

Erie County Industrial Development Agency  
Meeting of the Membership



September 28, 2022  
at 12:00 p.m.

701 Ellicott Street, Center of Excellence in Bioinformatics and Life Sciences (CBLS)  
The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203

**1.0 Call to Order**

1.1 Call to Order Meeting of the Membership

**2.0 Approval of Minutes:**

2.1 Minutes of the August 24, 2022 Meeting of the Membership (Action Item) (Pages 2-6)

**3.0 Reports / Action Items / Information Items:**

3.1 Financial Report (Informational) (Pages 7-10)

3.2 Finance & Audit Committee Update

a) 2023 Budget Timetable (Informational) (Page 11)

b) Review of 2023 Proposed Budget (Informational) (Pages 12-22)

c) Professional Auditing Services Recommendation (Action Item) (Pages 23-26)

3.3 2022 Tax Incentives Induced/Closing Schedule (Informational) (Pages 27-28)

3.4 Buffalo's Race for Place (Informational)

3.5 Policy Committee Update (Informational) (Pages 29-31)

**4.0 Inducement Resolution(s):**

4.1 950 Broadway, LLC (Pages 32-77)

**ECIDA  
Incentives**  
\$592,040

**Private  
Investment**  
\$11,653,862

**Municipality**  
Buffalo

**5.0 Management Team Report:**

5.1

**6.0 Adjournment - Next Meeting October 26, 2022 @ 12:00 p.m.**

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

- MEETING:** August 24, 2022
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at [www.ecidany.com](http://www.ecidany.com).
- PRESENT:** Denise Abbott, Rev. Mark E. Blue, Hon. Bryon W. Brown, Hon. Joseph Emminger, Dottie Gallagher, Hon. Howard Johnson, Denise McCowan, Brenda W. McDuffie, Hon. Glenn R. Nellis and Kenneth A. Schoetz
- EXCUSED:** Hon. Diane Benczkowski, James Doherty, Michael P. Hughes, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Hon. Darius G. Pridgen, and Hon. Mark C. Poloncarz
- OTHERS PRESENT:** John Cappellino, President & CEO; Atiqa Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer/Assistant Secretary; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications, Pat Smith, Senior Bookkeeper; Laurie Hendrix, Administrative Coordinator; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans, Maria Whyte and Michael Szukala on behalf of Erie County; Alex Carducci on behalf of the City of Buffalo, Brad Termini on behalf of Laborers Way/Zephyr Partners and Seth Piccirillo on behalf of Buffalo Niagara Partnership

There being a quorum present at 12:06 p.m., the meeting of the members of the Erie County Industrial Development Agency (the "ECIDA" or "Agency"), was called to order by Chair McDuffie.

Ms. McDuffie introduced new ECIDA member, Denis McCowan, the new President of the Erie County Association of School Boards.

## MINUTES

The minutes of the July 27, 2022 meeting of the members were presented. Ms. Abbott moved and Mr. Blue seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

## REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Abidi presented the July 2022 financial report. The balance sheet shows the month ended with total assets of \$29.9M (includes unrestricted cash of \$7.4M available for Agency operations) and net assets of \$20.3M [UDAG cash of \$10.6M is in restricted cash]. The monthly income statement shows net loss of \$363,000 for July. Operating revenue of \$79,500 was below the monthly budget by approximately \$143,000, due mainly to timing of administrative fees. Operating expenses were \$212,000 and in line with the monthly budget. Under Special Project Grants, \$144,000 of net loss was recognized in July, mainly due to timing of EDA funds received in June that were passed through to the RDC in July. After depreciation, there was net loss of \$362,000 for the month. The year-to-date Income Statement shows revenues of \$1.16M, including administrative fee revenue of \$693,000. We are at about 37% of our 2022 annual budget through July. Expenses of \$1.67M are in line with the budget. Special project grant revenue nets to \$183,000. After strategic investments and depreciation, there is currently a net loss of \$526,000 for the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Abidi provided members with a brief review of the Committee meeting held on August 19 in which the Committee reviewed the first drafts of the ECIDA, RDC and ILDC budgets for 2023. There was also a discussion on the current RFP for professional audit services as well as the upcoming RFP for banking services. Ms. Abidi provided the 2023 budget timetable. The Finance & Audit Committee will meet again in September to review and recommend the draft budgets. The drafts will then be presented at the respective Board meetings on September 28. Two virtual Q&A sessions for Board members will be scheduled in early October. If there are significant adjustments to the 2023 budgets based on Board feedback, the Committee would then meet again and make an updated recommendation to the Boards. Final budgets will be presented to each Board at their October 26 meeting for approval. Budgets must then be submitted to the ABO by November 1. Mr. Szukala, Chair of the Finance & Audit Committee, reviewed the ECIDA Single Audit report and encouraged members to approve of same. Ms. McDuffie directed that the report be received and filed.

2021 Single Audit Report. Ms. Abidi reviewed the ECIDA Single Audit report. Because the ECIDA was the recipient of the EDA CARES Act grant funds that were sub-granted to RDC, ECIDA was also subject to Single Audit. Ms. Abidi noted that this should be the only year that this will happen as all the CARES Act grant funds have been sub-granted to RDC. Our auditors, Freed Maxick, completed the audit in July. There were no material weaknesses or deficiencies noted as a result of the audit. This item was reviewed with the Finance and Audit Committee and was recommended for approval by the Board.

Mr. Nellis moved and Mr. Emminger seconded to approve of the 2021 Single Audit Report. Ms. McDuffie then called for the vote and the motion was unanimously approved.

2022 Tax Incentive Induced/Closing Schedule. Mr. Cappellino presented this report to the members. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update. Mr. Cappellino provided members with an update on the most recently completed Policy Committee meeting, noting the Committee reviewed the Laborers Way/Zephyr project and noted the Committee recommended the project to the Board for approval. Ms. McDuffie directed that the report be received and filed.

## INDUCEMENT RESOLUTION

Laborers Way 1 LLC, 310 Ship Canal Parkway, Buffalo, New York. Ms. O’Keefe reviewed this proposed sales tax exemption, mortgage recording tax exemption and real property tax benefit project which consists of the purchase of designated Brownfield land within the Buffalo Lakeside Commerce Park from the Buffalo Urban Development Corporation (BUDC). Following the property acquisition and remediation, the company will construct two one-story steel framed structures totaling 75,000 sq. ft. consisting of an office building and a production building. This facility will be used for cannabis production, manufacturing, cultivating, packaging and distribution.

The Project’s cost benefit ratio was presented to and reviewed by the members present and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project’s contemplated community benefits were discussed and considered.

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

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$23,630,000 (which represents the product of 85% multiplied by \$27,800,000, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 31 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE”); and
  - the number of current FTE employees in the then current year at the Facility; and
  - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 31 FTE employees [representing the sum of product of 85% multiplied by 37 (being the 37 new FTE employee positions proposed to be created by the Company as stated in its Application)]. In an effort to confirm and verify the Company’s employment

numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's "Quarterly Employment Survey" form to be made available to the Company by the Agency.

- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF LABORERS WAY 1, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

## **MANAGEMENT TEAM REPORTS**

Mr. Cappellino presented the management team report to the members.

Ms. Whyte updated members on the progress of the MWBE policy, noting counsel is now preparing the final policy.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:29 p.m.

Dated: August 24, 2022

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Elizabeth A. O'Keefe, Secretary

**Erie County Industrial Development Agency**  
**Financial Statements**  
As of August 31, 2022

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Balance Sheet**

August 31, 2022

	<b>August 2022</b>	<b>July 2022</b>	<b>December 2021</b>
<b>ASSETS:</b>			
Cash *	\$ 7,473,043	\$ 7,374,874	\$ 7,851,664
Restricted Cash & Investments *	19,552,022	19,589,441	19,656,732
Due from Affiliates	542,805	506,652	755,496
Due from Buffalo Urban Development Corp.	75,464	65,227	105,721
Other Receivables	104,468	120,115	35,629
Total Current Assets	<u>27,747,801</u>	<u>27,656,308</u>	<u>28,405,242</u>
Grants Receivable	699,964	699,964	863,473
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,087,043	1,097,043	1,164,083
Total Long-Term Assets	<u>2,293,893</u>	<u>2,303,893</u>	<u>2,534,441</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 30,041,694</b></u>	<u><b>\$ 29,960,201</b></u>	<u><b>\$ 30,939,684</b></u>
<b>LIABILITIES &amp; NET ASSETS</b>			
Accounts Payable & Accrued Exp.	\$ 162,301	\$ 134,605	\$ 452,629
Deferred Revenues	686,375	688,595	872,993
Funds Held on Behalf of Others	8,628,863	8,766,833	8,717,606
Total Liabilities	<u>9,477,539</u>	<u>9,590,034</u>	<u>10,043,228</u>
Net Assets	<u>20,564,154</u>	<u>20,370,167</u>	<u>20,896,455</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><b>\$ 30,041,694</b></u>	<u><b>\$ 29,960,201</b></u>	<u><b>\$ 30,939,684</b></u>

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



**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Income Statement**

Month of August 2022

	<b>Actual vs. Budget</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES:</b>			
Administrative Fees, net of refunds	\$ 137,194	\$ 154,583	\$ (17,390)
Affiliate Management Fees	43,950	45,125	(1,175)
Interest Income - Cash & Investments	2,270	1,042	1,228
Rental Income	127,244	118,617	8,627
Other Income	1,625	833	792
<b>Total Revenues</b>	<b>312,283</b>	<b>320,200</b>	<b>(7,917)</b>
<b>EXPENSES:</b>			
Salaries & Benefits	\$ 162,368	\$ 169,542	\$ (7,174)
General Office Expenses	18,752	23,880	(5,128)
Building Operating Costs	16,194	20,312	(4,118)
Professional Services	12,423	5,583	6,839
Public Hearings & Marketing	4,128	5,000	(872)
Travel, Mileage & Meeting Expenses	(995)	2,917	(3,912)
Other Expenses	1,271	625	646
<b>Total Expenses</b>	<b>214,141</b>	<b>227,858</b>	<b>(13,718)</b>
<b>SPECIAL PROJECT GRANTS:</b>			
Revenues	\$ 107,220	\$ 80,945	\$ 26,276
Expenses	(105,000)	(75,261)	(29,739)
	<b>2,220</b>	<b>5,683</b>	<b>(3,463)</b>
<b>NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS &amp; DEPRECIATION:</b>			
	<b>100,362</b>	<b>98,025</b>	<b>2,337</b>
<b>OTHER STRATEGIC INVESTMENTS AND INITIATIVES:</b>			
Bethlehem Steel Industrial Park Grant	-	(8,333)	8,333
Angola Ag Park Grant	-	(8,333)	8,333
Bethlehem Steel Industrial Park Grant Reimb	103,625	-	103,625
	<b>103,625</b>	<b>(16,667)</b>	<b>120,292</b>
<b>NET INCOME/(LOSS) BEFORE DEPRECIATION:</b>			
	<b>203,987</b>	<b>81,358</b>	<b>122,629</b>
Depreciation	(10,000)	(10,000)	-
<b>NET INCOME/(LOSS):</b>			
	<b>\$ 193,987</b>	<b>\$ 71,358</b>	<b>\$ 122,629</b>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Income Statement**

