



Erie County Industrial Development Agency
Board of Directors Meeting
January 26, 2022
12:00 p.m.

Via Conference Call & Livestreaming

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of November 17, 2021 Meeting of the Membership (Action Item) (Pages 2-4)

3.0 Reports / Action Items / Information Items:

3.1 Finance & Audit Committee Update (Informational)

3.2 Governance Committee Update (Informational)

3.3 2021 Tax Incentive Induced/Closing Schedule/ Estimated Real Property Tax Impact (Informational) (Pages 5-8)

3.4 Approval of Resolution to contract with consultant to design landscaping and historical markers/amenities for the Shoreline Trail Enhancement Project in the City of Lackawanna First Ward BOA (Action Item) (Pages 9-11)

3.5 Policy Committee Update (Informational) (Pages 12-17)

4.0 Inducement Resolution:

		ECIDA Incentives	Private Investment	Municipality
4.1	791 Washington Street, LLC (Pages 18-63)	\$3,719,000	\$107,950,000	Buffalo
4.2	Arbor Multifamily Lending, LLC (Pages 64-105)	\$ 183,750	\$ 2,100,000	Tonawanda
4.3	Broadway Development & Management (Pages 106-158)	\$ 693,750	\$ 12,500,000	Buffalo
4.4	Lactalis American Group, Inc. (Pages 159-201)	\$ 121,441	\$ 1,436,697	Buffalo

5.0 Amendatory Inducement Resolution:

5.1 (None)

6.0 Management Team Reports:

6.1 CEDS Update

6.2 UTEP Policy Update (Pages 202-211)

7.0 Adjournment - Next Meeting February 23, 2022 @ 12:00 p.m.

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

- DATE:** November 17, 2021
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at www.ecidany.com.
- PRESENT:** Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph Emminger, Hon. Howard Johnson, Hon. Brian Kulpa, Richard Lipsitz, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Darius G. Pridgen, Sister Denise Roche, Kenneth A. Schoetz, Paul Vukelic and Renee Wilson
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Tyra Johnson, and Hon. Mark C. Poloncarz
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer/Assistant Secretary; Beth O'Keefe, Vice President of Operations; Atiqa Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer/Assistant Secretary; Andrew Federick, Business Development Officer; Jamee Lanthier, Compliance Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications, Sean Fallon, Project Manager; Pat Smith, Senior Bookkeeper; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Lisa Hicks and Alex Carducci on behalf of the City of Buffalo; Lawrence Quinn on behalf of Great Point Studios Buffalo; and Allison Dehoney on behalf of Urban Fruits & Veggies/Buffalo Go Green Inc.

There being a quorum present at 12:04 p.m., the Meeting of the Board of Directors of the Erie County Industrial Development Agency (the "ECIDA" or "Agency"), was called to order by Chair McDuffie.

MINUTES

The minutes of the October 27, 2021 meeting of the members were presented. Sister Denise moved and Mr. Johnson seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

At this point in time, Mr. Emminger and Mr. Blue joined the meeting.

Financial Report. Ms. Profic noted that the ECIDA finished the month of October with total assets of \$29.3M (includes unrestricted cash of over \$7.2M available for Agency operations) and net assets of \$20.5M. When compared to December 2020 figures, total assets have increased despite a YTD loss from operations. This is due to the collection of PILOT payments as the administrator under several PIF Agreements, which increases both restricted cash and funds held on behalf of others. The monthly income statement shows an overall net loss of \$8,000 in October. Operating revenues of \$224,000 were above our monthly budgeted total by \$6,000 (\$101K of admin/application fees received so far in November). Operating expenses of \$209,000 are below our monthly budget. Under Special Project Grants, we continue to disburse PPE grants approved under our COVID-disaster relief program, with \$23,000 of PPE grant funds disbursed to 4 grantees in October. The year-to-date Income Statement shows revenues of close to \$2.5M, including administrative fee revenue of \$1.7M. Through October, the Agency has recognized 97% of its annual budgeted administrative fees. Expenses of \$2.1M are \$32,000 below budget. Special project grants, including EDA CARES Act funding, passed through to RDC of \$5.2M and distributions of PPE grant funding. Ms. Profic reminded members that the \$1M allocated for the PPE grant program was done so out of the ECIDA's excess general funds that had built up over the years, essentially coming out of the savings account (Because those grants must be expensed in the current year, we can expect to continue to see a net loss going forward). Similarly, strategic initiatives are funds that have been Board approved to use from UDAG funds. After taking into account the strategic initiatives and depreciation, there is currently a net loss of \$563,000 for the year. Ms. McDuffie directed that the report be received and filed.

2021 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Mr. Cappellino presented this report. Ms. McDuffie directed that the report be received and filed.

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

Policy Committee Update. Mr. Lipsitz presented the report of the most recently held Policy Committee meeting and noted the members approved the Great Point project which is being presented to the Agency today. Ms. McDuffie directed that the report be received and filed.

AMENDATORY INDUCEMENT RESOLUTION

Great Point Studios Buffalo, 1155 Niagara Street, Buffalo, New York. Ms. O'Keefe reviewed this amendment to the proposed sales tax exemption and real property tax abatement benefit project which consists of the construction of a modern studio complex to produce feature films, television movies and series, steaming shows and features as well as other forms of visual

entertainment. The complex will provide full production capacity including three cutting edge high-bay studios: two at 5,000 sq. ft. and a large 20,000 sq. ft. studio, executive and general office space, multiple green rooms, a large set production facility, common rooms, a cafeteria, truck docks and parking. Post pandemic, Great Point has added rooms for medical testing and will install an Atmos Air monitoring system to filter active virus particles through a sophisticated ionization process attached to the building air handling equipment.

Mr. Poloncarz moved and Mr. Lipsitz seconded to approve the Project as amended. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

AMENDATORY INDUCEMENT RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ACCEPTING THE AMENDED APPLICATION AND REVISED PROJECT DESCRIPTION FOR THE GREAT POINT OPPORTUNITY FUND B QOZB LLC PROJECT (AS MORE FULLY DESCRIBED BELOW) AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REVISED SALES TAX EXEMPTION PACKAGE AND REVISED PILOT BENEFIT WITH RESPECT THERETO

MANAGEMENT TEAM REPORT

Mr. Cappellino updated members on the status of the CEDS process as well as updated members on the UTEP amendment process, for anticipated adoption in February 2022.

Mr. Cappellino noted new Business Development officer position has been filled by Andrew Federick.

Mr. Cappellino also noted recent ground-breaking press event held at the Renaissance Commerce Park for the Uniland Spec Building project.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:26 p.m.

Dated: November 17, 2021

Gerald Manhard, Assistant Secretary

Tax Incentives Approved - 2021

Approval Date	Project Name	Project City/Town	Private Investment/ Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Length of Term	Incentive Amount
Jan-21	72 East Niagara, LLC ¹	Tonawanda	\$2,836,736	85% threshold \$2,411,225	17	0	3	0	85%-New 2 jobs	Period of PILOT 7 Years	\$146,000
Jan-21	Calspan Corporation	Cheektowaga	\$13,500,000	85% threshold \$11,475,000	143	3	20	0	85%-New 17 jobs	Period of PILOT 10 Years	\$599,000
Jan-21	Thermo Fisher - North Expansion	Grand Island	\$85,000,000	85% threshold	807	0	60	0	85%-New 51 jobs	Period of PILOT 10 Years	\$2,912,000
Jan-21	Pine Pharmaceuticals, LLC	Tonawanda	\$8,615,000	85% threshold \$7,322,750	76	7	40	0	85%-New 34 jobs	Period of PILOT 10 Years	\$1,376,937
Jan-21	Sucro Real Estate	Lackawanna	\$19,000,000	85% threshold \$16,150,000	5	0	45	0	85%-New 38 jobs	Period of PILOT 10 Years	\$3,392,250
Feb-21	Eastman Machine	Buffalo	\$1,665,000	85% threshold \$1,415,250	126	0	3	0	85%-New 2 jobs	Period of PILOT 7 Years	\$124,588
Feb-21	Time Release Science ²	Lackawanna	\$30,500,000	85% threshold \$25,925,000	103	0	20	0	85%-New 17 jobs	Period of PILOT 10 Years	\$4,591,400
Mar-21	Surmet Ceramics Corp.	Buffalo	\$11,500,000	85% threshold \$9,775,000	13	0	18	0	85%-New 15 jobs	2 Years after Project Completion	\$65,625
Mar-21	Terzo Development ¹	Buffalo	\$3,050,000	85% threshold \$2,592,000	0	0	1	1	85%-New 1 jobs	Period of PILOT 7 Years	\$304,125
Apr-21	BLD VII, LLC	Lackawanna	\$14,570,786	85% threshold \$12,385,168	0	0	41	0	85%-New 35 jobs	Period of PILOT 10 Years	\$4,435,879
May-21	283 Ship Canal Parkway, LLC MCG Real Estate Holdings, LLC ¹	Buffalo	\$52,284,244	85% threshold \$44,441,607	0	0	76	0	85%-New 64 jobs	2 Years after Project Completion	\$3,422,973
May-21		Buffalo	\$8,258,268	85% threshold \$7,019,527	0	0	1	1	85%-New 1 jobs	Period of PILOT 7 Years	\$619,250
Jun-21	283 Ship Canal Parkway, LLC ²	Buffalo	\$0	\$0	0	0	0	0	0	Period of PILOT 15 Years	\$1,961,100
Jul-21	132 Dingsen Street, LLC	Buffalo	\$7,450,000	85% threshold \$6,332,500	0	0	23	0	85%-New 20 jobs	Period of PILOT 7 Years	\$678,750
Jul-21	Polymer Conversions, Inc.	Orchard Park	\$14,250,000	85% threshold \$12,112,500	125	0	15	0	85%-New 13 jobs	Period of PILOT 10 Years	\$1,163,187
Sep-21	Coca-Cola Beverages Northeast	Tonawanda	\$22,611,507	85% threshold \$19,219,781	124	0	0	0	Maintain Base 100% 124 jobs	Period of PILOT 10 Years	\$2,610,375

