the Public	\$1,317,000	\$1,044,000	\$2,360,000
Property Tax Revenue	\$762,000	N/A	\$762,000
Temporary Sales Tax Revenue	\$47,000	\$16,000	\$63,000
Ongoing Sales Tax Revenue	\$507,000	\$1,027,000	\$1,534,000
STATE BENEFITS	\$2,198,000	\$3,818,000	\$6,016,000
To the Public	\$2,198,000	\$3,818,000	\$6,016,000
Temporary Income Tax Revenue	\$141,000	\$49,000	\$190,000
Ongoing Income Tax Revenue	\$1,578,000	\$2,866,000	\$4,444,000
Temporary Sales Tax Revenue	\$41,000	\$14,000	\$55,000
Ongoing Sales Tax Revenue	\$439,000	\$889,000	\$1,328,000
Total Benefits to State & Region	\$37,494,000	\$68,863,000	\$106,358,000
Discounted Total Benefits (2%)	\$34,678,000	\$63,185,000	\$97,862,000

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	\$92,330,000	\$2,931,000	32:1
State	\$5,533,000	\$222,000	25:1
Grand Total	\$97,862,000	\$3,152,000	31:1

May not sum to total due to rounding.

* Discounted at 2%

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

VIRTUAL PUBLIC HEARING SCRIPT

**Sucro Real Estate NY, LLC and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on December 30, 2020 at 12:00 p.m.
via Virtual Conference Software

ATTENDANCE:

Jose Guillermo Rodriguez – Sucro Real Estate Corporation
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 12:00 p.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Sucro Real Estate NY, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on December 18, 2020.

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 approximately 12 acres of real property located at 2303 Hamburg Turnpike, Lackawanna, New York (the "Land") and the existing improvements located thereon, consisting of two buildings totaling approximately 174,600 square feet (the "Existing Improvements"), (ii) the renovation of the Existing Improvements and the construction of a new approximately 33,600 square foot building (the "Improvements") all for the purposes of accommodating new bulk and finished product storage, logistical operations, as well as sugar refining operations of the Company, and (iii) the acquisition by the Company in and around the Land, the Existing Improvements, and the Improvements of certain items of machinery, equipment and other

tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements and the Improvements, the "Facility"). The Facility will be initially operated and/or managed by the Company.

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

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

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

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on January 26, 2021. There are no limitations on written statements or comments.

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

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

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

Jose Guillermo Rodriguez – Project Engineer. The project consists of developing a full-scale sugar refinery at the former Bethlehem Steel site, including completion of environmental remediation. We will renovate the former boiler house and powerhouse buildings and construct a new building. The three buildings will serve as a production facility, a finished product storage, and a raw sugar warehouse respectively. Our estimates indicate that the refinery will be running at 65% capacity starting 2022 with 45 new employees, and at 100% capacity by 2024 with approximately 10 more employees. The work that needs to be completed for the renovations of these buildings will generate income to local contractors and their employees. The budget for this project is \$19,000,000, including land, renovation, manufacturing equipment, and soft costs. The development of this plant will cement Sucro as an alternative to the dominant US refiners.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 12:04 p.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on December 30, 2020 at 12:00 p.m.
via Virtual Conference Software

**Sucro Real Estate NY, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 2303 Hamburg Turnpike, Lackawanna, New York 14218

Name	Company and/or Address	X box to speak/ comment
Jose Guillermo Rodriguez	Sucro Real Estate Corporation 1951 Hamburg Turnpike Lackawanna, New York 14218	X
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	



Sucro Real Estate NY, 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	Buffalo Refinery Project
Project Summary	Development of a full-scale sugar refinery at the former Bethlehem Steel site described as Lackawanna Business Park IA, including completion of environmental remediation
Applicant Name	Sucro Real Estate NY, LLC
Applicant Address	2303 Hamburg Turnpike
Applicant Address 2	
Applicant City	Lackawanna
Applicant State	New York
Applicant Zip	14218
Phone	(786) 702-2044
Fax	
E-mail	jrodriguez@sucro.us
Website	sucro.us
NAICS Code	311314

Business Organization

Type of Business	Limited Liability Company
Year Established	2020
State in which Organization is established	New York

Individual Completing Application

Name	Jose Guillermo Rodriguez Daza
Title	Project Engineer
Address	1951 Hamburg Turnpike
Address 2	
City	Lackawanna
State	New York
Zip	14218

Phone (786) 702-2044
Fax
E-Mail jrodriguez@sucro.us

Company Contact (if different from individual completing application).