Year to Date: August 31, 2022

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
<b>REVENUES:</b>						
Administrative Fees, net of refunds	\$ 830,537	\$ 1,236,667	\$ (406,129)	\$ 830,537	\$ 1,432,224	\$ (601,686)
Affiliate Management Fees	358,250	361,000	(2,750)	358,250	345,800	12,450
Interest Income - Cash & Investments	5,180	8,333	(3,153)	5,180	5,891	(711)
Rental Income	264,715	262,933	1,782	264,715	158,460	106,255
Other Income	16,408	25,167	(8,759)	16,408	17,928	(1,520)
UDAG Venture Investment Reflow	-	-	-	-	2,425	(2,425)
<b>Total Revenues</b>	<b>1,475,090</b>	<b>1,894,100</b>	<b>(419,010)</b>	<b>1,475,090</b>	<b>1,962,728</b>	<b>(487,637)</b>
<b>EXPENSES:</b>						
Salaries & Benefits	1,351,238	1,413,334	(62,096)	1,351,238	1,248,495	102,743
General Office Expenses	191,601	191,040	561	191,601	164,261	27,340
Building Operating Costs	150,209	162,493	(12,285)	150,209	148,311	1,898
Professional Services	133,372	72,767	60,605	133,372	70,575	62,797
Public Hearings & Marketing	40,362	40,000	362	40,362	60,942	(20,580)
Travel, Mileage & Meeting Expenses	10,795	23,333	(12,538)	10,795	7,387	3,409
Other Expenses	6,369	5,000	1,369	6,369	3,846	2,523
<b>Total Expenses</b>	<b>1,883,947</b>	<b>1,907,967</b>	<b>(24,020)</b>	<b>1,883,947</b>	<b>1,703,817</b>	<b>180,130</b>
<b>SPECIAL PROJECT GRANTS:</b>						
Revenues	738,279	647,556	90,723	738,279	4,191,016	(3,452,737)
Expenses	(553,111)	(602,089)	48,978	(553,111)	(4,682,539)	4,129,428
	<b>185,168</b>	<b>45,467</b>	<b>139,702</b>	<b>185,168</b>	<b>(491,523)</b>	<b>676,691</b>
<b>NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS &amp; DEPRECIATION:</b>						
	<b>\$ (223,688)</b>	<b>\$ 31,599</b>	<b>\$ (255,288)</b>	<b>\$ (223,688)</b>	<b>\$ (232,613)</b>	<b>\$ 8,924</b>
<b>OTHER STRATEGIC INVESTMENTS AND INITIATIVES:</b>						
Zero Net Energy costs (Z7+)	\$ -	\$ (417,278)	\$ 417,278	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	(8,055)	(100,000)	91,945	(8,055)	(163,091)	155,036
Angola Ag Park Grant	(49,183)	(100,000)	50,817	(49,183)	(49,860)	677
Bethlehem Steel Industrial Park Grant Reimb	103,625	250,000	(146,375)	103,625	-	103,625
Buffalo Urban Development Corporation	-	(100,000)	100,000	-	-	-
Other Strategic Initiatives	(75,000)	(125,000)	50,000	(75,000)	(75,000)	-
	<b>(28,613)</b>	<b>(592,278)</b>	<b>563,665</b>	<b>(28,613)</b>	<b>(287,951)</b>	<b>259,338</b>
<b>NET INCOME/(LOSS) BEFORE DEPRECIATION:</b>						
	<b>(252,301)</b>	<b>(560,678)</b>	<b>308,377</b>	<b>(252,301)</b>	<b>(520,563)</b>	<b>268,263</b>
Depreciation	(80,000)	(80,000)	-	(80,000)	(80,000)	-
<b>NET INCOME/(LOSS):</b>	<b>\$ (332,301)</b>	<b>\$ (640,678)</b>	<b>\$ 308,377</b>	<b>\$ (332,301)</b>	<b>\$ (600,563)</b>	<b>\$ 268,263</b>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)  
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)  
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

**2023 Budget Review Process**

<b>Date</b>	<b>Description</b>	
July-August	Review of draft 2023 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 19	Finance & Audit Committee meeting – initial review of proposed budgets.	✓
September 23	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards. (No quorum.)	✓
September 28	Review of 2023 draft budgets at Board meetings.	
October 6 1:00 pm	Board Q&A budget session #1 <u>via Zoom</u> (voluntary).	
October 7 10:00 am	Board Q&A budget session #2 <u>in person</u> (voluntary).	
October 17	Adjustments to budget based on Board feedback (if any) and Finance & Audit Committee recommendation of final budgets.	
October 26	Board meetings – action to approve final 2023 budgets.	
November 1	Deadline for final approved budgets to be submitted to the ABO.	

**Erie County Industrial Development Agency**  
**Proposed 2023 Budget**

# *Erie County Industrial Development Agency (ECIDA)*

## **2023 Budget + 3 Year Forecast**

### **A. Overview of Changes in 2023 Budget**

Presented herein is the projected operating budget for the Erie County Industrial Development Agency's ("ECIDA") year ending December 31, 2023 and a three-year forecast for 2024–2026.

The ECIDA is a not-for-profit, public benefit corporation that provides tax incentives, financing programs and economic development services to Buffalo and Erie County. In accomplishing its mission, the ECIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the key source of revenue for the ECIDA is the administrative fees charged to those companies that utilize its various products and services. The income that the ECIDA generates is utilized to provide salaries to its professional staff for managing various economic development programs, as well as payments for professional fees, general office expenses, public notices/marketing, building costs and other miscellaneous expenses.

For the year ending December 31, 2023, the Agency is projecting a net loss from operations of \$31,195. Depreciation, a noncash item, is estimated at \$120,000 and brings the budgeted operating loss to \$151,195. There is also \$796,000 budgeted for external projects, most of which will be funded with existing UDAG funds, rather than operating cash. After reserving \$2,000,000 for future projects the potential net loss for 2023 is \$2,947,500. Most of the budgeted loss would be from existing UDAG funds that have accumulated over several years.

The following significant risk factors may impact the 2023 results:

1. A significant portion of the ECIDA's administrative fee income is derived from a few large tax incentives and/or tax-exempt bond projects. The Agency does not collect a fee until the project (usually construction) is started, since many factors affect project timing. Depending on the timing of these projects, the Agency's fee income can fluctuate significantly from year to year.
2. Changes in the overall national and/or regional economy could result in a decrease in local investment projects that are assisted by the Agency, resulting in a corresponding decrease in administrative fee income.

The following information details the key changes in the 2023 budget compared to the 2022 projected revenues and expenses:

# *Erie County Industrial Development Agency (ECIDA)*

## 2023 Budget + 3 Year Forecast

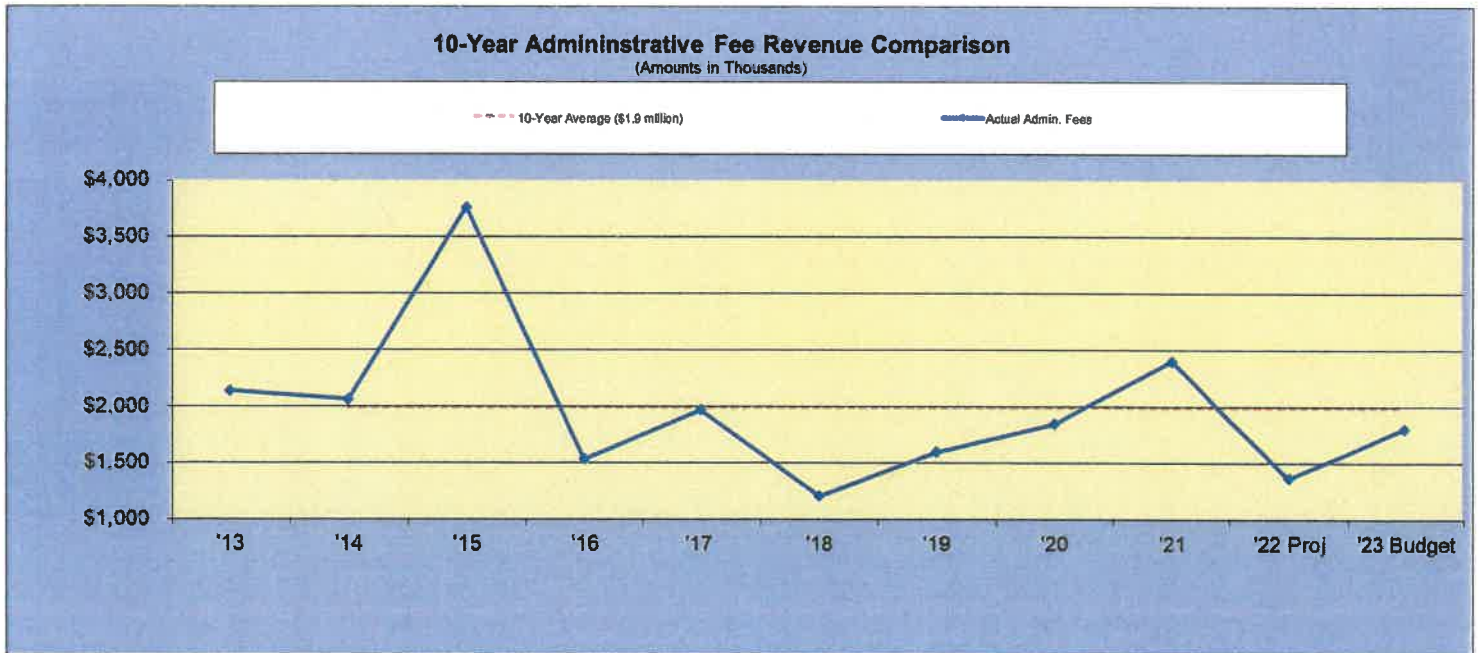
### A. Overview of Changes in 2023 Budget (continued)

#### Revenues:

##### *Administrative Fees (2023 Budget - \$1.8 million):*

Administrative fees primarily consist of fees earned by the ECIDA through the provision of tax abatements. During 2022, administrative fees included projects such as Life Technologies in Grand Island and 791 Washington Street, LLC (Trico). Additionally, the Agency closed on two bond issuances in 2022, which resulted in fees collected of \$150,000. Since some fees are recognized over multiple years (in accordance with the terms of the related fee agreements), the Agency expects to recognize approximately \$722,000 of fees in 2023 related to prior year project approvals. The budgeted figure of \$1.8 million was derived using the 2012-2021 10-year average.

The following chart summarizes the actual administrative fee revenue over the past 10 years compared to the average administrative fee for the 10-year period from 2013-2022:



# *Erie County Industrial Development Agency (ECIDA)*

## **2023 Budget + 3 Year Forecast**

### **A. Overview of Changes in 2023 Budget (continued)**

#### ***Affiliate Management Fees (increasing 2.9% from \$485,500 to \$499,700):***

Affiliate Management Fees represent salary, benefit, and facilities costs charged to ECIDA's affiliated companies (RDC & ILDC) for office space and services that ECIDA employees provide to these organizations, since they have no employees of their own. Affiliate management fees are expected to increase in 2023 due to increases in employee salaries and benefit costs.

#### ***Management Fees – BUDC (increasing 1.9% from \$103,000 to \$105,000):***

Management Fees – BUDC are salaries and benefit costs charged to Buffalo Urban Development Corporation ("BUDC") and its affiliates for services that ECIDA employees provide. ECIDA provides financial reporting, facilities management, and administrative services to BUDC as part of a shared services agreement. Management fees are expected to increase slightly in 2023 due to increased salaries and benefits costs for employees who charge hours to BUDC and its affiliates.

#### ***Rental Income (increasing 4.0% from \$350,970 to \$365,100):***

Rental Income represents rent received by ECIDA from BUDC for office space, two facilities owned by ECIDA and other smaller agreements. Budgeted rent revenue for leased space at 143 Genesee Street is \$231,700, with the lease agreement placed through July 2027. Rent received from the Port Terminal management agreement of \$107,585 in 2022 is budgeted at \$107,500 in 2023 based on projections from the management company.

### **Expenses:**

#### ***Salaries & Benefits (increasing 3.6% from \$2.02 million to \$2.1 million):***

The increase in the 2023 budgeted salaries and benefits compared to the projected 2022 figures is due to several factors. Salary increases and a potential performance incentive pool calculated at 4% of total salaries are included in the budget. Compensation increases are based on an independent compensation study of ECIDA employees, comparing Agency employee salaries with other individuals in the local labor market who have similar titles and responsibilities. These adjustments, if any, will also be reviewed and approved by the ECIDA Board Compensation Committee for Executive Management and by the CEO for other staff. Annual rate increases for health care also contributes to higher employee benefit costs. As an organization of specialized professionals, salaries and benefits account for 74% of total budgeted operating expenses.

#### ***Building Operating Costs (increasing 10.6% from \$230,000 to \$254,000):***

The increase in 2023 budgeted building operating costs compared to the projected 2022 figures is due mainly to a budgeted increase in rent expense. Rent expense for 2022 is projected to be \$190,700, while we are budgeting \$214,800 for 2023. This is due to the expiration of ECIDA's current office sublease during 2022, and management's assumption that a new lease will be at a higher cost per square foot.