Tax Incentives Approved - 2021

Approval Date	Project Name	Project City/Town	Private Investment/ Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Length of Term	Incentive Amount
Sep-21	Skycatcher Holdings, LLC	Orchard Park	\$2,879,000	85% threshold \$2,447,150	41	0	6	0	85% -New 5 jobs	2 Years after Project Completion	\$543,000
Sep-21	George Lewis House Apartments ¹	Buffalo	\$2,875,000	85% threshold \$2,443,750	0	0	1	0	85% -New 1 jobs	2 Years after Project Completion	\$82,687
Sep-21	Walcot Apartments ¹	Buffalo	\$3,345,000	85% threshold \$2,843,250	0	0	1	0	85% -New 1 jobs	2 Years after Project Completion	\$106,050
Sep-21	Bullis Road Solar ³	Marilla	\$6,389,343	85% threshold \$5,430,942	0	0	0	0	0 Maintain Base 100% 1,399 jobs	Period of PILOT 25 Years	\$596,533
Oct-21	Sumitomo Rubber	Tonawanda	\$126,000,000	85% threshold \$107,100,000	1399	0	0	0	85% -New 10 FT & 8 PT	Period of PILOT 10 Years	\$1,762,187
Nov-21	Great Point Studios Buffalo ²	Buffalo	\$20,931,998	85% threshold \$17,792,198	0	0	12	10		Period of PILOT 10 Years	\$1,755,000
Totals:		Totals:	Private Investment/ Project Amount		FT Jobs Retained	PT Jobs Retained	FT Jobs Created	PT Jobs Created			Incentive Amount
			\$20,365,004		17	0	7	2			\$1,258,112
2021 Total		22	\$457,511,882		2,979	10	386	12			\$33,248,896

¹ Adaptive Reuse

² Ammandatory Inducement

³ Solar PILOT

Tax Incentives Closings - 2021

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
JSCB Series 2011A and 2011B Refunding (Bond)	\$ 109,135,000	0	0	0	0	Buffalo	4/28/2021	N/A
283 Ship Canal Parkway	\$ 53,802,515	7	76	0	0	Buffalo	5/26/2021	12/31/2022
Barcalo Living & Commerce/Barcalo Buffalo, LLC	\$ 30,252,000	9	34	0	10	Buffalo	2/26/2020	9/30/2023
MCG Real Estate Holdings, LLC	\$ 9,267,021	0	0	0	1	Buffalo	5/26/2021	2/28/2023
Related Affordable/Elmwood Square	\$ 8,590,000	4	4	0	0	Buffalo	9/23/2020	
201 Ellicott, LLC/Braymiller Market	\$ 7,524,000	0	25	0	40	Buffalo	8/28/2019	12/31/2021
Bullis Road Solar	\$ 7,425,000	0	0	0	0	Marilla	9/22/2021	8/1/2022
132 Dingens Street, LLC	\$ 6,900,000	0	23	0	0	Buffalo	7/28/2021	4/30/2024
75 Pirson Parkway, LLC/Gear Motions	\$ 5,808,657	35	37	0	0	Tonawanda	11/18/2020	6/30/2023
Michigan Seneca Group/270 Michigan, LLC	\$ 5,712,000	1	35	0	1	Buffalo	8/28/2019	12/31/2021
Pine Pharmaceuticals	\$ 5,000,000	76	119	7	7	Tonawanda	1/27/2021	3/31/2022
Fisher Price	\$ 4,811,296	274	279	0	0	East Aurora	7/24/2019	6/30/2021
Terzo Development/Bush Lofts	\$ 3,050,000	0	0	0	1	Buffalo	3/24/2021	6/30/2023
Kamax, LLC/Raine Logistics	\$ 2,237,556	12	13	0	0	West Seneca	6/24/2020	8/1/2022
Derby Warehousing, LLC/KPM Exceptional	\$ 1,332,000	6	7	1	1	Derby	7/24/2019	7/31/2020

Tax Incentives Closings - 2021

3310 Benzing Road, LLC/Marathon Drains	\$ 718,329	15	17	0	0	Orchard Park	3/25/2020	3/31/2021
	\$ 261,565,374	439	669	8	61			
Projects Closed = 16								
FT Projected New Jobs = 230								
PT Projected New Jobs = 53								



MEMO:

Date: January 26, 2022

To: Board of Directors

RE: Bethlehem Steel Shoreline Trail Enhancement Project – Design Landscaping & Historical Monuments/Amenities

New York State created the Brownfield Opportunity Areas (“BOA”) Program, under the supervision of the Department of State, to provide financial and technical assistance to municipalities and community-based organizations to complete revitalization plans and implementation strategies for areas or communities affected by the presence of brownfield sites, and sites assessment for strategic brownfield sites.

On July 24, 2019, the Erie County Industrial Development Agency (Agency) applied to the New York State Department of State BOA Program through the New York State Consolidated Funding Application (“CFA”) for grant funding to support the development of plans and specifications (Landscape Concept Plan & Design Standards) to identify opportunities to enhance the function and physical organization of the Shoreline Trail Enhancements located in the City of Lackawanna First Ward BOA (the “Project”).

On December 24, 2019, the Agency was awarded \$122,825 for pre-development activities to support the Project, which reflects the community vision and is consistent with local and regional planning documents including: WNYREDC Strategy for Prosperity, Erie County CEDS, Erie County Initiatives for a Smart Economy, City of Lackawanna Comprehensive Plan, Lackawanna LWRP, and the First Ward BOA Step 3 Strategy.

In consideration of implementing the Project, the Agency issued a Request for Proposals (“RFP”) on September 15, 2021, seeking proposals from professional landscaping architects and/or engineering firms with expertise in landscaping & historical monument design. The Agency received four quality proposals in response to the RFP and established a review committee (the “Review Committee”) to analyze and consider said RFP responses.

The Review Committee is recommending that the Agency retain the services of **LiRo Engineers, Inc.**, to prepare the Landscaping and Monument/Amenities Design Project. The Agency will provide \$6,822 in in-kind services for project administration and Erie County will provide in-kind services in the amount of \$6,822 (Erie County Legislature Resolution dated July 11, 2019) for project management for a total of \$13,648 (10%) local match.

Requested Action:

Seeking approval to contract with Professional Engineering Consultant **LiRo Engineers, Inc.**, for consulting services to undertake pre-development activities within the City of Lackawanna First Ward Brownfield Opportunity Area (BOA) to design landscaping and historical markers/amenities along the Shoreline Trail, connecting the City of Buffalo and City of Lackawanna, which abuts the Renaissance Commerce Park.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION**

A regular meeting of the Erie County Industrial Development Agency (the “Agency”) was convened on Wednesday, January 26, 2022 at 12:00 p.m.

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

**RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT
AGENCY AUTHORIZING THE AGENCY TO ENTER INTO A CONTRACT
WITH LIRO ENGINEERS, INC. TO PROVIDE LANDSCAPING AND
HISTORICAL MARKERS DESIGN SERVICES WITHIN THE CITY OF
LACKAWANNA FIRST WARD BROWNFIELD OPPORTUNITY AREA
ALONG THE SHORELINE TRAIL, ABUTTING THE RENAISSANCE
COMMERCE PARK, CONNECTING THE CITY OF BUFFALO AND
CITY OF LACKAWANNA**

WHEREAS, the Erie County Industrial Development Agency (the “Agency”) was created in 1970 as a public benefit corporation by act of the New York State Legislature to promote and assist private sector/business development thereby advancing job opportunities for and the economic welfare of the people of Erie County; and

WHEREAS, the Agency submitted an application to the New York State Department of State Brownfield Opportunity Area (“BOA”) Program through the New York State Consolidated Funding Application (“CFA”) for grant funding to support the development of plans and specifications (Landscape Concept Plan & Design Standards) to identify opportunities to enhance the function and physical organization of the Shoreline Trail Enhancements located in the City of Lackawanna First Ward BOA (the “Project”); and

WHEREAS, on December 24, 2019, the Agency was awarded \$122,825 for pre-development activities to support the Project, which reflects the community vision and is consistent with local and regional planning documents including: WNYREDC Strategy for Prosperity, Erie County CEDS, Erie County Initiatives for a Smart Economy, City of Lackawanna Comprehensive Plan, Lackawanna LWRP, and the First Ward BOA Step 3 Strategy; and

WHEREAS, the Agency issued a Request for Proposals (“RFP”) on September 15, 2021, seeking proposals from professional landscaping architects and/or engineering firms with expertise in landscaping & historical monument design to compete the Project; and

WHEREAS, the Agency received four quality proposals in response to the RFP and Agency staff established a review committee (the “Review Committee”) to analyze and consider said RFP responses; and

WHEREAS, to facilitate Project implementation and completion, the Agency will provide \$6,822 in in-kind services for Project administration and Erie County will provide in-kind services in the amount of \$6,822 (Erie County Legislature Resolution dated July 11, 2019) for project management for a total of \$13,648 (10% local match; and

WHEREAS, the Review Committee is recommending that the Agency retain the services of LiRo Engineers, Inc. to undertake the Project.

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

Section 1. Subject to the terms of this 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 and execute a contract with LiRo Engineers, Inc. for consulting services to prepare and complete the Landscaping and Monument/Amenities Design Project, in an amount not to exceed \$122,825, and any appropriate change orders or scope additions as approved by the President/Chief Executive Officer, in consultation with the ILDC Chair.

Section 2. 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 execute and deliver all such checks, 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 so acting, desirable and proper to effect the purposes of the foregoing resolution 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 3. Any and all prior actions taken by the Agency with respect to the contents of this Resolution are hereby ratified and confirmed.

Section 4. These Resolutions shall take effect immediately.