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

Company Counsel

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

Benefits Requested (select all that apply).

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

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

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility.

The Applicant is a wholly-owned subsidiary of Sucro Holdings, LLC. Sucro was founded in 2014 and is a cane sugar wholesaler, with over \$300M in annual revenues, about 80% of which is generated by its US/Canada operation. Sucro has operations spanning the US, Canada, EU, the Caribbean, and the Andean region. Sucro operates a similar sugar refinery in Hamilton, ON, which produces liquid and refined sugar for industrial customers. Sucro's existing customer base includes Kraft-Heinz, Wholesome Sweeteners, Mondelez, Kellogg's, Nestle, Danone, Unilever, Post Cereals, and others. There is significant interest from our customers in a facility of this nature, which is a market dominated by a virtual duopoly that have high logistical costs to serve the North Central region from their existing facilities.

Estimated % of sales within Erie County 10 %

Estimated % of sales outside Erie County but within New York State 60 %

Estimated % of sales outside New York State but within the U.S. 29 %

Estimated % of sales outside the U.S. 1 %

(*Percentage to equal 100%)

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

90

Describe vendors within Erie County for major purchases

We expect most vendors other than sugar to be based in Erie County, including contractors and suppliers

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

2303 Hamburg Turnpike

Town/City/Village of Project Site

Lackawanna

School District of Project Site

Lackawanna City

Current Address (if different)

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

SBL Number(s) for proposed Project

141.11-1-48.12

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

N/A

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

Land

\$ 220,446.00

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

Yes

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

Vacant land and buildings that require significant improvements

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 project site encompasses 12.04 acres, including two large buildings (174,600 sq. ft.) that require extensive renovations and the construction of a new 33,600 sq. ft. building. The project entails: (1) completion of environmental remediation pursuant to BCP; (2) improvements to the land and buildings to recondition the property for bulk and finished product storage, logistical operations (in and out), as well as sugar refining operation; (3) equipment for production facility, including refining and packaging equipment. Total investment amount is projected at \$19,000,000 by December 2024. The applicant will be the owner and operator of the facility.

Municipality or Municipalities of current operations

Lackawanna

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

Yes

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

No

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

No

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

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

Yes

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

Sucro has been actively evaluating alternative locations for a US refinery. Although this is the only alternative currently being considered, we are actively looking for a site location.

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)

While it is rapidly growing, Sucro remains a small business with a limited balance sheet and borrowing capacity. Our selection of the current site was primarily due to the BCP program and ECI tax benefits available. The development of this plant is expected to generate an additional \$250M in revenue and cement us as an alternative to the dominant US refiners. This project is expected to create 50 direct jobs and 50 indirect jobs in the area.

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 facility we are looking to build requires a long-term commitment. Sucro is looking for a successful long-term partnership with the State and County. Without this initial support, we would need to evaluate alternate locations, which would eliminate the investment and job creation in the area.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Most of the equipment will be financed

Site Characteristics

Is your project located near public transportation?

Yes

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

It's accessible to NFTA route 76.

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

714 Light Industrial Manufacturing

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?

Yes

If yes, please explain

It is a portion of the former Bethlehem Steel site, which is currently in the NY State Brownfield Cleanup Program. It is a former steel mill manufacturing facility.

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Reduction of power and gas through use of energy efficient motors, steam generators, condensate return, and water regeneration. You may also attach additional information about the machinery and equipment at the end of the application.

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

Yes

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

10%

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

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

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

Retail Sales No

Services No

Please check any and all end uses as identified below.

No Acquisition of Existing Facility No Assisted Living No Back Office

No Civic Facility (not for profit)	No Commercial	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	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	112,000 square feet	\$	14,500,000	81%
Warehouse	91,200 square feet	\$	3,000,000	17%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	5,000 square feet	\$	500,000	2%
Specify Other	square feet	\$	0	0%

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities

2/1/2021

End date : Estimated completion date of project

12/31/2024

Project occupancy : estimated starting date of occupancy

1/1/2021

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 3,000,000 square feet 12 acres

2.) New Building Construction

\$ 1,000,000 33,600 square feet

3.) New Building addition(s)

\$ 0

square feet

4.) Reconstruction/Renovation

\$ 6,500,000

174,600 square feet

5.) Manufacturing Equipment

\$ 6,000,000

6.) Infrastructure Work

\$ 1,500,000

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

\$ 100,000

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

\$ 200,000

9.) Other Cost

\$ 700,000

Explain Other Costs	Site Work
Total Cost	\$ 19,000,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 7,500,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 3,500,000.00
% sourced in Erie County	99%

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	\$ 4,500,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 393,750

** 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? Yes

If Yes, describe particulars: Minimal Materials and Labor to get Project Started

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 5,000,000
Bank Financing:	\$ 10,500,000
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):	\$ 3,500,000

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

Total Sources of Funds for Project Costs: \$19,000,000

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). 15,000,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$112,500

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): Not at this time

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

We are a minority owned business, and are committed to hiring minority contractors for all of our projects.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Most of the equipment will be financed

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 Genesee.