***Erie County Industrial Development Agency (ECIDA)***  
**2023 Budget + 3 Year Forecast**

**A. Overview of Changes in 2023 Budget (continued)**

***Professional Services (decreasing 41.0% from \$167,700 to \$99,000):***

Professional Services consist of the following:

	<b>2023 Budget</b>	<b>2022 Budget</b>	<b>2022 Projection</b>
Legal	\$45,000	\$45,000	\$29,000
Consultants	\$25,000	\$22,000	\$108,000
Auditing	\$29,000	\$28,100	\$30,500
<b>Total</b>	<b>\$99,000</b>	<b>\$95,100</b>	<b>\$167,500</b>

In 2023, legal expenses are budgeted at \$45,000, consistent with the 2022 budget. Consultant expenses are budgeted at \$25,000. 2022 consultant costs are projected higher than budget due to the required Comprehensive Economic Development Strategy (CEDS) update (not included in original budget) and recruiting costs to fill open positions. Audit costs are in accordance with current proposals.



***Erie County Industrial Development Agency (ECIDA)***  
**2023 Budget + 3 Year Forecast**

**B. External Special Projects & Reserves for Future Projects**

The ECIDA’s 2023 budget currently includes \$225,000 for external projects and \$2 million allocated for potential future projects that are consistent with the ECIDA’s strategic plan and the restrictions on the UDAG and/or General Funds as follows:

<b>Project</b>	<b>2023 Budget</b>	<b>2022 Budget</b>	<b>2022 Projected Actual</b>
<b>External Special Projects</b>	\$ 225,000	\$ 225,000	\$ 175,000
<b>Industrial Land Park Grant</b>	-	100,000	100,000
<b>Angola Ag Park Grant</b>	100,000	100,000	100,000
<b>Z7+ Expense Reserve</b>	621,319	621,319	5,000
<b>Reserves for Future Projects:</b>			
Venture Capital Co-Investment	1,000,000	1,000,000	-
Forgivable Attraction Loan	1,000,000	1,000,000	-
<b>Total</b>	<b>\$ 2,946,319</b>	<b>\$ 3,046,319</b>	<b>\$ 380,000</b>

External Special Project allocations of \$225,000 include organizations that have received funding in the past, such as Buffalo’s Race for Place spearheaded by BUDC (\$100,000) and the Agency’s annual membership expenditure with Invest Buffalo Niagara (\$75,000). These items will not require specific Board action. Agency staff also hopes to work with community partners to establish a Minority Business Enterprise Assistance Program. A new request such as this would be presented to the ECIDA Board for approval before funding. The Z7+ Expense Reserve represents the remaining funds from the Board’s \$1.5 million allocation in 2016. The balance of those funds is included in the 2023 budget.

\$100,000 is budgeted for Angola Ag Park, representing one-third of the estimated carrying costs approved by the Board. The Reserves for Future Projects of \$2 million are discussed on the following pages and would also require Board approval prior to funding.

***Erie County Industrial Development Agency (ECIDA)***  
**2023 Budget + 3 Year Forecast**

**B. External Special Projects & Reserves for Future Projects (continued)**

**Venture Capital Co-Investment**

**Proposal: \$1,000,000**

**The Issue** – Currently, high-growth-potential companies have difficulty attracting angel or seed capital funding when they are in the earliest of their development stages. With the significant public investment in university and college research facilities and scientists, there is a need to commercialize this research in order to provide the “pay-back” on the community’s investment in the form of new high-paying jobs. Currently, there is a lack of early-stage capital for venture companies located in Western New York. Meanwhile, other communities which face similar issues have been successful in utilizing publicly-sponsored funds to support new companies.

Current New York State law does not explicitly allow IDAs to make equity venture investments in private companies. In order to achieve a change in New York State law, ECIDA is working with NYSEDC and the local New York State legislative delegation to pass legislation to codify the powers and duties of an IDA to operate an equity venture program and to provide venture investment to startup entrepreneurs and private companies.

**The Proposal** – In 2015, the ECIDA began the reestablishment of its Venture Capital Fund to provide equity investments in early-stage, high-growth-potential companies. The ECIDA will partner with qualified co-investors from Erie County such as Launch NY, 43 North, Z80 Labs, and/or Rand Capital. In the past, the ECIDA has had several key economic development successes by partnering with Rand Capital, such as its equity investments in GEMCOR II, LLC and Synacor, Inc. (approximately 400 jobs combined). The ECIDA would rely upon the expertise of its partners to conduct the due diligence required to evaluate the business, structure the investment, and develop an exit strategy.

**Use of Funds** – To make equity (stock) and/or debt project expenditures in selected businesses.

**Partners** – Launch NY, 43North, Z80 Labs, Rand Capital, and other venture capital firms.

**Approval** – The ECIDA Board would approve all project expenditures under this program.

**Consistency with Community Plans** – This strategy is consistent with the County Executive’s, *Initiatives for a Smart Economy 2.0*. One of the goals outlined in the plan is as follows: “*Erie County will create Venture Fund programs and provide venture equity to local entrepreneurs through the ECIDA*”.

***Erie County Industrial Development Agency (ECIDA)***  
**2023 Budget + 3 Year Forecast**

**B. Special Projects & ECIDA Program Allocations (continued)**

**Forgivable Attraction Loan(s)**

**Proposal: \$1,000,000**

**Qualification** – Businesses must be relocating to a HUD-defined distressed area or meet other HUD qualifications and provide a significant regional impact in terms of investment and/or job creation.

**The Issue** – Currently a number of communities across the nation are aggressively pursuing businesses to entice them to their region. One vehicle that communities have used to tip the relocation decision in their favor is the use of a high-impact project expenditure fund. Until 2013, the Buffalo region did not have such a program, while neighboring states were offering these programs with positive results, to Erie County's detriment.

**The Proposal** – The ECIDA would continue to fund a forgivable attraction loan fund that could aid in the attraction of key new businesses that would have a regional employment or investment impact. The attraction incentive would be structured in the form of a loan, with a portion or all of it forgiven if the company establishes their business in Erie County and meets specified investment and/or job goals. The ECIDA would work with Invest Buffalo Niagara to offer this incentive to those businesses that are the most promising and/or target the attraction loan to specific industries or regions (such as Southern Ontario). By providing this incentive, the Buffalo region would be perceived as demonstrating the community's support for the business relocation and could be the tipping point that leads to the relocation of the business as well as related "follow on" investments.

**Use of Funds** – To make project expenditures to companies located outside of Western New York to offset a portion of their investment costs in relocating. Companies assisted would be in one of the regional targeted industry sectors and have a regional employment or investment impact. The program would have a targeted maximum incentive of \$25,000 per job created.

**Partners** – Invest Buffalo Niagara

**Approval** – The ECIDA Board would approve all awards under this program.

**Consistency with Community Plans** – This strategy is consistent with the County Executive's "Initiatives for a Smart Economy 2.0" which states: *"Projects assisted by the ECIDA will be those that bring outside investment and self-sustaining jobs to Erie County while strengthening the regional economic base, helping to create a more inclusive economy and leading to population stabilization throughout the area"*.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed Budget for 2023**

	Proposed Budget 2023	Approved Budget 2022	Projected 2022	Actual 2021
<b>REVENUES:</b>				
Administrative Fees	\$ 1,800,000	\$ 1,855,000	\$ 1,361,000	\$ 2,419,283
Affiliate Management Fees	499,700	433,500	485,500	421,600
Management Fees - BUDC	105,000	108,000	103,000	92,601
Rental Income	365,100	345,400	350,970	332,727
Other Income	34,000	41,000	21,299	31,060
Interest Income - Cash & Investments	6,000	12,500	7,770	7,032
UDAG Venture Investment Reflow	-	-	-	2,425
<b>Total Revenues</b>	<b>2,809,800</b>	<b>2,795,400</b>	<b>2,329,539</b>	<b>3,306,727</b>
<b>EXPENSES:</b>				
Salaries & Benefits	2,095,500	2,091,500	2,022,079	1,905,311
General Office Expenses	179,200	186,560	174,854	157,507
Insurance Expense	100,000	100,000	96,611	98,739
Building Operating Costs	254,045	243,740	229,785	225,128
Professional Services	99,000	95,100	167,658	151,982
Public Hearing & Marketing Costs	65,000	60,000	60,335	85,811
Travel, Mileage & Meeting Expenses	37,000	35,000	17,903	18,820
Other Expenses	8,750	7,500	9,054	4,152
<b>Total Expenses</b>	<b>2,838,495</b>	<b>2,819,400</b>	<b>2,778,279</b>	<b>2,647,450</b>
<b>GRANT INCOME:</b>				
Revenues	831,893	1,094,159	749,267	5,379,784
Expenses	(823,693)	(1,085,959)	(717,690)	(5,940,551)
	8,200	8,200	31,577	(560,767)
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>	<b>(20,495)</b>	<b>(15,800)</b>	<b>(417,162)</b>	<b>98,510</b>
Depreciation	(120,000)	(120,000)	(120,000)	(116,449)
<b>NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>	<b>(140,495)</b>	<b>(135,800)</b>	<b>(537,162)</b>	<b>(17,939)</b>
<b>External Special Projects:</b>				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	-
Annual Membership (IBN)	75,000	75,000	75,000	75,000
MBE Assistance Program	50,000	50,000	-	-
Z7+ consultants/expense reserve	621,319	621,319	5,000	-
Industrial Land Park grant paid	-	100,000	100,000	163,091
ILDC Land Sale Proceeds (reimbursement)	(150,000)	(250,000)	(103,625)	(104,500)
Angola Ag Park grant paid	100,000	100,000	100,000	49,860
<b>Total Special Projects</b>	<b>796,319</b>	<b>796,319</b>	<b>276,375</b>	<b>183,451</b>
<b>NET INCOME (LOSS) BEFORE OTHER RESERVES:</b>	<b>(936,814)</b>	<b>(932,119)</b>	<b>(813,537)</b>	<b>(201,390)</b>
<b>Reserves for Future Projects:</b>				
Venture Capital Co-Investment	1,000,000	1,000,000	-	-
Forgivable Attraction Loan(s)	1,000,000	1,000,000	-	-
<b>Total Other Reserves</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS):</b>	<b>\$ (2,936,814)</b>	<b>\$ (2,932,119)</b>	<b>\$ (813,537)</b>	<b>\$ (201,390)</b>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed Budget and Three Year Forecast 2024-2026**

	Proposed Budget 2023	Forecast 2024	Forecast 2025	Forecast 2026
<b>REVENUES:</b>				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Affiliate Management Fees	499,700	515,000	530,000	546,000
Management Fees - BUDC	105,000	108,000	111,000	114,000
Rental Income	365,100	365,100	365,100	365,100
Other Income	34,000	40,000	40,000	40,000
Interest Income - Cash & Investments	6,000	6,000	6,000	6,000
Total Revenues	2,809,800	2,834,100	2,852,100	2,871,100
<b>EXPENSES:</b>				
Salaries & Benefits	2,095,500	2,137,000	2,180,000	2,245,000
Professional Services	99,000	110,000	140,000	140,000
General Office Expenses	179,200	185,000	191,000	197,000
Insurance Expense	100,000	103,000	106,000	109,000
Public Hearing & Marketing Costs	65,000	67,000	69,000	71,000
Building Operating Costs	254,045	262,000	270,000	278,000
Travel, Mileage & Meeting Expenses	37,000	38,000	39,000	40,000
Other Expenses	8,750	9,000	9,000	9,000
Total Expenses	2,838,495	2,911,000	3,004,000	3,089,000
<b>GRANT INCOME:</b>				
Revenues	831,893	250,000	250,000	250,000
Expenses	(823,693)	(250,000)	(250,000)	(250,000)
	8,200	-	-	-
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(20,495)</b>	<b>(76,900)</b>	<b>(151,900)</b>	<b>(217,900)</b>
Depreciation	(120,000)	(120,000)	(120,000)	(120,000)
<b>NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(140,495)</b>	<b>(196,900)</b>	<b>(271,900)</b>	<b>(337,900)</b>
<b><u>External Special Projects and Strategic Initiatives:</u></b>				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	50,000	-	-
MBE Assistance Program	50,000	50,000	50,000	50,000
Z7+ consultants/expense reserve	621,319	-	-	-
ILDC Land Sale Proceeds (reimbursement)	(150,000)	(150,000)	(150,000)	(150,000)
Angola Ag Park grant paid	100,000	100,000	-	-
Total Special Projects and Other Strategic Investments	796,319	150,000	-	-
<b>NET INCOME (LOSS) BEFORE OTHER RESERVES:</b>				
	<b>(936,814)</b>	<b>(346,900)</b>	<b>(271,900)</b>	<b>(337,900)</b>
<b><u>Reserves for Future Projects:</u></b>				
Venture Capital Co-Investment	1,000,000	-	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Total Other Reserves	2,000,000	-	-	-
<b>NET INCOME (LOSS):</b>				
	<b>\$ (2,936,814)</b>	<b>\$ (346,900)</b>	<b>\$ (271,900)</b>	<b>\$ (337,900)</b>