Dated: January 26, 2022

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

- DATE:** January 13, 2022
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency's website at www.ecidany.com.
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark Blue; Johanna Coleman; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Hon. Glenn Nellis; Laura Smith; Lavon Stephens; Paul Vukelic and Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown; Colleen DiPirro and David State
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Robbie Ann McPherson, Director, Marketing & Communications; Brian Krygier, Director of Operations Technology; Carrie Hocieniec, Operations Assistant; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Peter Krog and Scott Fairbrother on behalf of 791 Washington Street LLC; Joan Gredys, Jeanette Foote on behalf of Arbor Multifamily Lending, LLC; Dr. Uzo Ihenko, Kelechi Chillis Ihenko on behalf of Broadway Development & Management Group, LLC; Suzanne Risman on behalf of Lactalis American Group, Inc.; Seth Piccirillo on behalf of Buffalo Niagara Partnership and Alex Carducci on behalf of the City of Buffalo

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 November 18, 2021 Policy Committee meeting were presented. Upon motion made by Mr. Blue to approve of the minutes, and seconded by Mr. Vukelic, the aforementioned Policy Committee meeting minutes were unanimously approved.

The minutes of the December 2, 2021 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie to approve of the minutes, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s 2021 Project Matrix, noting 22 projects were induced. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

At this point in time, April Baskin and Johanna Coleman joined the meeting.

791 Washington Street LLC, 791 Washington Street, Buffalo, New York 14203. Mr. Cappellino presented this proposed sales tax and mortgage recording tax benefits project involving substantial renovation to convert the site into mixed-use including market rate housing addressing growth demands of medical campus employees, students and those interested in the community. The developer intends to create 243 housing units with 10% (25 units) committed to workforce housing at 80% AMI. In addition, 60,000 sq. ft. will be available to businesses looking to locate on the Buffalo Niagara Medical Campus.

Mr. Cappellino confirmed that 791 Washington Street LLC is seeking \$3.7M in incentives including sales tax exemption and mortgage tax exemption benefits. Total payroll is projected at \$70.7M for the direct and indirect jobs created including 571 construction jobs. The resulting cost benefit is 1:20 so for every \$1 of incentives the community benefit is \$20 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$38 in community benefits.

General discussion ensued. Ms. Whyte expressed her support for the project. Ms. McDuffie also expressed her support for the project. Ms. Baskin expressed support for the project and thanked the company for work-force housing component piece of the project and for committing to MWBE commitments.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax exemption 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 = \$107,950,000 85% = \$91,800,000

Employment	2 years following project completion	Create 85% of Projected Jobs Projected = 5 85% = 4 Recapture Employment = 4
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	2 years following project completion	Adherence to policy
Unpaid Tax	2 years following project completion	Adherence to policy
Recapture Period	2 years following project completion	Recapture of state and local sales taxes and mortgage recording tax

Ms. Whyte 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.

Arbor Multifamily Housing LLC, 500 Colvin Woods, Tonawanda, New York 14150. Mr. Cappellino presented this proposed sales tax benefits project involving the purchase of equipment and furnishings associated with an inter-municipal move of the applicant from the Town of Lancaster to the Town of Tonawanda, and confirmed and described the Agency’s compliance with both statutory intermunicipal move requirements and the Agency’s Uniform Tax Exemption Policy Uniform intermunicipal move requirements.

Mr. Cappellino confirmed that Arbor Multifamily Housing LLC is seeking \$183,750 in incentives including sales tax exemption benefits. Total payroll is projected at \$12.8M for the direct and indirect jobs created including 0 construction jobs. The resulting cost benefit is 1:304 so for every \$1 of incentives the community benefit is \$304 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$533 in community benefits.

General discussion ensued. Ms. Whyte confirmed Arbor’s efforts to find suitable office space in Lancaster. Ms. Gredys spoke on behalf of the company to review its efforts that were undertaken to secure new office space in Lancaster and elsewhere. Ms. Whyte confirmed her belief that here, incentives are being appropriately offered to grow jobs in the region and not to simply facilitate a move of the facility. Ms. Smith spoke in favor of the project and confirmed the value of utilizing a regional approach as opposed to a” municipal geographic line approach” for incentivizing economic growth. Mr. Krebs and Ms. Coleman also spoke in favor of the project.

Mr. Cappellino stated that in exchange for providing the sales and use 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 = \$2,100,000 85% = \$1,785,000
Employment	2 years following project completion	Maintain Base = 168 Create 85% of Projected Jobs Projected = 25 85% = 21 Recapture Employment = 189
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	2 years following project completion	Adherence to policy
Unpaid Tax	2 years following project completion	Adherence to policy
Recapture Period	2 years following project completion	Recapture of state and local sales taxes

Ms. McDuffie moved and Mr. Blue 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.

Broadway Development & Management Group LLC, 343-345 Broadway, Buffalo, New York 14204. Ms. O’Keefe presented this proposed sales tax and mortgage recording tax benefits project involving an adaptive reuse project of an historic 3-story 44,000 sq. ft. commercial building located within a distressed census tract in the City of Buffalo. The first floor’s 20,000 sq. ft. uses include: common areas/tenant amenities as well as office, warehouse and retail space. Anchor tenants for this space include Uzo 1 International, Ltd. And The UPS Store. The UPS Store will be the first and the only center to be located within the inner-city. The 24,000 sq. ft. on the second and third floors will be converted into workforce housing with rents based on 80% of the Area Median Income (AMI).

Ms. O’Keefe confirmed that Broadway Development & Management Group LLC is seeking \$693,500 in incentives including sales tax exemption and mortgage tax exemption benefits. Total payroll is projected at \$60,000 for the direct and indirect jobs created including 56 construction jobs. The resulting cost benefit is 1:14 so for every \$1 of incentives the community benefit is \$14 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$24 in community benefits.

General discussion ensued. Ms. Baskin spoke in favor of the project. Ms. O’Keefe stated that in exchange for providing the sales and use tax and mortgage recording tax exemption 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 = \$12,500,000 85% = \$10,625,000
Employment	Coincides with recapture period	Maintain Base = 2 Create 85% of Projected Jobs Projected = 8 85% = 7 Recapture Employment = 9
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

Ms. McDuffie 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.

Lactalis American Group, Inc., 2376 South Park Avenue, Buffalo, New York 14220. Ms. O’Keefe presented this proposed sales tax and real property tax abatement benefits project involving a proposed 5,660 sq. ft. addition to the company’s existing 26,865 sq. ft. office building to provide current and future employees with the space needed to support the company’s U.S. operations from the Buffalo, New York facility.

Ms. O’Keefe confirmed that Lactalis American Group, Inc. is seeking \$126,793 in incentives including sales tax exemption and real property tax exemption benefits. Total payroll over the 10 year term of the PILOT is projected at \$33.5M for the direct and indirect jobs created including 5 construction jobs. The resulting cost benefit is 1:9994 so for every \$1 of incentives the community benefit is \$9,994 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$13,000 in community benefits.

General discussion ensued. Mr. Blue queried about the types of jobs to be created. Ms. Risman spoke on behalf of the company and confirmed new jobs are computer technology and computer science jobs. Mr. Lipsitz and Mr. Krebs spoke in favor of the project as well as Ms. Abbott.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$1,436,697 85% = \$1,221,192
Employment	Coincides with 10-year PILOT	Maintain Base = 334 Create 85% of Projected Jobs Projected = 27 85% = 22 Recapture Employment = 356
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales taxes and real property taxes

Ms. Abbott moved and Mr. Blue 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 presented members with an update on the draft MWBE Policy.

UNIFORM TAX EXEMPT POLICY AMENDMENT

Mr. Cappellino presented members with an update on the proposed Countywide Uniform Tax Exemption Policy (“UTEP”) amendments and approval process.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:16 a.m.

Dated: January 13, 2022

Gerald Manhard, Assistant Secretary

791 Washington, LLC
\$107,950,000
INDUCEMENT RESOLUTION

ELIGIBILITY
 • NAICS Section – 531000

Project Title: Trico Redevelopment
 Project Address: 791 Washington St, Buffalo, NY 14203
 (Buffalo City School District)

COMPANY INCENTIVES
 • Approximately \$ 3,006,500 in sales tax savings
 • Up to ¾ of 1% of the final mortgage amount. The estimated mortgage tax savings is \$ 712,500

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of the former Trico manufacturing facility.

Land Acquisition / Site Prep	\$ 100,000
Renovation	\$ 87,100,000
Equipment	\$ 725,000
Soft Costs/Other	\$ 20,025,000
Total Project Cost	\$107,950,000
85%	\$91,800,000

Company Description

791 Washington, LLC is a single purpose entity formed to hold real estate being developed. Peter Krog is the managing member of the LLC and is a real estate developer with a long track record of successful development projects in WNY.

JOBS & ANNUAL PAYROLL
 • Projected New Jobs: 5
 • Projected Annual Payroll: \$200,000
 • Est. salary of jobs to be created: \$40,000
 • Construction Jobs: 571

Project Description

Prior ECIDA tax incentive applications for the redevelopment of this site were approved by the ECIDA Board in both 2016 and 2017. Prior approvals anticipated both the Buffalo Culinary School and an extended-stay hotel as project components for this nearly 500,000 sq ft facility.

PROJECTED COMMUNITY BENEFITS*
 • Term: 2 years after project completion
 • NET Community Benefits: \$ 75,244,614
 • Spillover Jobs: 433
 -Total Payroll: \$ 70,740,573

The prior project was underway until NYS mandated suspension of construction work per Covid-19. During the shutdown, the lender informed the developer that they would not provide financing due to the pandemic’s impact on the hospitality and extended-stay hotel industries. As a result, the developer was forced to go through a significant redesign effort that resulted in delays and substantially higher design costs to determine how to proceed with the project.

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*
 Incentives: \$ 3,719,000
 Community Benefit: \$ 75,198,038
 Cost: Benefit Ratio
 • 1:20

The current project plans for substantial renovation to convert the site into mixed-use including market rate housing addressing growth demands of medical campus employees, students and those interested in the community. The developer intends to offer 243 units with 10% (25 units) committed to workforce housing at 80% AMI.

	Sq Ft Range	Mo. Rent Range
25 studio units	560-783	\$1,105 - \$1,581
146 1-bedroom units	730-990	\$1,265 - \$1,940
56 2-bedroom units	990-1,498	\$1,578 - \$2,590
16 3-bedroom units	1,563 – 1,866	\$3,150 - \$3,350

In addition, 60,000 sq. ft will be available to businesses looking to locate on the Buffalo Niagara Medical Campus.