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	If financial assistance is granted – project the number of FT and PT	Estimate number of residents of the Labor Market Area in which
---	--	--	--

	relocated at project location	number of FT and PT jobs to be retained	jobs to be created upon 24 months (2 years) after Project completion	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	5	0	45	50
Part time	0	0	0	0
Total	5	0	45	

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	2	\$ 80,000	\$ 28,000	\$ 0	\$ 0
Professional	1	\$ 60,000	\$ 21,000	\$ 0	\$ 0
Administrative	4	\$ 45,000	\$ 15,750	\$ 0	\$ 0
Production	43	\$ 45,000	\$ 15,750	\$ 20,000	\$ 4,000
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	1951 Hamburg Turnpike, Lackawanna, NY 14218. Sucro International	1951 Hamburg Turnpike, Lackawanna, NY 14218. WS Services	
Full time	10	6	0
Part time	0	0	0
Total	10	6	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

2,968,500

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

45,000

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

0

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

46,888

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

0

Estimated salary range of jobs to be created

From (Full Time)	45,000	To (Full Time)	80,000
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

2303 Hamburg Turnpike, Lackawanna, NY 14218

Name and Address of Owner of Premises

Sucro Real Estate NY, LLC, 2020 Ponce de Leon Blvd., Ste. 1204, Coral Gables, FL 33134

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

Generally flat terrain on urban lands substantially created through historic slag deposition. No natural waterbodies exist on or adjacent to the premises, two manmade drainage channels are present on the property which served as historic storm water conveyance conduits.

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

Three former steel manufacturing support buildings circa 1890-1910 deemed the Blowing Engine House, the Boiler House, and the Power House. Sucro Real Estate NY, LLC is in the process of procuring the Phase IA Business Park from Tecumseh Redevelopment Inc. with the intent to redevelop the Site for liquid sugar manufacturing. The redevelopment will be performed in the following three phases: Phase 1 - Sugar Warehouse: This phase includes refurbishing the former Blowing Engine House building (approx. 35,000 square feet) by performing remaining asbestos abatement, replacing the roof, installing a concrete floor and interior block sidewalls, and improving the aesthetics surrounding the building. Phase 2 - Packing & Intermodal Distribution: This phase includes repurposing the former Power House building for offices and finished product storage/packing in intermodals; installing underground utilities; and constructing a permanent access road, parking lots, greenspace, and storm water controls. Phase 3 - Sugar Refining: This phase includes repurposing the former Boiler House building and installing equipment for the sugar refining manufacturing process. Sugar refining start up is anticipated for fall/winter 2022.

Describe all known former uses of the Premises

Formerly used to support steel manufacturing operations by Bethlehem Steel Company. No other historic uses

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

Known release of fuel oil from a historic above-ground storage tank, as well as elevated levels of certain metals and combustion byproducts, all of which are planned for remediation under the NY State Brownfield Cleanup Program (BCP) as documented in a Remedial Investigation/Alternatives Analysis Report revised October 2020

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

N/A

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

None

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

No

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

Currently no such sources

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?

Yes

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Stationary combustion: Three 500 HP Boilers are planned Exhaust/ventilation: Planned ventilation of filtered emissions from dust collector (bag house) used to control particulate from sugar conveyance

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

None

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

No

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

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

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

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

Yes

If yes, relate all the circumstances

Historic leakage of PCBs from oil-filled electrical equipment has impacted a small portion of the concrete floor in the power house building. This will be addressed as part of the planned Brownfield Cleanup Program remedial work.

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

non-friable roofing and window caulk on Blowing Engine House

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 Sucro Real Estate NY
Address 2303 Hamburg Turnpike
Contact Person Jose Guillermo Rodriguez
Phone (786) 702-2044
Fax
E-Mail jrodriguez@sucro.us
Federal ID # 85-3425940
SIC/NAICS Code 311314

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

City/Town

State

Zip Code

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

No

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

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