**Erie County Industrial Development Agency**  
**Proposed Five Year Capital Budget 2023-2027**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
<b>Facilities:</b>						
143 Genesee Street	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 85,000
95 Perry Street	180,000	10,000	5,000	5,000	5,000	205,000
<b>Total Facilities</b>	<b>200,000</b>	<b>30,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>290,000</b>
<b>Information Technology:</b>						
Firewall Hardware and License	5,500	-	-	-	-	5,500
Servers	-	12,000	-	12,000	-	24,000
Infrastructure Upgrade	-	4,500	-	-	-	4,500
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
<b>Total Information Technology</b>	<b>8,500</b>	<b>19,500</b>	<b>3,000</b>	<b>15,000</b>	<b>3,000</b>	<b>49,000</b>
<b>GRAND TOTAL</b>	<b>\$ 208,500</b>	<b>\$ 49,500</b>	<b>\$ 23,000</b>	<b>\$ 35,000</b>	<b>\$ 23,000</b>	<b>\$ 339,000</b>

## MEMORANDUM

**TO:** ECIDA, RDC and ILDC Boards of Directors  
**FROM:** Mollie Profic, Treasurer  
**SUBJECT:** Independent Audit Services RFP Recommendation  
**DATE:** September 28, 2022

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The ECIDA's Professional Services Request for Proposals (RFP) Policy requires proposals for Professional Auditing Services to be solicited at least every 5 years. Proposals were last solicited in 2017. On July 25, 2022, the Agency issued an RFP for Professional Auditing Services requesting one CPA firm to jointly audit the Agency and its affiliates and Western Region Corporation ("WRC"). The RFP requested services for three audit years from January 1, 2022 to December 31, 2024, with an option of contracting for an additional two years (2025-2026). The length of the potential contract period coincides with Public Authorities Law which requires rotation of the audit partner every five years.

### **Request for Proposal Process:**

The RFP was submitted directly to the top ten accounting firms per the 2022 Business First Book of Lists and any firms not on that list that had proposed in 2017. Ads were also placed in the Buffalo News, the Buffalo Criterion, and Challenger Community News stating the Agency issued an RFP for these services. In addition, the RFP was posted on ECIDA's website. The RFP responses were due on August 26. Four proposals were received from local firms.

### **Evaluation Process:**

Proposals were evaluated by Mollie Profic, CFO, Atiqa Abidi, Senior Accountant, and Jerry Manhard, Chief Lending Officer and points were assigned based on the following criteria as stated in the RFP:

- 1) Qualifications and experience of the audit firm. (25%)
- 2) Qualifications and experience of the partners and staff proposed for the engagement. (25%)
- 3) All-inclusive cost for the potential five-year engagement. (40%)
- 4) Minority & women ownership, employee development and/or programs (10%)
- 5) Compliance with local, state or federal statutes and regulations

**Results:**

Lumsden McCormick was the top-rated firm. As a firm they have experience auditing similar clients such as Niagara County IDA and its affiliates, Greater Lockport Development Corporation, and Niagara Frontier Transportation Authority. Their government services practice has 30 staff members and 39% of the firm’s partners are female. On the engagement team, both partners and the audit manager have previously served ECIDA and its affiliates. Members of the audit department with expertise in the area prepare and review all information returns (990s). Their tax department is available for assistance on any technical questions. Lumsden McCormick is involved with the Career Opportunities in the Accounting Profession (COAP) Program, a learning program which exposes minority high school and college students to accounting careers, in an effort to grow the presence of historically underrepresented minorities in the profession. The firm is headquartered in downtown Buffalo and is a member of the BDO Alliance USA, a nationwide association that can provide additional resources, if necessary. Their average audit fee over three years for all entities (including single audit costs, if necessary) is \$59,700.

	<b>ECIDA</b>	<b>RDC</b>	<b>ILDC</b>	<b>WRC</b>	<b>Total</b>
2022	\$31,000	\$16,000	\$6,000	\$4,000	\$57,000
2023	32,400	16,900	6,200	4,200	59,700
2024	33,800	17,800	6,400	4,400	62,400
<b>Average</b>	<b>\$32,400</b>	<b>\$16,495</b>	<b>\$6,200</b>	<b>\$4,200</b>	<b>\$59,700</b>

On September 23, 2022 members of the Joint Finance & Audit Committee of ECIDA, RDC, and ILDC reviewed the above and concurred with the staff recommendation. A quorum of the Committee was not present for a vote.

**Recommendation:**

We request that each of the Boards of the ECIDA, RDC, and ILDC approve the selection of Lumsden McCormick, LLP to provide professional auditing services for the 2022-2024 audits with an option of contracting with the firm for the 2025-2026 audits.



**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
RESOLUTION**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, September 28, 2022 at 12:00 p.m.

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

**RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT  
AGENCY (“AGENCY”) TO ENTER INTO A CONTRACT WITH LUMSDEN  
MCCORMICK, LLP TO PROVIDE PROFESSIONAL AUDITING SERVICES TO  
THE AGENCY**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the “Act”), the Erie County Industrial Development Agency (the “Agency”) was created as a public benefit corporation of the State with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act to prevent unemployment and economic deterioration; and

WHEREAS, the Agency’s Professional Services Requests for Proposals Policy (the “RFP Policy”) requires proposals for Professional Auditing Services to be solicited at least every five years; and

WHEREAS, the Agency, on July 25, 2022, issued a Request for Proposals for Professional Auditing Services (the “Auditing Services RFP”); and

WHEREAS, the Auditing Services RFP was mailed to the top ten accounting firms per the 2022 Buffalo Business First Book of Lists, ads were placed in the Buffalo News, the Buffalo Criterion and Challenger Community News stating that the Agency issued the Auditing Services RFP, and the Auditing Services RFP was posted on Agency’s website, with responses due by August 26, 2022; and

WHEREAS, four (4) proposals were timely received from local firms; and

WHEREAS, an internal Agency staff committee reviewed and scored the Auditing Services RFP responses in accordance with certain scoring criteria evaluating: (i) the qualifications and experience of the respondents, (ii) the qualifications and experience of the respondent’s partners and staff proposed for the engagement, (iii) the all-inclusive cost figure for the potential five-year engagement, (iv) minority and women ownership, employee development and/or programs related thereto, and (v) compliance with local, State or Federal statutes and regulations; and

WHEREAS, the internal Agency staff committee has unanimously recommended that Lumsden McCormick, LLP (“Lumsden McCormick”) be selected to provide professional auditing services to the Agency; and

WHEREAS, the Agency desires to adopt a resolution which will provide the necessary authority for the Agency to enter into an engagement with Lumsden McCormick.

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

Section 1. The Agency hereby confirms that it is authorized to select a professional auditing services firm to provide auditing services to the Agency consistent with the RFP Policy.

Section 2. Effective with the adoption of this resolution, the Agency hereby finds, in comparison to the other Auditing Services RFP respondents, that Lumsden McCormick has significant auditing experience auditing similarly situated IDAs, has a large government services practice group consisting of over 30 staff members, with 39% of the firm's partners being female, is involved with the Career Opportunities in the Accounting Profession (COAP) Program, a learning program which exposes minority high school and college students to accounting careers in an effort to grow the presence of historically underrepresented minorities in the profession, has significant government and not-for-profit audit experience, a tax department which is available for assistance on any technical questions, and is a member of BDO Alliance USA, a nationwide association, providing Lumsden McCormick with additional access to resources and knowledge to assist the Agency.

Section 3. The Agency hereby selects Lumsden McCormick to provide professional auditing services for the 2022, 2023 and 2024 fiscal years, and hereby directs the Agency's Finance and Audit Committee to review Lumsden McCormick's 2022, 2023 and 2024 performance and fees and further resolves and confirms that based upon the Agency's Finance and Audit Committee's satisfactory review of same, and upon the approval of the Agency's Finance and Audit Committee, that Lumsden McCormick continue to be retained to provide auditing services for the 2025 and 2026 fiscal years.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 5. Any and all actions heretofore taken or authorized by the Agency and/or its officers, employees and agents with respect to this resolution are hereby ratified, approved and confirmed in all aspects.

Section 6. This Resolution shall take effect immediately.

ADOPTED: September 28, 2022

**Tax Incentives Approved - 2022**

Approval Date	Project Name	Project City/Town	Private Investment/Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Const Jobs	Spillover Jobs	Length of Term	Incentive Amount	Cost Benefit Ratio
Jan-22	791 Washington Street, LLC <sup>1</sup>	Buffalo	\$107,950,000	85% threshold \$91,800,000	0	0	5	0	85%-New 4 jobs	571	433	Period of PILOT 10 Years	\$3,719,000	1:20
Jan-22	Arbor Multifamily Lending, LLC	Tonawanda	\$2,100,000	85% threshold \$1,785,000	168	0	25	0	85%-New 21 jobs	0	158	project completion date + 2 yrs	\$183,750	1:304
Jan-22	Broadway Development & Management <sup>1</sup>	Buffalo	\$12,500,000	85% threshold \$10,625,000	2	0	8	0	85%-New 7 jobs	56	55	project completion date + 2 yrs	\$693,500	1:14
Jan-22	Lactalis American Group, Inc.	Buffalo	\$1,436,697	85% threshold \$1,221,192	334	0	27	0	85%-New 22 jobs	5	1390	project completion date + 2 yrs	\$126,793	1:9994
Mar-22	471 Elmwood, LLC <sup>1</sup>	Buffalo	\$3,590,000	85% threshold \$3,051,500	0	0	1	0	85%-New 1 job	20	10	project completion date + 2 yrs	\$122,500	1:15
Apr-22	Workspot, Ltd.	West Seneca	\$15,006,887	85% threshold \$12,755,854	0	0	6	10	85%-New 9 job	30	33	project completion date + 2 yrs	\$103,562	1:67
Jul-22	380 Vuclan	Tonawanda	\$7,145,000	85% threshold \$6,073,250	4	2	3	2	85%-New 3 Jobs	25	26	Period of PILOT 7 Years	\$1,610,699	1:6
Jul-22	Perry's Ice Cream	Akron	\$18,000,000	85% threshold \$15,300,000	365	14	15	0	85%-New 12 Jobs	79	690	Period of PILOT 7 Years	\$684,891	1:490
Jul-22	Spaulding Business Park	Tonawanda	\$2,055,000	85% threshold \$1,746,750	0	0	20	0	85%-New 17 Jobs	8	24	Period of PILOT 7 Years	\$403,241	1:27
Jul-22	A & A Union Road, LLC	West Seneca	\$3,110,729	85% threshold \$2,644,119	12	1	2	0	85%-New 1 Job	13	33	Period of PILOT 7 Years	\$521,790	1:31
Aug-22	Laborers Way 1	Buffalo	\$27,800,000	85% threshold \$23,630,000	0	0	20	34	85%-New 37 Jobs	119	141	Period of PILOT 15 Years	\$3,087,290	1:28

Totals:	Totals:	Private Investment/Project Amount	FT Jobs Retained	PT Jobs Retained	FT Jobs Created	PT Jobs Created	Const Jobs	Spillover Jobs	Incentive Amount
Adaptive Reuse Subtotal	3	\$124,040,000	2	0	14	0	647	498	\$4,535,000
2022 Total	11	\$200,694,313	885	17	132	46	926	2993	\$11,257,016

<sup>1</sup> Adaptive Reuse

**Tax Incentives Closings - 2022**

Project Name	Project Amount at Closing	FT Jobs at App	Projected Year 2 FT Jobs	PT Jobs at App	Projected Year 2 PT Jobs	Project City	Induced Date	Est. Project Completion Date
Unifrax Line 7	\$ 36,000,000	27	37	0	0	Tonawanda	3/27/2019	12/31/2021
Workspport	\$ 15,666,887	0	6	0	10	West Seneca	4/27/2022	12/31/2027
Calspan Corporation	\$ 15,092,000	143	163	3	3	Cheektowaga	6/1/2022	12/31/2022
Sucro Real Estate, LLC	\$ 7,625,000	5	50	0	0	Lackawanna	1/27/2021	4/30/2023
Eastman Machine Company	\$ 1,749,062	126	129	0	0	Buffalo	2/24/2021	12/21/2023
	\$ 76,132,949	301	385	3	13			
Projects Closed = 5								
FT Projected New Jobs = 84								
PT Projected New Jobs = 10								

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

- DATE:** September 1, 2022
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency's website at [www.ecidany.com](http://www.ecidany.com).
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue; Colleen DiPirro; Richard Lipsitz, Jr.; Hon. Glenn R. Nellis; Laura Smith, David J. State; Lavon Stephens; Hon. John Tobia and Hon. Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown; Johanna Coleman; Brenda W. McDuffie; and Paul Vukelic
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Atiqah Abidi, Assistant Treasurer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications; Pat Smith, Senior Bookkeeper; and Robert Murray, General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of the County; Lisa Hicks and Alex Carducci on behalf of the City of Buffalo; Dana Tunmore on behalf of the Erie County Legislature and Joshua Israel on behalf of 950 Broadway/Cedarland Development

There being a quorum present at 9:03 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

**MINUTES**

The minutes of the August 4, 2022 Policy Committee meeting were presented. Upon motion made by Ms. Abbott to approve of the minutes, and seconded by Ms. Whyte, the aforementioned Policy Committee meeting minutes were unanimously approved.