* 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
	Property	
	Sales	3,006,500
	Mortgage Recording	712,500
	Total	3,719,000
	Discounted at 2%	3,719,000

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Temporary	69,921,282
			Payroll Permanent	819,291
		Public	Property Taxes	
			Sales Taxes	588,031
	Other Muni Revenue - NFTA		237,500	
	New York State	Public	Income Taxes	3,183,326
			Sales Taxes	495,184
			Total Benefits to EC + NYS***	75,244,614
			Discounted at 2%	75,198,038

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

Discounted Cost \$ 75,198,038
 Discounted Benefit \$ 3,719,000
 Ratio 1:20

Conclusion: The Cost Benefit for this project is: 1:20. For every \$1 in costs (incentives), this project provides \$ 20 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 38 in benefits to the community.**

Retail Determination

Project Use	Sq Ft	Cost	% of Project Cost
Residential	437,000	\$ 79,400,000	91%
Commercial / Retail	61,000	\$ 7,700,000	9%
Total	498,000	\$ 87,100,000	100%

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

New Tax Revenue Estimated

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
Combined Tax Rate: \$				

* Inform Analytics/Center for Governmental Research

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount = or > than 85% of project amount. Total project amount = \$107,950,000 85% = \$ 91,800,000
Employment	Coincides with 10-year PILOT	Create 85% of Projected Jobs Projected Jobs = 85% = Recapture Employment =
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of State and Local Sales Taxes and Mortgage Recording Tax

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) creation of 85% of the project jobs 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

- 7/12/21 City of Buffalo lead agency, adopts negative declaration in accordance with SEQRA
- 12/28/21 Public hearing held.
- 01/26/22 Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 01/26/22 Lease/Leaseback Inducement Resolution presented to the Board of Directors

**ADAPTIVE REUSE REPORT &
EVALUATIVE CRITERIA
Trico Redevelopment**

<p>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</p>	<p>The building is > 20 yrs old – being constructed in stages from 1890 through 1950s.</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 over 16 years - since Trico abandoned the building in approximately 2005.</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>The structure is 100% vacant and therefore has no income being generated.</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 Framework states that investment should be targeted to developed areas and regional centers. This project falls within this target. Further it is within the targeted investment area of the Buffalo Building Reuse Plan.</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 building has been vacant & unattended since 2005 and has fallen into disrepair. There are several structural issues that have resulted from a failing roof system and environmental contaminants that must be dealt with in order to bring the building back to life. Necessary partial demolition costs and redesign efforts have driven the total project costs up even further. The building is listed on the National Historic Register and renovations must be done in accordance with their guidelines further adding to the project costs. The developer has supplied an ROI which indicates a below average rate of return on the investment.</p>
<p>Demonstrated support of local government entities</p>	<p>Support letter received from Buffalo Mayor Byron Brown.</p>

**ADAPTIVE REUSE REPORT &
EVALUATIVE CRITERIA
Trico Redevelopment**

LEED/Renewable Resources	n/a
Building or site has historic designation	The property is listed on the National Historic Register.
Site or structure has delinquent property or other local taxes	The property was recently added to the tax roll at a nominal assessed value. Property taxes are current.
MBE/WBE Utilization	See attached MBE WBE Utilization Form that includes: real estate purchase agreement excerpt & General Contractor policy.
Transit Oriented Development	The site is accessible via the Metro Rail Line and bus routes 8 and 25.

OTHER FACTORS TO CONSIDER:	
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	The existing state of the site presents a public safety hazard. Portions of the building have fallen off and dropped to the sidewalk below. The structural integrity of the building continues to erode.
Site or structure is located in a distressed census tract	Property is located in highly distressed census tract 25.05
Structure presents significant costs associated w/ building code compliance.	The structure requires a significant investment to stabilize the building and make it code compliant. The property contains contaminated materials that will need to be remediated.

DATE OF INDUCEMENT: 1/26/22

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA Trico Redevelopment

Return on Investment – Trico Redevelopment

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

- Sales Tax Savings in the amount of \$3,006,500
- Mortgage Tax Savings in the estimated amount of \$ 712,500

ROI

Trico Redevelopment has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 2.9%

Stated ROI for the project without ECIDA assistance is 2.5%

City of Buffalo – 485 A 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 – TRICO REDEVELOPMENT (791 Washington Street, LLC)

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
87,100,000	49,821,200	5.04	17.21	n/a

*Apply equalization rate to value

PILOT Year	% Payment (485 A)	County PILOT Amount	County as if owned	City PILOT Amount	City as if owned	Full Tax Payment w/o PILOT	Net Exemption
1	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
2	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
3	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
4	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
5	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
6	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
7	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
8	0.00	\$251,127	\$251,127	\$0	\$857,577	\$1,108,705	\$857,577
9	0.20	\$251,127	\$251,127	\$171,515	\$857,577	\$1,108,705	\$686,062
10	0.40	\$251,127	\$251,127	\$343,031	\$857,577	\$1,108,705	\$514,546
11	0.60	\$251,127	\$251,127	\$514,546	\$857,577	\$1,108,705	\$343,031
12	0.80	\$251,127	\$251,127	\$686,062	\$857,577	\$1,108,705	\$171,515
TOTAL		\$3,013,528	\$3,013,528	\$1,715,155	\$10,290,929	\$13,304,456	\$8,575,774

*** 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 485 a benefit	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
107,950,000	8,575,774	3,006,500	712,500	26,550,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 11.4 %

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:

Real Estate Purchase Agreement excerpt (other obligations):

Pursuant to the Real Estate Purchase Agreement between the developer and the Buffalo Brownfield Restoration Corp, the developer has agreed to make a reasonable effort in its attempt to 1) attain a minority workforce goal of 25% and a woman workforce goal of 5% on the project, 2) attain a MBE utilization goal of 25% and WBE goal of 5% on the project and 3) cause tenants and other occupants of the project including the developer and any affiliate of the developer to first list all new employment opportunities generated at the project with the DOL, Buffalo Employment Training Center & the Workforce Investment Board.

General Contractor Policy:

The Krog Group LLC as the General Contractor adheres to Equal Employment Opportunity guidelines in accordance with the sections below.

A. Equal Employment Opportunity

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

We are committed to assuring that:

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



In instances when the company is required to adhere to MBE/WBE guidelines we will utilize efforts and protocols to encourage MBE/WBE participation on projects. Those protocols are outlined below.

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

Erie County Industrial Development Agency

MRB Cost Benefit Calculator

Date: January 5, 2022
 Project Title: Trico Redevelopment
 Project Location: 791 Washington Street, Buffalo, NY 14203



Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

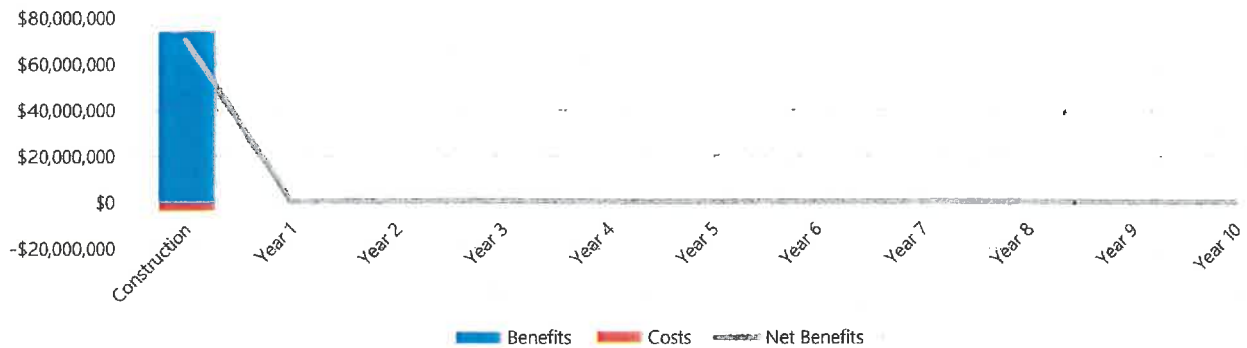
\$107,950,000

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	571	431	1002
Earnings	\$45,239,093	\$24,682,189	\$69,921,282
Local Spend	\$107,950,000	\$76,429,859	\$184,379,859

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	5	2	7
Earnings	\$400,000	\$419,291	\$819,291

Figure 1

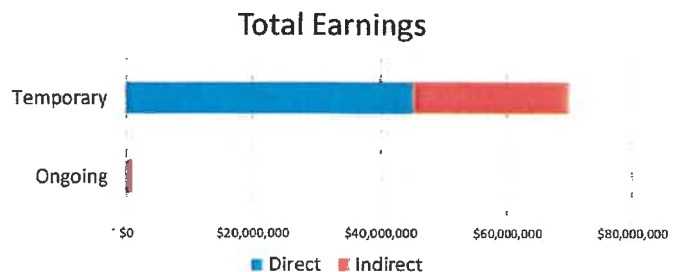
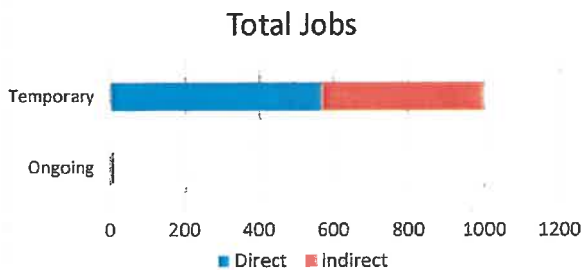
Net Benefits



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

Figure 2

Figure 3



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	\$3,006,500	\$3,006,500
Local Sales Tax Exemption	\$1,632,100	\$1,632,100
State Sales Tax Exemption	\$1,374,400	\$1,374,400
Mortgage Recording Tax Exemption	\$712,500	\$712,500
Local Mortgage Recording Tax Exemption	\$237,500	\$237,500
State Mortgage Recording Tax Exemption	\$475,000	\$475,000
Total Costs	\$3,719,000	\$3,719,000