**PROJECT MATRIX**

Mr. Cappellino reviewed the Agency's 2022 Tax Incentives Project Matrix. Mr. Lipsitz directed that the report be received and filed.

**PROJECT PRESENTATIONS**

950 Broadway LLC, 950 Broadway Avenue, Buffalo, New York 14212. Ms. O’Keefe presented this proposed sales tax and mortgage recording tax benefits project involving the revitalization of a vacant building approximately 40,570+/- sq. ft. into a mixed-use facility with 28 affordable apartment units, an indoor urban farm/garden and a ground floor affordable day care facility for the community.

Ms. Whyte spoke in favor of the project. At this point in time, Ms. Baskin joined the meeting.

Ms. Baskin queried regarding Urban Farming initiative. Mr. Israel responded that the Urban Farming program is still being developed and confirmed that a desire is to produce food for both the day care center and for a point of sale for the community.

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

Mr. Blue spoke in favor of the project.

Ms. O’Keefe confirmed that 950 Broadway LLC is seeking approximately \$592,040 in assistance including sales tax exemption and mortgage tax exemption. Total payroll is projected at \$14,064,371 for the direct and indirect jobs created including 55 construction jobs. The resulting cost benefit is 1:25 so for every \$1 of incentives the community benefit is \$25 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$46 in community benefits.

Ms. O’Keefe stated that in exchange for providing the sales and use tax and mortgage recording tax 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 = \$11,653,862 85% = \$9,905,783
Employment	Coincides with recapture period	Maintain Base = 0 Create 85% of Projected Projected = 36 FTE 85% = 30 FTE Recapture Employment = 30 FTE

Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to policy
Unpaid Tax	Coincides with recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

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

**MWBE UPDATE**

Mr. Cappellino provided an update to Committee members.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:30 a.m.

Dated: September 1, 2022

\_\_\_\_\_  
Elizabeth A. O’Keefe, Secretary

**950 Broadway LLC, Cedarland Development**  
**\$ 11,653,862**

**PRIVATE INVESTMENT INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section – 531390

**COMPANY INCENTIVES**

- Approximately \$ 511,175 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 80,865

**JOBS & ANNUAL PAYROLL**

- Current / Retained Jobs: 0 FTE
- Projected new jobs: 34 FT, 4 PT
- Est. salary/yr. of jobs created: 65,000 FT/35,000 PT
- Total jobs after project completion: 36 FTE
- Construction Jobs: 55

**PROJECTED COMMUNITY BENEFITS\***

- Term: 2 yrs from project completion
- NET Community Benefits: \$ 14,939,584
- Spillover Jobs: 51
- Total Payroll: \$ 14,064,371

**INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)\***

Incentives: \$ 592,040  
 Community Benefit: 14,585,592  
 Cost: Benefit Ratio  
 • 1: 25

Project Title: 950 Broadway  
 Project Address: 950 Broadway Ave. Buffalo NY 14212  
 Buffalo Central School District

**Agency Request**

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a 40,570 sq ft commercial building located in the City of Buffalo’s East Side.

Building Acquisition	\$ 627,000
Building Renovation	\$ 6,611,742
Non- Manufacturing Equipment	\$ 2,205,545
Soft Costs/Other	\$ 2,209,575
<b>Total Project Cost</b>	<b>\$ 11,653,862</b>
 85%	 \$ 9,905,783

**Company Description**

Cedarland Development Group, a real estate development company was founded by Dr. Fadi Dagher, a Lebanese immigrant (and former transplant surgeon) and his son, Kevin Dagher. Cedarland has focused on blighted properties on Buffalo’s East and Lower West sides for the past decade owning commercial, industrial and residential properties throughout Buffalo. Their recent projects include The Grid, a 217 unit residential project, located at 1155 Main St. The Grid provides residents with proximity to Buffalo’s Medical Campus and to downtown. Cedarland credits its sound working relationships with state and local government officials and commitment to collaboration with community stakeholders in maximizing its positive impact in the historically disadvantaged East side, the Broadway-Fillmore District in particular. Dr. Dagher is the sole member of 950 Broadway LLC, a real estate holding company.

**Project Description**

This project aims to revitalize a vacant building located at 950 Broadway - a prominent intersection on the East Side of Buffalo into a mixed-use facility with 28 affordable apartment units, an indoor urban farm/garden and a ground floor affordable day care facility for the community. The apartment units will be offered at 60%, 70% and 80% of AMI corresponding to the rent ranges below.

# of Units	Sq Ft	Rent Range
10 studio apartments	450	\$840
14 one-bedroom	660	\$883-\$1,212
4 two-bedroom	880	\$1,457

The company is pursuing property tax savings through the NYS 44-A historic property exemption program.

\* Cost Benefit Analysis Tool powered by MRB Group



### Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

#### Cost: Incentives

COSTS	Tax Exemption	Amount
	Sales	\$511,175
	Mortgage Recording	\$ 80,865
	Total	\$592,040
	Discounted at 2%	\$592,040

#### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Construction	7,156,048
			Payroll Permanent	6,908,323
		Public	Property Taxes	
			Sales Taxes	116,910
			Other - NFTA	26,955
	New York State	Public	Income Taxes	632,897
			Sales Taxes	98,450
			Total Benefits to EC + NYS***	14,939,584
			Discounted at 2%	14,585,592

\* Cost Benefit Analysis Tool powered by MRB Group \*includes direct & indirect \$ over project period \*\*\* may not sum to total due to rounding

Discounted Cost           \$ 592,040  
 Discounted Benefit       \$ 14,585,592  
 Ratio                         1: 25

**Conclusion:** The Cost Benefit for this project is: 1:25. For every \$1 in costs (incentives), this project provides \$25 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 46 in benefits to the community.**

#### New Tax Revenue Estimated – NYS 444-A Historic Property Exemption

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 2,514	\$ 1,955,000	\$ 29,490	\$ 106,563	\$45,351
Combined Tax Rate: \$ 23.198				

**Retail Determination**

Project Use	Sq Ft	Cost	% Project Cost
Commercial (CAO -Daycare facility)	14,452	\$ 6,204,889	53%
Retail (Urban Farm)	8,000	\$ 244,520	2%
Other: apartments	18,118	\$ 5,204,453	45%

The retail component of the project is less than 30% of the project costs and therefore no sign off is required.

**Draft Recapture Material Terms**

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$ 11,653,862 with 85% = \$9,905,783
Employment	Coincides with recapture period	Maintain Base = 0 Projected = 36 FTE Create 85% of Projected = 30 FTE Recapture Employment = 30 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to Policy
Unpaid Tax	Coincides with recapture period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes & Mortgage Recording Tax

**Recapture**

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has created 30 jobs (FTE), iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

**Project ECIDA History**

- 8/26/22: Public hearing held.
- Type II Action – No SEQRA compliance required.
- 9/28/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

**ADAPTIVE REUSE REPORT &  
EVALUATIVE CRITERIA  
950 Broadway / Cedarland Development**

<p>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment).</p>	<p>The structure is a 3-story building that is over 62 years old. Challenges to redevelopment include costs of asbestos removal and costs of maintaining the historical component of the project. In addition, the building's long-term vacancy has resulted in negative impacts on the building's basement and shell.</p>
<p>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 the elimination of slum and blight.</p>	<p>The structure has been vacant for 12 years. Once home to Eckardt's Department Store, the building is on the northwest corner of Broadway and Filmore. The building is one of the largest buildings in the neighborhood and without this project, the neighborhood will continue to deteriorate, and the corner remain largely inactive. This development has the potential to not only effect this building but to also initiate growth in the adjacent buildings and to bring vitality to the neighborhood.</p>
<p>Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class</p>	<p>There is no rental income being generated at this property.</p>
<p>Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans</p>	<p>The project is compliant with the Framework for Regional Growth and aligns with various redevelopment initiatives. This includes initiatives such as the \$10M NYS REDC Downtown Revitalization Initiative (DRI) award focusing on improvements to help transform the Broadway-Filmore neighborhood.</p>
<p>Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages).</p>	<p>The rate of return for this project = 3.9% without ECIDA assistance, 4.6% with ECIDA assistance.</p> <p>See attached for comparisons to similar projects in the U.S. Northeast and in the City of Buffalo.</p>

**ADAPTIVE REUSE REPORT &  
EVALUATIVE CRITERIA  
950 Broadway / Cedarland Development**

Demonstrated support of local government entities	Letters of Support: pending

LEED/Renewable Resources	n/a
Building or site has historic designation	Commissioner accepted NY State & National Registry eligibility on 12/31/2018.
Site or structure has delinquent property or other local taxes	Taxes are current.
MBE/WBE Utilization	See MBE / WBE Utilization worksheet.
Transit Oriented Development	The project location is adjacent to several stops on the Metro #4 Broadway & 23 Fillmore lines.

<b>OTHER FACTORS TO CONSIDER:</b>	
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	
Site or structure is located in a distressed census tract	950 Broadway is located in the highly distressed census tract #166.
Structure presents significant costs associated w/ building code compliance.	

DATE OF INDUCEMENT: September 28, 2022

# **ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA**

## **950 Broadway / Cedarland Development**

### **Return on Investment – 950 Broadway, 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 \$0
- Sales Tax Savings in the amount of \$ 511,175
- Mortgage Tax Savings in the estimated amount of \$ 80,865

### **ROI**

950 Broadway, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 4.6 %

Stated ROI for the project without ECIDA assistance is 3.9 %

**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 - 950 Broadway LLC**

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property (per NYS 444-a info provided)	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
5,544,742	\$1,955,000	5.028272	18.169375	n/a

\*Apply equalization rate to value

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

**Percentage of Project Costs financed from Public Sector Table Worksheet:**

Total Project Cost	Estimated Value of Historic Property Exemption (444- a)	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$11,653,862	\$317,500	\$ 459,825	\$ 80,865	\$6,830,053

**Calculate %**

**(Est. Tax Ex (NYS 444-a) + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 66%**

# Erie County Industrial Development Agency MRB Cost Benefit Calculator

Date August 19, 2022  
 Project Title 950 Broadway LLC, Cedarland Development  
 Project Location 950 Broadway Ave, Buffalo, NY 14212



## Economic Impacts

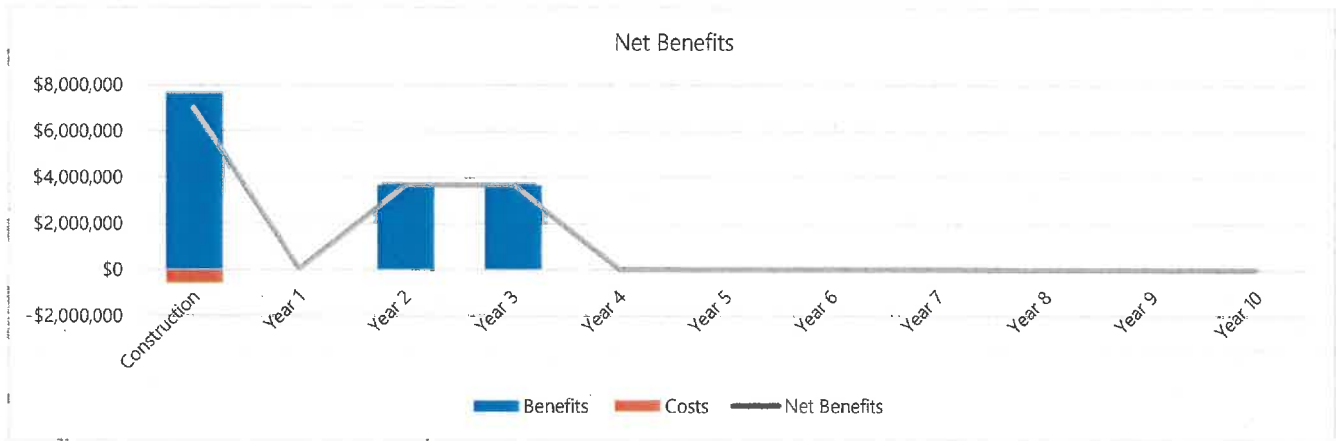
Summary of Economic Impacts over the Life of the PILOT  
 Project Total Investment  
 \$11,653,862

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	55	44	99
Earnings	\$4,625,785	\$2,530,263	\$7,156,048
Local Spend	\$11,071,169	\$7,838,569	\$18,909,738

Ongoing (Operations) Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	36	7	43
Earnings	\$4,680,000	\$2,228,323	\$6,908,323

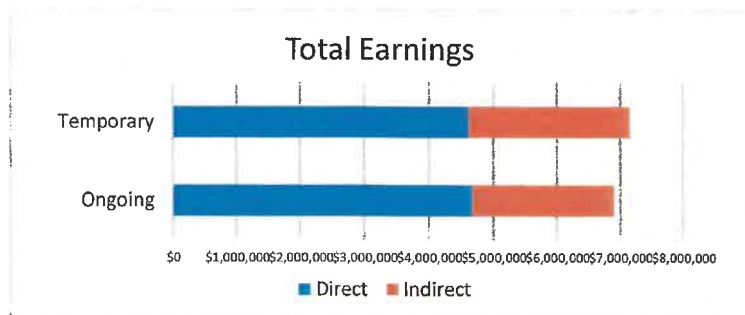
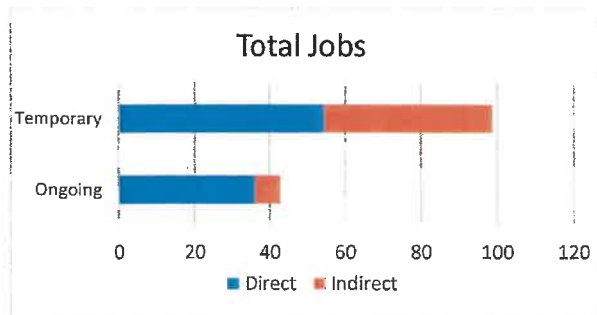
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



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Ongoing earnings are all earnings over the life of the PILOT.

# Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

## Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$511,175	\$511,175
Local Sales Tax Exemption	\$277,495	\$277,495
State Sales Tax Exemption	\$233,680	\$233,680
Mortgage Recording Tax Exemption	\$80,865	\$80,865
Local Mortgage Recording Tax Exemption	\$26,955	\$26,955
State Mortgage Recording Tax Exemption	\$53,910	\$53,910
<b>Total Costs</b>	<b>\$592,040</b>	<b>\$592,040</b>

## State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$14,208,236</b>	<b>\$13,871,580</b>
To Private Individuals	\$14,064,371	\$13,731,014
Temporary Payroll	\$7,156,048	\$7,156,048
Ongoing Payroll	\$6,908,323	\$6,574,965
Other Payments to Private Individuals	\$0	\$0
To the Public	\$143,865	\$140,566
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$59,485	\$59,485
Ongoing Jobs - Sales Tax Revenue	\$57,425	\$54,654
Other Local Municipal Revenue	\$26,955	\$26,427
<b>State Benefits</b>	<b>\$731,347</b>	<b>\$714,013</b>
To the Public	\$731,347	\$714,013
Temporary Income Tax Revenue	\$322,022	\$322,022
Ongoing Income Tax Revenue	\$310,875	\$295,873
Temporary Jobs - Sales Tax Revenue	\$50,092	\$50,092
Ongoing Jobs - Sales Tax Revenue	\$48,358	\$46,025
<b>Total Benefits to State &amp; Region</b>	<b>\$14,939,584</b>	<b>\$14,585,592</b>

## Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$13,871,580	\$304,450	46:1
State	\$714,013	\$287,590	2:1
<b>Grand Total</b>	<b>\$14,585,592</b>	<b>\$592,040</b>	<b>25:1</b>

\*Discounted at 2%

## Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes



# MBE/WBE Utilization



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

950 Broadway LLC and its affiliate, Cedarland Development LLC, d/b/a Cedarland Development Group (“Cedarland”) is an equal opportunity employer. We are committed to a policy of nondiscrimination on the basis of race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, veteran status and disability - in full compliance with the law. We value our racial, ethnic, cultural, social, gender, sexual orientation, religious and other personal differences, and we are committed to enhancing our diversity in all respects. Our goal is not merely to recruit exceptionally talented individuals from all backgrounds but also to help them develop their potential to the greatest extent possible and advance to leadership positions within the company. Cedarland will endeavor to work with NYS-certified MBE/WBE entities should the opportunity arise. As the state and local requirements outline we are poised to engage 20% MBE, 10% WBE, and 5% Veteran owned businesses in proportion the construction contract amount.

Cedarland also is committed to promoting and increasing inclusion, diversity and social equity within the communities we serve. Cedarland firmly believes that our individual differences and insights are an integral part of our ability to provide the highest quality projects within the community and has endeavored to focus on urban revitalization in historically disadvantaged, culturally diverse neighborhoods where they are needed most. This commitment is reflected in Cedarland’s history of urban revitalization projects, such as its proposal for adaptive reuse of the Eckhart Building in the Broadway-Fillmore neighborhood for affordable housing (along with no-cost access to childcare, access to affordable fresh produce and other essential services) that will be made possible by this application. In addition, Cedarland has long recognized the value, both to its employees and the communities in which we work, of supporting not-for-profit and charitable community-based organizations.



CITY OF BUFFALO  
OFFICE OF THE MAYOR

BYRON W. BROWN  
MAYOR

September 8, 2022

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

RE: 950 Broadway Adaptive Reuse Project

Dear Mr. Cappellino:

The City of Buffalo supports Cedarland Development's application to the ECIDA for tax incentives to assist the adaptive reuse project at 950 Broadway Street. State funding commitments for key cultural anchors and neighborhood revitalization in Broadway Fillmore will bring catalytic and positive change to East Buffalo. We believe that this project strengthens recent funding commitments by investing in affordable housing, creating retail opportunities for long-term economic stability, and providing community services for residents.

The mixed-use project will consist of twenty-eight affordable units, an indoor urban garden, and a ground floor affordable daycare for the community. This development will provide new job opportunities and fundamental community services in a historic district which is home to a diverse mix of residents and is in urgent need of investment.

I believe this project will enhance the vitality of East Buffalo and the Broadway Fillmore neighborhood for future generations. The adaptive reuse of 950 Broadway Street is a welcome addition to the impressive revitalization efforts that continue to propel Buffalo into a new era of development.

Sincerely,

Byron W. Brown  
Mayor

## PUBLIC HEARING SCRIPT

**950 Broadway 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 August 26, 2022 at 9:00 a.m. at the Agency's offices,  
at 95 Perry Street, Suite 403, Buffalo, NY 14203

### **ATTENDANCE:**

Beth O'Keefe – ECIDA  
Joshua Israel – Cederland Development  
Kevin Dagher – Cederland Development

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

*Hearing Officer:* Welcome. This public hearing is now open; it is 9:00 a.m. My name is Andrew Federick I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at [www.ecidany.com](http://www.ecidany.com).

### **☒ 2. PURPOSE: Purpose of the Hearing.**

*Hearing Officer:* We are here to hold the public hearing on 950 Broadway, 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 Tuesday, August 16, 2022.

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

Hearing Officer: The proposed project consists of: : (i) a leasehold interest in a portion of a 40,570+/- SF parcel of land located at 950 Broadway Avenue, City of Buffalo, Erie County, New York (the "Land"); (ii) the renovation and equipping of a mixed-use facility consisting of 28 affordable apartment units (18,118+/- SF) and ground floor commercial and retail space (22,452+/- SF) on the Land (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 and the Improvements, the "Facility").

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

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

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

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on September 27, 2022. There are no limitations on written statements or comments.

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

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

Kevin Dagher – VP Cedarland Development, the developer of 950 Broadway. 950 Broadway is a landmark building at one of the most prominent intersections in Buffalo in the Broadway and Fillmore neighborhood. This vacant building has largely been neglected, as has the immediate neighborhood. Cedarland's motto has always been real estate with a purpose. This means that our development process is tailored around solving complex problems to spur growth in a community, making sure our projects have a central purpose within the surrounding population, and building communities that support their residents. We believe that this project, considering the \$11M investment and the creation of 38 jobs will be a cornerstone of the future of the Broadway-Fillmore area.

This project is a mixed-use project that will consist of 28 affordable units at a mixed AMI, an indoor urban garden, and a ground floor affordable day care for the community. The residential section of the building will be 18,118SF and the commercial portion will be 22,452 SF. The residential units are at 60%, 70%, and 80% AMI levels which correspond to rent ranges of \$840- \$1,457. In addition to providing an affordable place to live and the ability to bring free daycare services to the community the project seeks to incorporate fresh food production on site through an indoor urban garden that will be located in the basement of the building. The two commercial tenants for Cedarland will be bringing these two major needs to an underserved population in the city. Between the two tenants we will also be able to bring 38 new jobs to the community 29 from the daycare and 9 from the urban farm. The daycare provider is CAO (Community Action Organization) which is a non-profit that serves over 50,000 individuals and families annually. These incentives are providing the foundation of feasibility for the project that otherwise would not be financially viable. This is evidenced by the 7-year delay in the project due to previous infeasibility. We have now seen a window to completion and would like the ECIDA to share in our vision of improving the Broadway-Fillmore area by providing the needed assistance for 950 Broadway. We are excited for this opportunity to revitalize a distressed building.

**☒ 6. ADJOURNMENT:**

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:06 a.m.

**SIGN IN SHEET  
PUBLIC HEARING**

August 26, 2022 at 9:00 a.m. at the Agency's offices,  
at 95 Perry Street, Suite 403, Buffalo, NY 14203  
regarding:

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

Project Location: 950 Broadway Avenue, City of Buffalo, Erie County, New York

<b>Name</b>	<b>Company and/or Address</b>	<b>X box to speak/ comment</b>
Beth O'Keefe	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Joshua Israel	Cedarland Development 60 Lakefront Blvd Buffalo, New York 14216	
Kevin Dagher	Cedarland Development 60 Lakefront Blvd Buffalo, New York 14216	X

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
INDUCEMENT RESOLUTION**

**950 BROADWAY LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),  
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS  
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, September 28, 2022 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 950 BROADWAY LLC AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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

**WHEREAS**, the Company has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) a leasehold interest in a parcel of land located at 950 Broadway Avenue, City of Buffalo, Erie County, New York (the "Land"); (ii) the renovation and equipping of a mixed-use facility consisting of 28 affordable apartment units (18,118+/- SF) and ground floor commercial

space (22,452+/- SF) on the Land (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 and the Improvements, the “Facility”); and

**WHEREAS**, pursuant to General Municipal Law Section 859-a, on August 26, 2022, at 9:00 a.m., at the Agency’s offices located at 95 Perry Street-Suite 403, Buffalo, New York 14203, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

**WHEREAS**, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility (b) a mortgage recording tax exemption benefit for the financing related to the Project, (collectively, the sales and use tax exemption benefit and the mortgage recording tax exemption benefit are hereinafter collectively referred to as the “Financial Assistance”); and

**WHEREAS**, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act (“SEQR”), the Company has submitted to the Agency a Short Environmental Assessment Form (the “EAF”) with respect to the Project; and

**WHEREAS**, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its September 1, 2022 resolution to approve the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project’s cost benefit ratio, the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project’s contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis satisfactorily identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions the Act.