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$71,566,104	\$71,521,584
To Private Individuals	\$70,740,573	\$70,701,038
Temporary Payroll	\$69,921,282	\$69,921,282
Ongoing Payroll	\$819,291	\$779,757
Other Payments to Private Individuals	\$0	\$0
To the Public	\$825,531	\$820,546
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$581,221	\$581,221
Ongoing Jobs - Sales Tax Revenue	\$6,810	\$6,482
Other Local Municipal Revenue	\$237,500	\$232,843
State Benefits	\$3,678,510	\$3,676,454
To the Public	\$3,678,510	\$3,676,454
Temporary Income Tax Revenue	\$3,146,458	\$3,146,458
Ongoing Income Tax Revenue	\$36,868	\$35,089
Temporary Jobs - Sales Tax Revenue	\$489,449	\$489,449
Ongoing Jobs - Sales Tax Revenue	\$5,735	\$5,458
Total Benefits to State & Region	\$75,244,614	\$75,198,038

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$71,521,584	\$1,869,600	38:1
State	\$3,676,454	\$1,849,400	2:1
Grand Total	\$75,198,038	\$3,719,000	20:1

*Discounted at 2%

Additional Comments from IDA

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



CITY OF BUFFALO

BYRON W. BROWN
MAYOR



January 11, 2022

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

RE: Former TRICO Building Redevelopment Project

Dear Mr. Cappellino:

I am pleased to reiterate my continued support for the redevelopment of the TRICO building on 791 Washington Street as another piece of the ongoing revitalization of downtown Buffalo. The TRICO building has a rich history in Buffalo as it was once the largest employer in the City of Buffalo (TRICO windshield wipers). The site is situated right off the expressway as people enter downtown Buffalo and is considered one of the gateways to Buffalo's Central Business District and the Buffalo Niagara Medical Campus.

The planned adaptive reuse of the former TRICO building is an extremely challenging redevelopment project that has sat abandoned for over 20 years. Multiple developers have previously attempted to bring this historic structure back to productive use and failed due to various reasons. I have faith in The Krog Group to overcome the obstacles necessary to make this into a vibrant, urban residential community to serve City of Buffalo residents and Buffalo Niagara Medical Campus ("BNMC") employees.

Buffalo is a wonderful place to live, and is a city that values its historic structures. The adaptive reuse project at 791 Washington Street will transform a historic, vacant factory building into approximately 243 apartments of various sizes, 250 interior parking spaces and approximately 60,000 square feet of commercial space. As Buffalo makes room for its emerging modern workforce, housing demand throughout the City continues to rise. This multifamily adaptive reuse project aligns with my vision to increase housing stock throughout the City of Buffalo to meet current housing demand and sustain economic development.

The adaptive reuse of this historic structure 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

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

Public Hearing to be held on December 28, 2021 at 10:00 a.m. at the Agency's offices,
at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Scott Fairbrother – Krog Group
Beth O'Keefe – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Grant Lesswing. I am the Director of Business Development of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the {Company} and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, December 16, 2021.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) a leasehold interest in a 2+/- acre parcel of land located at 791 Washington Street, City of Buffalo, Erie County, New York (the "Land") improved thereon with the 479,475+/- SF historic Trico Building (the "Existing Improvements"); (ii) the partial demolition, construction, reconstruction and/or renovation, upgrading and equipping of the Existing Improvements on the Land to accommodate a mixed-use structure for approximately 60,000+/- SF of commercial space available for companies seeking to be located in the Buffalo Niagara Medical Campus as well as offering 243 units consisting of studio, 1-bedroom, 2-bedroom and 3-bedroom apartments with 80% market-rate and 10% workforce housing to meet the expanding demand as well as on-site parking amenities (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

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 January 25, 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.

The Hearing Officer calls on those who raise their hand.

Scott Fairbrother - CFO The Krog Group. I'm here on behalf of the 791 Washington Street, LLC to speak in support of the Trico project. It's an iconic historic structure located on the Buffalo Niagara Medical Campus. The building has been vacant for a number of years prior to the Krog Group and its development team commencing redevelopment efforts. Demolition and environmental remediation were on their way along with some masonry restoration when Covid hit in March 2020. At that point we were forced to revise the project and put it on hold and undertake a substantial redesign effort to eliminate the extended stay hotel component of the project and convert it to a mixed-use project with 60,000 square feet of commercial space to serve the Buffalo Niagara Medical Campus as well as 243 units of housing. At that point in time, we determined the hospitality market was going to be substantially negatively impacted by Covid and that redesign. We resubmitted our application to the IDA and are in need of IDA assistance for mortgage and sales tax in order for us to restart the redevelopment efforts. We have received IDA support in the past for this project and we need this IDA support in order for us to continue our efforts and are excited to have the opportunity to move forward subject to IDA approval.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:05 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

December 28, 2021 at 10:00 a.m. at the Agency's offices,
at 95 Perry Street, Suite 403, Buffalo, NY 14203
regarding:

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

Project Location: 791 Washington Street, City of Buffalo, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Scott Fairbrother	Krog Group 4 Centre Drive Orchard Park, New York 14127	X
Beth O'Keefe	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**791 WASHINGTON STREET, 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, January 26, 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 791 WASHINGTON STREET, 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 2+/- acre parcel of land located at 791 Washington Street, City of Buffalo, Erie County, New York (the "Land") improved thereon with the

479,475+/- SF historic Trico Building (the "Existing Improvements"); (ii) the partial demolition, construction, reconstruction and/or renovation, upgrading and equipping of the Existing Improvements on the Land to accommodate a mixed-use structure for approximately 60,000+/- SF of commercial space available for companies seeking to be located in the Buffalo Niagara Medical Campus as well as offering 243 units consisting of studio, 1-bedroom, 2-bedroom and 3-bedroom apartments with 90% market-rate and 10% workforce housing (at 80% AMI) to meet the expanding demand as well as on-site parking amenities (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on December 28, 2021, at 10:00 a.m., at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 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, and (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, the City of Buffalo Planning Board (the "Planning Board") in accordance with Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereto in 6 N.Y.C.R.R. Part 617 (collectively referred to as the "State Environmental Quality Review Act" and/or "SEQR") undertook coordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, and determined that the Project was a "Type I" action; and

WHEREAS, the Agency did not object to the Planning Board's request to be Lead Agency, as defined under SEQR; and

WHEREAS, on September 8, 2015, the Planning Board issued a negative declaration ("Negative Declaration") under SEQR, with respect to the Project; and

WHEREAS, the Project as currently proposed herein has been revised since the Planning Board's issuance of the Negative Declaration (revisions eliminated a limited hotel use of the Facility and will now convert that contemplated hotel use square footage to additional apartment usage) and on June 24, 2021, the Planning Board determined that such revisions do not require reconsideration of the Negative Declaration; 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 and recommendations of the Project and its January 26, 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 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.

(I) The Project qualifies for Agency Financial Assistance as it is compliant with the Agency's Adaptive Reuse Project Policy as evidenced by the following:

(i) the building(s) is/are approximately 100 years old and functional issues related to its age present challenges to its reuse;

(ii) the building(s) has/have been vacant for at least the past ten (10) years;

(iii) the building(s) is/are not generating any rental income;

(iv) the Project is in compliance with the investment and growth criteria of the Framework for Regional Growth;

(v) the Applicant has demonstrated evidence of financial obstacles to development of the Project without Agency or other public assistance;

(vi) the Project has received the support of local governmental entities;

(vii) the building(s) is/are located within a distressed census tract; and

(viii) the structure requires significant costs to comply with building codes; and

(ix) asbestos issues present a public safety hazard related to rehabilitation and redevelopment of the Project; and

(J) Based upon a thorough and complete review of the Application and its accompanying materials and information, the Environmental Assessment Form submitted by the Company, and the proceedings conducted by the Agency and the Planning Board, to date, pursuant to SEQR, the Agency hereby:

(i) consents to and affirms the status of the Project as a Type 1 Project and further consents to and affirms the status of the Planning Board as "Lead Agency" within

the meaning of and for all purposes of complying with SEQR and determines that the proceedings undertaken by the Planning Board under SEQR with respect to the undertaking of the Project by the Company (as agent of the Agency) satisfy the requirements of SEQR;

(ii) reviews, considers, ratifies, and adopts such proceedings by the Planning Board, including the “Negative Declaration”;

(iii) determines that the Project will not have a significant impact on air quality or an adverse impact on ground or surface water quality as the project will connect to an existing public water supply, the project will not have a significant adverse impact on traffic levels or adversely affect noise levels and the Project is in keeping with the urban character of the area, the Project will not substantially increase solid waste production or result in the removal or destruction of vegetation or fauna or adversely impact significant fish or wildlife species habit areas or threatened or endangered species of animal or plants, and is not within or adjacent to a Critical Environmental Area, that the Project is consistent with the community’s current plans and goals and will not impact the character of the community, that the Project will not encourage a large number of people to a place for more than a few days as the inclusion of residential units is not significant, the Project will not involve changes in two or more elements of the environment when considered together or cumulatively and will not result in a substantial adverse impact on the environment and results in no major impacts and, therefore, is one which will not cause significant damage to the environment and will not have a “significant effect on the environment” as such quoted terms are defined in SEQR, and that no “environmental impact statement” as such quoted term is defined in SEQR need be prepared for this action; and

(iv) determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project, and the participation by the Agency in undertaking the Project, have been satisfied. This determination constitutes a “negative declaration” (as such quoted term is defined under SEQR) for purposes of SEQR.

(K) The Project constitutes a commercial facility as defined in the New York 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 571 temporary construction jobs and approximately 5 full-time jobs, and, by adaptively reusing a vacant, declining and aged structure and rehabilitating it for mixed and residential use, will be a physical and economic improvement to this sensitive area of the City of Buffalo.

(A) 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 building is >20 years old – being constructed in stages from 1890 through 1950s.

(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 over 16 years – since Trico abandoned the building in approximately 2005.

(iii) *Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class):* The structure is 100% vacant and therefore has no income being generated.

(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 Framework states that investment should be targeted developed areas and regional centers. This project falls within this target. Further it is within the targeted investment area of the Buffalo Building Reuse Plan.

(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 building has been vacant and unattended since 2005 and has fallen into significant disrepair. There are several structural issues that have resulted from a failing roof system and environmental contaminants that must be dealt with in order to bring the building back to life. Necessary partial demolition costs and redesign efforts have driven the total project costs up even further. The building is listed on the National Historic Register and renovations must be done in accordance with their guidelines further adding to the project costs. Cash flow projections and the resulting ROI summary are attached.

(vi) *Demonstrated support of local government entities:* Received letter from Buffalo Mayor Brown in support of project.

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

(viii) *Building or site has historic designation:* The property is listed on the National Historic Register.

(ix) *Site or structure has delinquent property or other local taxes:* The property was recently added to the tax roll at a nominal assessed value.

(x) *MBE/WBE Utilization:* Pursuant to the Real Estate Purchase Agreement between the developer and the Buffalo Brownfield Restoration Corp., the developer has agreed to make a reasonable effort in its attempt to (1) attain a minority workforce goal of 25% and a woman workforce goal of 5% on the project, (2) attain a MBE utilization goal of 25% and WBE goal of 5% on the project and (3) cause tenants and other occupants of

the project including the developer and any affiliate of the developer to first list all new employment opportunities generated at the project with the DOL, Buffalo Employment Training Center and the Workforce Investment Board.

(xi) *Transit Oriented Development:* The site is accessible via the Metro Rail Line and several bus routes including routes 8 and 25.

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 \$34,360,000, 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 \$3,006,500, 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 \$712,500; and

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 promptly pay over any such amounts to the Agency that the Agency demands.

(C) Commitments. 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 \$91,800,000 (which represents the product of 85% multiplied by \$107,950,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there at least 4 (four) full time equivalent ("FTE") employees in the Facility as stated in the Company's Application for Financial Assistance as described below:

- 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 4 (four) FTE employees [representing the product of 85% multiplied by 5 (being the 5 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.

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: January 26, 2022



Trico Redevelopment

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	Trico Redevelopment
Project Summary	The applicant previously received IDA approval for a mixed use redevelopment that consisted of an extended stay hotel, residential apartments and commercial office space. The project was suspended due to the Covid-19 pandemic in the Spring of 2020 and financing was pulled due to lender concerns about the impact that Covid would have on the hospitality industry and the extended stay hotel. As a result of these events, the redevelopment of a historic building and property that has been vacant for over 16 years required a redesign to eliminate the hotel component and transition to a mixed use project providing more housing in support of the University of Buffalo Medical School, other employers and employees working in the area surrounding the medical campus. In addition to the housing component there will be approximately 60,000 sf of commercial space available for companies seeking to be located on the Buffalo Niagara Medical Campus. The developer intends to offer 243 units consisting of Studio Apartments, 1-Bedroom, 2-Bedroom & 3-Bedroom Apartments with 10% (25) committed for Workforce Housing or 80% AMI.
Applicant Name	791 Washington Street LLC
Applicant Address	4 CENTRE DR
Applicant Address 2	
Applicant City	ORCHARD PARK
Applicant State	New York
Applicant Zip	14127
Phone	(716) 667-1234
Fax	(716) 667-1258
E-mail	sfairbrother@kroggrp.com
Website	
NAICS Code	531000
<u>Business Organization</u>	
Type of Business	Limited Liability Company
Year Established	2016
State in which Organization is established	New York

Individual Completing Application

Name Scott Fairbrother
Title Chief Financial Officer - The Krog Group, LLC
Address 4 CENTRE DR STE I
Address 2
City ORCHARD PARK
State New York
Zip 14127
Phone (716) 667-1234
Fax (716) 667-1258
E-Mail sfairbrother@kroggrp.com

Company Contact (if different from individual completing application).

Name Peter L. Krog
Title CEO
Address 4 Centre Drive
Address 2
City Orchard Park
State New York
Zip 14127
Phone (716) 667-1234
Fax (716) 667-1258
E-Mail plkrog@kroggrp.com

Company Counsel

Name of Attorney Tim Favaro
Firm Name Cannon Heyman & Weiss, LLP
Address 726 Exchange Street - Suite 500
Address 2
City Buffalo
State New York
Zip 14210
Phone (716) 856-1700
Fax
E-Mail tfavaro@chwattys.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%.

The company is a single purpose entity that has been formed to hold real property being redeveloped at 791 Washington Street. The managing member with the controlling interest in the LLC is a real estate developer with a long track record of successful development throughout Western New York and Erie County. The member with the controlling interest has been in business in excess of thirty years and has successfully completed a number of historic renovations. The planned redevelopment consists of a mixed use project that will provide office space, housing and services that are expected to primarily be complimentary to the Buffalo Niagara Medical Campus. The building will be rehabilitated to include housing in support of the University of Buffalo Medical School and commercial space for companies that are looking to form a strategic alliance with other service providers located on the Buffalo Niagara Medical Campus. In addition, the project will include a component of housing that is consistent with the Work Force Housing guidelines. An entity controlled by Peter L. Krog will own 65% and another entity controlled by Bruce Wisbaum will own 35% of the deal.

Estimated % of sales within Erie County	80 %
Estimated % of sales outside Erie County but within New York State	10 %
Estimated % of sales outside New York State but within the U.S.	5 %
Estimated % of sales outside the U.S.	5 %

(*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

The entity applying for the benefits is newly formed and does not have any significant history to provide the detailed percentages requested. The amount in excess of \$10 million that has been spent to date has been spent with providers from Erie County and the newly formed entity expects that the tenants anticipated to occupy the structure will purchase approximately 90% of their supplies, raw materials and vendor services from firms within Erie County.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

791 Washington Street

Town/City/Village of Project Site

City of Buffalo

School District of Project Site

Buffalo Public School

Current Address (if different)

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

SBL Number(s) for proposed Project

111.31-1-1.11

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

67,692

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

No

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

The historic building is listed on the National Register. The building has been vacant for over 16 years and is currently in need of significant repairs and environmental remediation to avoid total demolition. A significant portion of the environmental remediation has already taken place as has a portion of the necessary demolition to move the project forward. The building currently has a fence around it to prevent pedestrian and vagrant trespassing during the ongoing remediation and demolition phase of the project. The developer received a Certificate of Completion from the NYS DEC in December 2019 for the remediation work that was completed.

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)

See the attached narrative of the proposed project.

Municipality or Municipalities of current operations

City of 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:

The project will not move forward without financial assistance provided by the Agency. See attached reasons why the Agency's Financial Assistance is necessary.

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

The project will not move forward without financial assistance provided by the Agency. See attached reasons why the Agency's Financial Assistance is necessary.

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?

See attached impact on Applicant and Erie County.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Prospective commercial tenants in the building may lease equipment for their respective operations. However, at this point in time, the extent of the leased equipment is yet to be determined.

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)

Site is accessible by several bus and metro rail lines that are operated by the NFTA.

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

General Commercial District

Describe required zoning/land use, if different

N/A

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

N/A

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

Yes

If yes, please explain

The project site is currently in the New York State Brownfield Cleanup Program as a volunteer. The project site contains contaminants that will add to the overall redevelopment costs as the developer will need to remediate the property to a sufficient level to meet the residential clean up standards under the Brown Field Cleanup Program. The project received a Certificate of Completion from the NYS DEC in 2019, but all future construction work requires compliance with the approved Site Management Plan.

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

Yes

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

TBD - Not Known at this time, but working with an energy consultant (D3G) to ensure sufficient energy benefits are achieved to be eligible for HUD financing upon rental stabilization.

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

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

Yes

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

The project has commercial space available that could be occupied by a company that performs research and development activities. The applicant has not identified a specific tenant that performs these R&D activities at this time, but could attract one given the location on the Buffalo Niagara Medical Campus. A couple of Biomedical R&D firms have expressed an interest, but more time will be needed to determine how interested they are in locating at the building.

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

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales No

Services No

Please check any and all end uses as identified below.

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

Multi-Family - Approximately 10% will be Work Force Housing

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

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

		Cost	% of Total Cost
Manufacturing/Processing	0 square feet	\$ 0	0%
Warehouse	0 square feet	\$ 0	0%
Research & Development	0 square feet	\$ 0	0%
Commercial	0 square feet	\$ 0	0%
Retail	0 square feet	\$ 0	0%
Office	61,000 square feet	\$ 7,700,000	9%
Specify Other	437,000 square feet	\$ 79,400,000	91%

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

12/1/2021

End date : Estimated completion date of project

5/30/2023

Project occupancy : estimated starting date of occupancy

6/30/2023

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 100,000

498,000 square feet

2 acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 87,100,000 500,000 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

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

\$ 725,000

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

\$ 14,525,000

9.) Other Cost

\$ 5,500,000

Explain Other Costs	Owner Contingency
Total Cost	\$ 107,950,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 87,100,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 28,690,000
% sourced in Erie County	80%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 34,360,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 3,006,500

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

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

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

If Yes, describe particulars:

This project was already induced by the IDA and work had begun, but the developer was forced to be suspended due to the Covid-19 pandemic. During the suspended period the lender pulled the financing due to concerns about the pandemic's impact on the hospitality industry and the planned extended stay hotel component. The developer was required to change the project to eliminate the hotel component in order to get financing and was therefore required to resubmit this amended IDA application for the program change to eliminate the extended stay hotel..

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 11,400,000
Bank Financing:	\$ 70,000,000
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 26,550,000
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	0
Total Sources of Funds for Project Costs:	\$107,950,000
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing).	95,000,000
Lender Name, if Known	
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):	\$712,500

Real Property Tax Benefit:

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

The applicant is likely to seek a 485(a) real property tax exemption for the improvements made to the property.

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

The applicant has engaged The Krog Group LLC as the general contractor on the project and the policy for this company has been attached. In addition, the purchase and sale agreement with BUDC required best efforts be utilized to meet certain MBE/WBE requirements and the general contractor has been diligently working to achieve these goals.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms. Prospective commercial tenants in the building may lease equipment for their respective operations. However, at this point in time, the extent of the leased equipment is yet to be determined.