(K) The Project constitutes a commercial facility as defined in the General Municipal Law, and will promote employment opportunities and prevent economic deterioration in the City of Buffalo. The Agency has reviewed the opinion of the State Comptroller (OSC Op. 85-51), and hereby specifically finds that the Project will create temporary construction jobs, promote employment opportunities, and by adaptively reusing a vacant, declining and aged structure and rehabilitating it for a residential use, amongst other mixed uses, will prevent economic



deterioration and be a physical and economic improvement to this sensitive area of the City of Buffalo; and

(L) The Project involves a “Type II action” as defined under 6 N.Y.C.R.R. Section 617.5(c)(2) and (c)(18), and, therefore, no further action is required under SEQRA; and

(M) The Project qualifies for Agency Financial Assistance as it meets the Agency’s evaluative criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) *Age of Structure (must be at least 20 years old and present functional challenges to redevelopment):* The structure is a 3-story building that is over 62 years old. Challenges to redevelopment include costs of asbestos removal and costs of maintaining the historical component of the project. In addition, the building’s long-term vacancy has resulted in negative impacts in the building’s basement and shell.

(ii) *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 the elimination of slum and blight:* The structure has been vacant for 12 years. Once home to Eckardt’s Department Store, the building is on the northwest corner of Broadway and Filmore. The building is one of the largest buildings in the neighborhood and without this project, the neighborhood will continue to deteriorate, and the corner remain largely inactive. This development has the potential to not only effect this building but to also initiate growth in the adjacent buildings and to bring vitality to the neighborhood.

(iii) *Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class):* There is no rental income being generated at this property.

(iv) *Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans:* The project is compliant with the Framework for Regional Growth and aligns with various redevelopment initiatives. This includes initiatives such as the \$10M NYS REDC Downtown Revitalization Initiative (DRI) award focusing on improvements to help transform the Broadway-Filmore neighborhood.

(v) *Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections, documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages):* The rate of return for this project = 3.9% without ECIDA assistance, 4.6% with ECIDA assistance.

(vi) *Demonstrated support of local government entities:* Letters of Support: Pending.

(vii) *LEED/Renewable Resources:* Not Applicable.

(viii) *Building or site has historic designation:* Commissioner accepted NYS State and National Registry eligibility on 12/31/2018.

(ix) *Site or structure has delinquent property or other local taxes:* Taxes are current.

(x) *MBE/WBE Utilization:* See MBE/WBE response within the Company's application, the attached utilization worksheet supplied by Company and their accompanying EEO and Anti-Discrimination Policy.

(xi) *Transit Oriented Development:* The project location is adjacent to several stops on the Metro #4 Broadway line.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the authority to appoint the Company to act as agent of the Agency, if said appointment is not duly made, as herein expressed, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$5,842,003, and, therefore, the value of the sales and use tax exemption benefits ("sales and use tax exemption benefits") authorized and approved by the Agency cannot exceed \$511,175, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit (“mortgage recording tax exemption benefits”) shall not exceed \$80,865.

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

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

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

- (i) Investment Commitment – the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$9,905,783 (which represents the product of 85% multiplied by \$11,653,862, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that, within two years of Project completion, there are at least 30 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility [representing the product of 85% multiplied by 36 (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company’s application for Financial Assistance)]. In an effort to confirm and verify the Company’s employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency’s “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment – that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the “Lender”) up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the “Agency Documents”); and, where appropriate, the

Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: September 28, 2022



## 950 Broadway

[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

<b>Project Name</b>	950 Broadway
<b>Project Summary</b>	950 Broadway is a mixed use project that will consist of 28 affordable units at the 65% ami, and ground floor that is primarily commercial space with some retail space. This development will be an anchor to the East side of Buffalo which as a long forgotten area has seen significant public and private investment over the last 3-5 years. 950 Broadway itself is a building that has been vacant for over a decade and would now be brought back to life. This would be the latest project to combine public and private funds to bring vitality, economic development, and socioeconomic equity to the East side of Buffalo.
<b>Applicant Name</b>	950 Broadway LLC
<b>Applicant Address</b>	60 Lakefront Blvd Suite 120
<b>Applicant Address 2</b>	
<b>Applicant City</b>	Buffalo
<b>Applicant State</b>	New York
<b>Applicant Zip</b>	14216
<b>Phone</b>	(716) 275-2766
<b>Fax</b>	
<b>E-mail</b>	joshua@cedarlanddev.com
<b>Website</b>	
<b>NAICS Code</b>	531390

#### Business Organization

<b>Type of Business</b>	Limited Liability Company
<b>Year Established</b>	2015
<b>State in which Organization is established</b>	New York

#### Individual Completing Application

<b>Name</b>	Joshua Israel
<b>Title</b>	Real Estate Associate
<b>Address</b>	60 Lakefront Blvd Suite 120
<b>Address 2</b>	

**City** Buffalo  
**State** New York  
**Zip** 14216  
**Phone** (716) 275-2766  
**Fax**  
**E-Mail** joshua@cedarlanddev.com

Company Contact - Authorized Signer for Applicant

**Contact is same as individual completing application** No  
**Name** Kevin Dagher  
**Title** Vice President  
**Address** 60 Lakefront Blvd Suite 120  
**Address 2**  
**City** Buffalo  
**State** New York  
**Zip** 14216  
**Phone**  
**Fax**  
**E-Mail** kevindag@cedarlanddev.com

Company Counsel

**Name of Attorney** Steve Ricca  
**Firm Name**  
**Address** 60 Lakefront Blvd Suite 120  
**Address 2**  
**City** Buffalo  
**State** New York  
**Zip** 14216  
**Phone**  
**Fax**  
**E-Mail** sricca@cedarlanddev.com

Benefits Requested (select all that apply).

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

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

Applicant Business Description

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

**stockholders, members, or partners with % ownership greater than 20%.**

Cedarland Development Group is a rapidly growing example of the new generation of real estate development companies in Buffalo, New York. Founded by Dr. Fadi Dagher, a Lebanese immigrant and former transplant surgeon, and his son Kevin Dagher, Cedarland has focused on blighted properties on Buffalo's East and Lower West sides for the past decade. Dr. Dagher's and Kevin's shared belief in the City of Buffalo and expertise in real estate finance has spurred Cedarland's successful urban renewal and sustainable development efforts and passion for delivering social and economic change where the City of Buffalo needs it most. Cedarland's sound working relationships with state and local government officials and commitment to collaboration with community stakeholders help to maximize its positive impact in the historically disadvantaged East Side of Buffalo, the Broadway-Fillmore District in particular. we specialize in developing and restabilizing property in the Buffalo area. A couple of projects we have completed in in recent years are Creekview Apartments and The Grid. Creekview was one of the first projects we completed and it was a 19-unit suburban apartment building that was completed in 2019. The Grid was a 217-Unit project that was the largest residential project to date in Buffalo. We were able to convert the site of the old Buffalo Motor Lodge into a dynamic residential building serving young professionals and students. Dr. Dagher is the sole member of 950 Broadway LLC which provides him with 100% ownership of the entity.

<b>Estimated % of sales within Erie County</b>	95 %
<b>Estimated % of sales outside Erie County but within New York State</b>	5 %
<b>Estimated % of sales outside New York State but within the U.S.</b>	0 %
<b>Estimated % of sales outside the U.S.</b>	0 %

(\*Percentage to equal 100%)

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

90

**Describe vendors within Erie County for major purchases**

It is anticipated that the construction materials and the soft costs to be incurred would be from firms based in Erie County. Our GC is Buffalo Construction, the Architect is Elev8, the contractors for the building are locally based.



## Section II: Eligibility Questionnaire - Project Description & Details

### Project Location

**Address of Proposed Project Facility**

950 Broadway Avenue

**Town/City/Village of Project Site**

Buffalo

**School District of Project Site**

Buffalo School District

**Current Address (if different)**

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

**SBL Number(s) for proposed Project**

111.36-3-22

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

2,514.13

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

**Are Real Property Taxes current at project location?**

Yes

**If no please explain**

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

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

Yes

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

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

Yes

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

Vacant Existing Office Building

**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)**

950 Broadway is located at one of the most prominent intersections on the east Side of Buffalo. This is a vacant office building that has seen several lives as an office building and a department store. This project is a mixed use project that will consist of 28 affordable units at a mixed AMI, an indoor urban garden, and a ground floor affordable day care for the community. The residential section of the building will be 18,118 SF and the commercial portion will be 22,452 SF. The residential units are at 60%, 70%, and 80% AMI levels which correspond to rent ranges of \$840- \$1,457 . The lower rent spectrum is for the studio units while the higher rent units are the 2-Bedroom units. In addition to providing an affordable place to live and the ability to bring free daycare services to the community the project seeks to incorporate fresh food production on site through an indoor urban garden that will be located in the basement of the building. The two commercial tenants for Cedarland will be bringing these two major needs to an underserved population in the city. Between the two tenants we will also be able to bring 38 new jobs to the community 29 from the daycare and 9 from the urban garden. The daycare provider is CAO (Community Action Organization) which is a non-profit that serves over 50,000 individuals and families annually. They strive to mitigate poverty throughout low-income communities by empowering clients with the resources they need to become self-responsible. This development will be an anchor to the East side of Buffalo which as a long forgotten area has seen significant public and private investment over the last 3-5 years. 950 Broadway itself is a building that has been vacant for over a decade and would now be brought back to life. This would be the latest project to combine public and private funds to bring vitality, economic development, and socioeconomic equity to the East side of Buffalo.

**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?**

No

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

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

No

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

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

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

Currently the project is less feasible as time goes on due to market conditions. The increasing interest rate environment, the construction cost increases for the project are severely affecting the project. Currently the project is subsidized since there is not enough value in the project to stand on its own. Without this assistance there will be an increased risk that the project will need to be abandoned due to the cost of the project.

**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?**

950 Broadway is located at one of the most prominent intersections on the east Side of Buffalo and without the project this will continue to be a vacant office building. This project failing will remove 28 affordable units, an indoor urban garden to address food desserts, and a ground floor affordable day care for the community. The East side will also lose the opportunity to receive 38 more jobs in the area.

**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)**

This site is adjacent to several stops on the #4 Broadway line.

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

Yes

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

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

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

Yes

**Describe the present zoning/land use**

Current N-3E and N-3C zoning allows multifamily dwellings and, among other things, retail, professional office, day care center, food pantry, garden center, community garden, market garden, medical clinic, \*human service facility and \*open air market (\*by special use permit from Common Council). None of the parcels is subject to the UDO 3.2.1.E residential density restrictions, which only govern the N-2R & N-3R zones. The parcels in this project are either vacant land or a vacant building.

**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?**

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)



Capital Project Plan / Budget

**Estimated costs in connection with Project**

<b>1.) Land and/or Building Acquisition</b>		
\$ 627,000	40,570 square feet	acres
<b>2.) New Building Construction</b>		
\$ 0	square feet	
<b>3.) New Building addition(s)</b>		
\$ 0	square feet	
<b>4.) Reconstruction/Renovation</b>		
\$ 6,611,742	40,570 square feet	
<b>5.) Manufacturing Equipment</b>		
\$ 0		
<b>6.) Infrastructure Work</b>		
\$ 0		
<b>7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)</b>		
\$ 2,205,545		
<b>8.) Soft Costs: (Legal, architect, engineering, etc.)</b>		
\$ 2,209,575		
<b>9.) Other Cost</b>		
\$ 0		
<b>Explain Other Costs</b>		
<b>Total Cost</b>	\$ 11,653,862	

Construction Cost Breakdown:

<b>Total Cost of Construction</b>	\$ 6,611,742 (sum of 2, 3, 4 and 6 in Project Information, above)
<b>Cost of materials</b>	\$ 3,636,458
<b>% sourced in Erie County</b>	100%

Sales and Use Tax:

<b>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</b>	\$ 5,842,003
<b>Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):</b>	\$ 511,175

\*\* 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** No

**of this Application?**

**If Yes, describe particulars:**

Sources of Funds for Project Costs:

<b>Equity (excluding equity that is attributed to grants/tax credits):</b>	\$ 1,657,281
<b>Bank Financing:</b>	\$ 3,166,541
<b>Tax Exempt Bond Issuance (if applicable):</b>	\$ 0
<b>Taxable Bond Issuance (if applicable):</b>	\$ 0
<b>Public Sources (Include sum total of all state and federal grants and tax credits):</b>	\$ 6,830,053
<b>Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)</b>	0
<b>Total Sources of Funds for Project Costs:</b>	\$11,653,875
<b>Have you secured financing for the project?</b>	Yes

Mortgage Recording Tax Exemption Benefit:

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

<b>Mortgage Amount (include sum total of construction/permanent/bridge financing).</b>	10,782,081
<b>Lender Name, if Known</b>	
<b>Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):</b>	\$80,865

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):**

Pursuing the 444-a Pilot Program. This is a PILOT designed for adaptive reuse of historical properties.