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).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	0	5	5
Part time	0	0	0	0
Total	0	0	5	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	1	\$ 55,000	\$ 17,500	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	1	\$ 40,000	\$ 13,300	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	3	\$ 35,000	\$ 5,500	\$ 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.

No **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):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

200,000

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)

40,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	35,000	To (Full Time)	55,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

791 Washington Street, Buffalo, NY

Name and Address of Owner of Premises

791 Washington Street, LLC 4 Centre Drive Orchard Park, NY 14127

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

See attached environmental information.

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

See attached environmental information.

Describe all known former uses of the Premises

See attached environmental information

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?

Yes

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

See attached environmental information.

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

See attached

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

No

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

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

N/A

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

No

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

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

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

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

Yes

If yes, relate all the circumstances

See attached environmental information

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

See attached environmental information

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 project is located at the south end of the Buffalo Niagara Medical Campus (BNMC). The applicant expects there to be a shortfall of market rate and Work Force housing near the campus as more workers are required to support the expansion of the campus and the additional employees and students attending and working at the University of Buffalo Medical School and other businesses located on or near the medical campus.

Have any tenant leases been entered into for this project?

No

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

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

*fill out table for each tenant and known future tenants

Section VI: Retail Determination

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

Please answer the following:

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

No

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

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)? 105

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.

16

If underutilized, number of years underutilized.

16

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

The building has been vacant since the Trico Company left the building in 2005.

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)

Yes

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

The structure is 100% vacant and has no income being generated by it. It is in need of major structural repairs and environmental remediation. It was only recently added to the tax roll at a nominal assessed value.

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

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	146	730 - 990	\$1,265 - \$1,940
2 Bedroom	56	990 - 1,498	\$1,578 - \$2,590
3 Bedroom	16	1,563 - 1,866	\$3,150 - \$3,350
Other	25	560 - 783	\$1,105 - \$1,581

Does the site have historical significance?

Yes

If yes, please indicate historical designation

The building is listed on the National Register.

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

Yes

If yes, provide estimated value of tax credits

The estimated value of the Federal Historic Tax Credits is approximately \$14 million and the NYS Tax Credit will be capped at \$5 million and equate to approximately \$3 million after taxed at the federal level.

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)

See attached.

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

The City of Buffalo has been an advocate for the redevelopment of this project. The local preservation community has approved the redevelopment plan and the project has received site plan approval.

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

See attached Other Factors for the ECIDA to consider.

Indicate census tract of project location

The property is located in Census Tract 31

Indicate how project will eliminate slum and blight

The project will result in an investment of over \$100 million to take a long-term vacant building that is in structural disrepair with environmental issues and rehabilitate it to a signature building that is located on the gateway to the City of Buffalo.

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

The project will not be constructed to LEED standards but will be designed to meet energy star requirements in order to qualify for federal housing financing options upon project stabilization.

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

791 Washington Street

City/Town

Buffalo

State

New York

Zip Code

14203

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

No

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

No

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

N/A

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

Proximity to the medical campus is strategic for the residential and office needs for those with employment opportunities in proximity of the medical campus.

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

No

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

The project applicant's senior management is located in Erie County and is continually looking for opportunities to expend it's core business in Erie County as opposed to having to look elsewhere in New York State or other states for development and expansion opportunities.

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

N/A

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

N/A

Section IX: Senior Housing

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

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

No

Arbor Multi-Family Housing, LLC
\$2,100,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Arbor 2022 Relocation								
<ul style="list-style-type: none"> • NAICS Section – 525990 	Project Address: 500 Colvin Woods, Tonawanda, NY 14150								
COMPANY INCENTIVES	Ken-Ton Union Free School District								
<ul style="list-style-type: none"> • Approximately \$ 183,750 in sales tax savings 	Agency Request								
JOBS & ANNUAL PAYROLL	A sales tax abatement in connection with the equipping of 30,000 sq ft existing building within the Colvin Woods Business Park in Tonawanda, NY.								
<ul style="list-style-type: none"> • Current / Retained Jobs: 168 • Salary/yr. of jobs retained: \$72,000 • Annual Payroll: \$ 12,840,000 • Projected new jobs: 25 • Est. salary/yr. of jobs created: \$70,000 • Total jobs after project completion: 193 • Construction Jobs: 0 	<table border="0"> <tr> <td>Non- Manufacturing Equipment</td> <td>\$ 2,000,000</td> </tr> <tr> <td>Soft Costs/Other</td> <td>\$ 100,000</td> </tr> <tr> <td> Total Project Cost</td> <td> \$ 2,100,000</td> </tr> <tr> <td> 85%</td> <td> \$ 1,785,000</td> </tr> </table> <p align="center">Company Description</p> <p>Arbor Multi-Family Lending, LLC (Arbor) is an experienced loan servicer rated by S&P and Fitch for commercial and special servicing. In 2000 the company relocated its loan servicing operations to Erie County from Boston, MA and hired its first 5 local employees. Arbor’s in-house multifamily servicing and asset management teams extend financial partnerships with commercial and multi-family clients, assisting through the life-cycle of all loans. Currently based in Depew (Lancaster), Arbor’s nationwide serviced portfolio includes mezzanine financing, permanent deals, construction/funded-forward products, REIT/secured transactions and HUD insured projects.</p>	Non- Manufacturing Equipment	\$ 2,000,000	Soft Costs/Other	\$ 100,000	 Total Project Cost	 \$ 2,100,000	 85%	 \$ 1,785,000
Non- Manufacturing Equipment	\$ 2,000,000								
Soft Costs/Other	\$ 100,000								
 Total Project Cost	 \$ 2,100,000								
 85%	 \$ 1,785,000								
PROJECTED COMMUNITY BENEFITS*	Project Description								
<ul style="list-style-type: none"> • Term: project completion + 2 years • NET Community Benefits: \$ 58,213,128 • Spillover Jobs: 158 <p>Total Payroll: \$ 54,901,860</p>	<p>Arbor has outgrown the 22,000 sq ft space of their current facility at 3370 Walden Ave, Depew (Lancaster). With their lease expiring in 2022 and an inability to expand their current space - the company undertook an extensive search to find a new location meeting the company’s space requirements (30,000 sq ft +) located within a reasonable distance from their current operations. Other requirements included: access to major highways, a building generator, high visibility outdoor signage, ample parking and employee amenities – a key component to attracting and retaining the best candidates in a highly competitive labor market. The company complied with the UTEP Inter-Municipal Move Policy engaging their landlord and the Lancaster IDA to find a new location. After an extensive search, the company has identified 30,000 sq ft of available space at 500 Colvin Woods, Tonawanda, to lease on the 2nd fl of this existing office building. The company plans to purchase new office furniture, AV equipment, build out a state-of-the-art computer room, an upscale breakroom and employee lounge. New computer equipment will enable Arbor to be more efficient and reduce use of paper. The creation of an attractive work environment will appeal to prospective job applicants and enable Arbor to retain current talent – allowing Arbor to remain competitive in the industry and achieve their goals.</p>								
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*									
<p>Incentives: \$ 183,750</p> <p>Community Benefit: \$ 55,911,058</p> <p>Cost: Benefit Ratio 1:304</p>									

*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
	Property	0
	Sales	183,750
	Mortgage Recording	0
	Total	183,750
	Discounted at 2%	183,750

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	0
			Payroll Permanent	54,901,860
		Public	Property Taxes	
			Sales Taxes	456,372
	New York State	Public	Income Taxes	2,470,584
			Sales Taxes	384,313
			Total Benefits to EC + NYS***	58,213,128
			Discounted at 2%	55,911,058

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

Discounted Cost \$ 183,750
 Discounted Benefit \$ 55,911,058
 Ratio 1:304

Conclusion: The Cost Benefit for this project is: 26:1. For every \$1 in costs (incentives), this project provides \$304 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$533 in benefits to the community.**

*Cost Benefit Analysis Tool powered by MRB Group

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$ 2,100,000 85% = \$ 1,785,000
Employment	2 years following project completion.	Maintain Base = 168 Create 85% of Projected Projected = 25 85% = 21 Recapture Employment = 189
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	2 years following project completion.	Adherence to Policy
Unpaid Tax	2 years following project completion.	Adherence to Policy
<u>Recapture Period</u>	2 years following project completion.	Recapture of state and local sales taxes

Recapture applies to:

State and Local Sales Taxes

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 168 jobs and created 21 jobs, 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

- 12/23/21: Public hearing held.
- Type II Action – No SEQR required
- 01/26/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

EVALUATIVE CRITERIA – Arbor Multi Family Housing, LLC
 BACK OFFICE/DATA/CALL CENTERS

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	The average salary for jobs retained = \$72,000 annually and for jobs to be created = \$70,000 annually. Both are above the median wage for the area.
Regional Wealth Creation (% sales/customers outside area)	Arbor estimates sales outside of Erie County to equal 99% with the majority of sales (84%) outside of NYS.
In Region Purchases (% of overall purchases)	In region purchases are estimated at 50% For this project, Arbor will be purchasing furniture from a certified women owned business (by the Women’s Business Enterprise National Council). Local labor will be used for installation and our movers are a local company.
Supports Local Business or Cluster	The applicant as a mortgage servicer is within the region’s Advanced Business Services target industry sector.
Retention/Flight Risk	Arbor would consider splitting their operations and/or moving out of State should they be unable to secure a new location that met their needs.
LEED/Renewable Resources	n/a
MBE/WBE Utilization	See attached MBE WBE Utilization form.
Workforce Access – Proximity to Public Transportation	The proposed facility at 500 Colvin Woods is within close proximity to NFTA bus stop at the entrance to the Covin Woods Business Park. Nearby NFTA bus routes include 11, 20 & 25.