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**

950 Broadway LLC and its affiliate, Cedarland Development LLC, d/b/a Cedarland Development Group ("Cedarland") is an equal opportunity employer. We are committed to a policy of nondiscrimination on the basis of race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, veteran status and disability - in full compliance with the law. We value our racial, ethnic, cultural, social, gender, sexual orientation, religious and other personal differences, and we are committed to enhancing our diversity in all respects. Our goal is not merely to recruit exceptionally talented individuals from all backgrounds but also to help them develop their potential to the greatest extent possible and advance to leadership positions within the company. Cedarland will endeavor to work with NYS-certified MBE/WBE entities should the opportunity arise. As the state and local requirements outline we are poised to engage 20% MBE, 10% WBE, and 5% Veteran owned businesses in proportion the construction contract amount. Cedarland also is committed to promoting and increasing inclusion, diversity and social equity within the communities we serve. Cedarland firmly believes that our individual differences and insights are an integral part of our ability to provide the highest quality projects within the community and has endeavored to focus on urban revitalization in historically disadvantaged, culturally diverse neighborhoods where they are needed most. This commitment is reflected in Cedarland's history of urban revitalization projects, such as its proposal for adaptive reuse of the Eckhart Building in the Broadway-Fillmore neighborhood for affordable housing (along with no-cost access to childcare, access to affordable fresh produce and other essential services) that will be made possible by this application. In addition, Cedarland has long recognized the value, both to its employees and the communities in which we work, of supporting not-for-profit and charitable community-based organizations.

**Is project necessary to expand project employment?**

No

**Is project necessary to retain existing employment?**

No

**Will project include leasing any equipment?**

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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).

	<b>Current # of jobs at proposed project location or to be relocated at project location</b>	<b>If financial assistance is granted – project the number of FT and PT jobs to be retained</b>	<b>If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion</b>	<b>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 **</b>
<b>Full time</b>	0	0	34	34
<b>Part time</b>	0	0	4	4
<b>Total</b>	0	0	38	

Salary and Fringe Benefits for Jobs to be Retained and Created

<b>Category of Jobs to be Retained and/or Created</b>	<b># of Employees Retained and/or Created</b>	<b>Average Salary for Full Time</b>	<b>Average Fringe Benefits for Full Time</b>	<b>Average Salary for Part Time (if applicable)</b>	<b>Average Fringe Benefits for Part Time (if applicable)</b>
<b>Management</b>	3	\$ 55,000	\$ 15,000	\$ 0	\$ 0
<b>Professional</b>	21	\$ 33,500	\$ 13,000	\$ 0	\$ 0
<b>Administrative</b>	1	\$ 32,240	\$ 12,600	\$ 0	\$ 0
<b>Production</b>	12	\$ 35,000	\$ 5,000	\$ 24,000	\$ 5,000
<b>Independent</b>	0	\$ 0	\$ 0	\$ 0	\$ 0

**Contractor**

**Other**                                    1                                    \$ 32,240                                    \$ 12,600                                    \$ 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.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

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

<b>Address</b>			
<b>Full time</b>	0	0	0
<b>Part time</b>	0	0	0
<b>Total</b>	0	0	0

Payroll Information

**Annual Payroll at Proposed Project Site upon completion**

1,550,180

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

0

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

0

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

65,000

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

35,000

**Estimated salary range of jobs to be created**

<b>From (Full Time)</b>	55,000	<b>To (Full Time)</b>	75,000
<b>From (Part Time)</b>	30,000	<b>To (Part Time)</b>	45,000



### 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**

950 Broadway Avenue

##### **Name and Address of Owner of Premises**

950 Broadway LLC

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

The Site consists of 5 parcels totaling approximately 0.83-acres in a highly developed commercial and residential area of the City of Buffalo. NO wetlands or waterbodies exist at the site.

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

The site includes an existing vacant 3-story commercial building.

##### **Describe all known former uses of the Premises**

According to a March 22016 Phase I ESA prepared by Turnkey Environmental Restoration, LLC (Turnkey), the site history is as follows: The original portion of the existing building in what Turnkey described as "Parcel 1" was constructed prior to 1899 and was used for storage and a storefront in at least 1899, a department store from at least 1930 through at least 1955 as well as occupied by New York State Department of Labor from at least 1960 through at least 2001. An addition, "Parcel 2" contained what is referred to as a "service station" in municipal records and Sanborn maps, added to the northern-most portion of the building in 1949. The duration of automotive service within the addition is unknown. This portion of the site also was formerly developed with an auto sales operation in at least 1926 and was occupied by Ideal Motor Corps Auto in at least 1930. Remaining portions of the Site were formerly developed with commercial and residential buildings, including a Horace H. Ferguson Used Car Lot in what Turnkey described as "Parcel 3" in at least 1935, Noah's Ark Auto Accessories at Parcel 4 from at least 1955 through at least 1970, and Frank Tills Trucking at Parcel 4 in at least 1985.

##### **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**

NA

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

NA

**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**

NA

**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**

Residential use will generate sanitary sewer discharges; proposed indoor produce farm in basement will utilize a efficient, partially closed loop irrigation system designed to maximize recycling of water.

**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**

NA

**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?**

Yes

**If yes, please identify the materials**

The environmental report is being done soon we do not have an accurate assessment at this time

**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**

The community has a strong market for affordable housing since the area has been historically an economically challenged one. Also the community has a need for affordable child care and the main commercial tenant is a state funded child care facility that will provide free child care to the area. The building is in the middle of a food desert and because of this we believe that the indoor urban garden is poised for success in order to provide fresh food to the immediate area.

**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.
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\*fill out table for each tenant and known future tenants

**Section V: Tenant Information**

**PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)**

**Tenant Name**

Urban Farm

**Property Address:**

950 Broadway Avenue

**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)**

8,000

**What percentage of the building does this represent?**

20

**Are terms of lease:**

NET

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

**Estimated date of occupancy**

11/23/2023

**PART 2 TO BE COMPLETED BY PROPOSED TENANT**

**Company Name:**

Buffalo Urban Farm

**Local Contact Person:**

David Hestand

**Title:**

Director of Development

**Current Address:**

60 Lakefront Blvd Suite 120

**Phone:**

(716) 217-9175

**Fax:**

**E-Mail:**

david@cedarlanddev.com

**Website:**

**Company President/General Manager:**

**Number of employees moving to new project location:**

**Full-Time:**

9

**Part-Time:**

0

**Total:**

9

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:

Answering the call of providing food for urban food desserts beginning in the East Side. We will accomplish this by providing much needed crops, fruits, and vegetables to the Broadway Fillmore Area. The farm will sell food on site but also is planning to supply food for CAO and their lunches for the kids. The operation will be used mostly to grow food and a small portion of the space will be to package and sell the product. There will be 9 jobs that will be created from this operation and they will be 1 Director, 3 Managers and 5 Full Time Employees.

Attach additional information as necessary.

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

This is a start up company that will be formed and ran when the building is finishing construction.

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

8,000

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

0

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

**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?**

**If leased, when does lease expire?**

11/23/2027

**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?**

**PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)**

**Tenant Name**

Community Action Organization

**Property Address:**

950 Broadway Avenue

**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)**

12,305

**What percentage of the building does this represent?**

25

**Are terms of lease:**

GROSS

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

**Estimated date of occupancy**

8/26/2023

**PART 2 TO BE COMPLETED BY PROPOSED TENANT**

**Company Name:**

Community Action Organization of  
WNY, Inc

**Local Contact Person:**

Chelsea F. White

**Title:**

Executive Vice President and Chief of Education

**Current Address:**

45 Jewette Ave, Buffalo, New York 14214

**Phone:**

(716) 881-5150

**Fax:**

(716) 881-9787

**E-Mail:**

cwhite@caoheadstart.org

**Website:**

caowny.org

**Company President/General Manager:**

Thomas U. Kim, President/CEO

**Number of employees moving to new project location:****Full-Time:**

25

**Part-Time:**

4

**Total:**

29

**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:**

Community Action Organization of Western New York (CAOWNY), a non-profit agency, has had the honor to serve as the grantee, providing comprehensive Head Start (HS) and Early Head Start (EHS) services for over 55 years in Western New York. CAOWNY plans to provide free child care to the community at the new 950 Broadway facility. They will employ 29 jobs to neighborhood locals. The location will provide these services to children under 5 years old from households that are low income. The entire space will be dedicated to the services listed above. CAOWNY prides itself in providing high quality comprehensive, holistic, and supportive services for Erie and Niagara County's most vulnerable population. CAOWNY offers high-quality, comprehensive early childhood programming to low-income children and families. CAOWNY's goal is for children to start school ready to succeed and family engagement opportunities to support parents as their child's first teacher and advocate as they move toward self-sufficiency. Currently, CAOWNY has 20 direct runs and ten partner schools in Erie and Niagara County, serving 1,675 infants, toddlers, preschoolers, and pregnant women.

Attach additional information as necessary.

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

The 1964 Economic Opportunity Act, or EOA, was enacted by President Lyndon B. Johnson and US Congress. This Act started the War on Poverty. From there, the Office of Economic Opportunity was established. The OEO reported directly to the president as part of the executive branch. One thousand six hundred community action organizations opened their doors to begin the long battle against an unfair socio-economic system within the following two years. Of those, about 900 are left fighting. Sadly, although we've made huge strides, poverty is still pervasive in our country. The State of New York used these new laws and established its own organizations to serve and assist its low-income population with their unmet needs. In May of 1965, the Community Action Organization of Erie County, or CAO, came into being to serve that purpose within Erie County. Over the years, CAO has been recognized as a vital operation by the Community Action Movement. We've been leaders on a national level throughout the years, and we can thank the agency's three primary leaders. First, the late Ambrose Lane helped establish the CAO. Julian B. Dargan took charge in 1970 and steered us in the right direction all the way up to 2001, at which point L. Nathan Hare became the President and CEO. In 2017, he officially changed the agency's name to Community Action Organization of Western New York, Inc. Thomas Kim, the current President and CEO, was appointed soon after Mr. Hare's retirement in early 2021. With his vision and expertise, we hope to extend our reach and expand our services and initiatives by engaging with our community and collaborating with local businesses, organizations, and individuals.

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

12,305

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

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

**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?

**If leased, when does lease expire?**

12/31/2032

**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?**



## 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?**

Yes

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

**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?**

2 %

If the answer to this is **less than 33%** do not complete the remainder of the page, proceed to the next section.

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?**

No

**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?**

No

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?**

Yes

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?**

Yes

**If yes, explain**

As discussed in other sections the combination of the 2 commercial tenants will bring 38 new jobs into the Broadway Fillmore area. Without these jobs the area would not have the investment or the space to create these jobs organically.

**Is the project located in a Highly Distressed Area?**

Yes

## 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)?** 62

**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.**

18

**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
<b>1 Bedroom</b>	14	660 -	\$883 - \$1,212
<b>2 Bedroom</b>	4	880 -	\$1,457 - \$
<b>3 Bedroom</b>		-	\$ - \$
<b>Other</b>	10	450 -	\$840 - \$

**Does the site have historical significance?**

Yes

**If yes, please indicate historical designation**

Commissioner accepted SR/NR eligibility on 12/31/2018

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

Yes

**If yes, provide estimated value of tax credits**

3,538,056

**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)**

Currently the project is less feasible as time goes on due to market conditions. The increasing interest rate environment, the construction cost increases for the project are severely affecting the project. Currently the project is subsidized since there is not enough value in the project to stand on its own. Without this assistance there will be an increased risk that the project will need to be abandoned due to the cost of the project.

**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**

This project has had verbal support from Lisa Hicks, Councilman Mitch Nowakowski, Congressman Higgins, and more local government individuals.

**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**

**Indicate census tract of project location**

Broadway Fillmore census tract 166

**Indicate how project will eliminate slum and blight**

This building has been vacant for over 12 years and is one of the largest buildings in the neighborhood. Without this project the neighborhood will continue to deteriorate and the corner remain largely inactive. This development has the potential to not only effect this building but to also initiate growth in the adjacent buildings with the vitality it will bring to the community.

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

## 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