DATE OF INDUCEMENT: 1/26/22

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-Arbor Multi Family Housing, LLC

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*		County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
n/a	n/a				

*Apply equalization rate to value

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
2,100,000	0	183,750	0	0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 8.75 %

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:

Arbor is to an equal opportunity employer and are committed to maintaining a diverse workforce and an inclusive work environment for our associates, customers and business partners. We do not discriminate on the basis of race, religion, color, national origin, gender, sexual orientation, age, marital status, veteran status, disability, ethnicity, pregnancy or any other legally protected status. We are committed to working with and providing reasonable accommodations to individuals with disabilities.

Arbor Talent Acquisition department is committed to providing a diverse candidate slate to our hiring managers based on experience and expertise. To that end, we have partnered with a Government Sponsored Enterprise, "GSE", on The Future Housing Leaders internship program as well as a marketing campaign that is focused on providing career opportunities for both women and minorities . The Future Housing Leaders program is an ongoing program that is designed to expose both females and minorities to the Housing financing industry early in their careers by partnering with historically black colleges and universities and offering internships to this population.

Also, starting in 2022, Arbor is partnering with Project Destined, an organization that is committed to increasing financial literacy and opportunities to the underserved populations.

In addition, a member of Arbor's Human Resource Department sits on an industry-wide subcommittee which is focused on increasing minority representation throughout the multifamily lending space.

Locally, Arbor partners with the University of Buffalo's Real Estate Development major and has participated in various workshops to assist students with resume writing, interviewing skills, career advice and mentorship.

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: January 3, 2022
 Project Title: Arbor Multi-family Housing, LLC
 Project Location: 500 Colvin Woods, Tonawanda, NY 14150

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

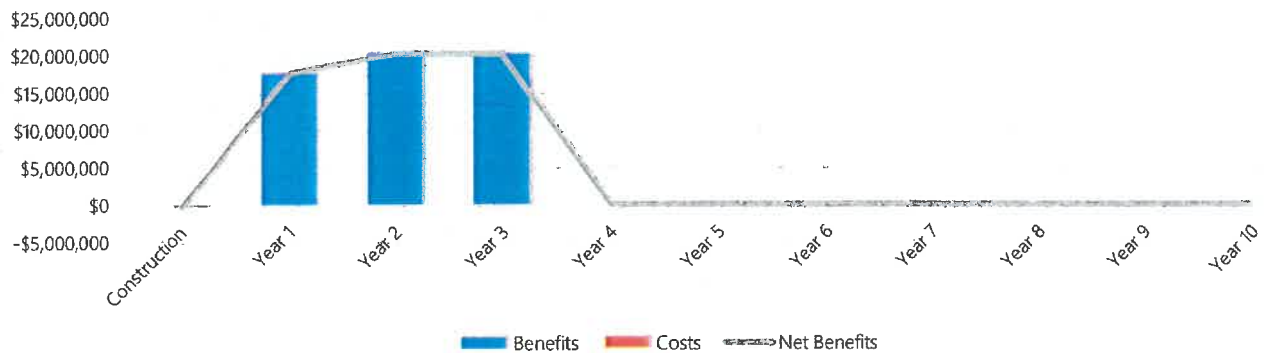
Project Total Investment
 \$2,100,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		0	0	0
Earnings		\$0	\$0	\$0
Local Spend		\$0	\$0	\$0

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		193	158	351
Earnings		\$39,788,000	\$15,113,860	\$54,901,860

Figure 1

Net Benefits

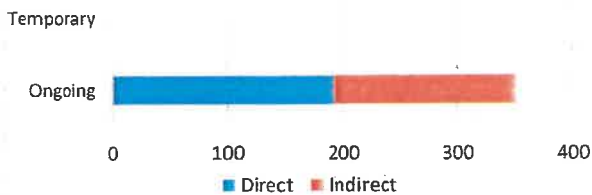


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

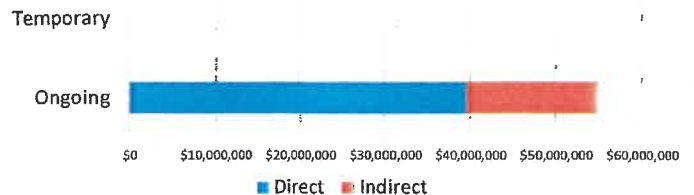
Figure 2

Figure 3

Total Jobs



Total Earnings



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	\$183,750	\$183,750
Local Sales Tax Exemption	\$99,750	\$99,750
State Sales Tax Exemption	\$84,000	\$84,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$183,750	\$183,750

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$55,358,231	\$53,169,059
To Private Individuals	\$54,901,860	\$52,730,735
Temporary Payroll	\$0	\$0
Ongoing Payroll	\$54,901,860	\$52,730,735
Other Payments to Private Individuals	\$0	\$0
To the Public	\$456,372	\$438,324
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$0	\$0
Ongoing Jobs - Sales Tax Revenue	\$456,372	\$438,324
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$2,854,897	\$2,741,998
To the Public	\$2,854,897	\$2,741,998
Temporary Income Tax Revenue	\$0	\$0
Ongoing Income Tax Revenue	\$2,470,584	\$2,372,883
Temporary Jobs - Sales Tax Revenue	\$0	\$0
Ongoing Jobs - Sales Tax Revenue	\$384,313	\$369,115
Total Benefits to State & Region	\$58,213,128	\$55,911,058

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$53,169,059	\$99,750	533:1
State	\$2,741,998	\$84,000	33:1
Grand Total	\$55,911,058	\$183,750	304:1

*Discounted at 2%

Additional Comments from IDA

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

Hocieniec, Carrie

Subject:

FW: Potential Arbor Multifamily Lending support from the ECIDA

All,

I'm writing each of you regarding a possible \$183,750 in ECIDA support for Arbor Multifamily Lending. The company, according to the Buffalo News, is one of the nation's largest nonbank mortgage lenders. Their goal, as you are all likely aware of, is to move from one location in Erie County to another. To my mind, the support they are asking for through tax breaks is basically rewarding a company that is moving from one location within Erie County to another.

I'm happy to see the company seeking to expand their footprint and operations in Erie Co. It's to all our benefit that they keep jobs in our region. My concern here is that these funds could be put to much better use in a variety of other ways. In recent years, they have expanded their footprint. Their business is strong and the hot housing market has helped them do well. In their application to the ECIDA, the company talks about buying "all new office furniture." If they want to move their operations, let them do it without support from the ECIDA. I worry about how this particular outlay of support will play into future requests for assistance from the agency.

Thank you for taking the time to read and consider my position on the matter,

Brian Nowak
Council member
Town of Cheektowaga
3301 Broadway
Cheektowaga, NY 14227
Phone: (716) 399-2951
Email: Bnowak@tocny.org

Hocieniec, Carrie

From: Web Form <no-reply@webcmstools.com>
Sent: Wednesday, January 5, 2022 11:13 AM
To: Hocieniec, Carrie
Subject: `Comment Form Submission` Submission [e07e888825cfe39c28becd556db2f43d]

[Message is from an external source]

www.ecidany.com

`Comment Form Submission` Submission

Comment Form

Name : Kirk Laubenstein
Mailing Address : 96 w Girard blvd Kenmore ny 14217
Email Address : kirk.laubenstein@gmail.com
Phone Number : 7164747045
Project Name : Arbor Multifamily Lending LLC

Comment :

It is abhorrent that a multimillion dollar company would come hat in hand for tax breaks on office furniture and supplies to move from in municipality in the county to another. As a homeowner in Tonawanda I urge the ECIDA to deny this request. We don't need to give huge corporations tax breaks to move from Depew to Tonawanda. Keep the nearly \$200k and invest it in our schools and infrastructure!

Hocieniec, Carrie

From: Web Form <no-reply@webcmstools.com>
Sent: Wednesday, December 15, 2021 7:12 AM
To: Hocieniec, Carrie
Subject: `Comment Form Submission` Submission [228d657985aef14cfd8adc7f16fd9b07]

[Message is from an external source]

www.ecidany.com

`Comment Form Submission` Submission

Comment Form

Name : Ellen Shareef
Mailing Address : 230 Pratt Street
Email Address : crhousing230@gmail.com
Phone Number : 17168523418
Project Name : Arbor Multifamily Lending, LLC,
Comment : Approve

PUBLIC HEARING SCRIPT

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

Public Hearing to be held on December 23, 2021 at 9:00 a.m.,
at Town of Tonawanda Town Hall located at 2919 Delaware Avenue (Town Board
Conference Room #20), Kenmore, NY 14217

ATTENDANCE:

Hon. Joseph Emminger – Town of Tonawanda Supervisor
Grant Lesswing - ECIDA

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 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.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the {Company} and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Monday, December 13, 2021.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the renovation and updating of the second floor which consists of 30,000+/- sq. ft. to office and meeting spaces (the "Improvements"); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment", and collectively with the Improvements, the "Facility"). The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits (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 January 25, 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.

Arbor's history in Erie County began in 2000 when it relocated its Loan Servicing Operations from Boston, MA to Limestone Drive in Williamsville and hired five local employees from KeyBank which was moving its operations out of state. Our continued growth took us through several annexations of space in that location and we moved to Wehrle Drive and later to our current location at Walden Avenue, a flex building, which has served our needs. It also offered contiguous growth opportunities which we availed ourselves of multiple times until we grew to over 22,000SF to house our staff which now numbers 168. As lease expiration approaches, we have evaluated our current location, growth options and quality of space.

The Arbor team has had many conversations with our current landlord in addition to communicating with the Lancaster IDA on our space requirements. Our current landlord was unable to offer the upgraded space requirements. Given the competitive labor market for professional talent, the need for onsite and nearby employee amenities, a decision was made to search for a new location for Arbor's Loan Servicing Operations. If Arbor was not able to secure this new location with the help of the ECIDA we had considered several options including splitting the operations and/or moving out of Erie County to another state.

After assessing all space availabilities in the 30,000SF range within a reasonable distance from the current Walden Avenue location, 500 Colvin Woods Parkway in Tonawanda, NY was selected. This location will provide Arbor with the opportunity to create a high-quality Class A office space, with employee amenities within the space, in the building, and nearby. The location is directly off I-290 and affords an opportunity for high visibility outdoor signage on the building which will assist in our efforts to recruit and retain talent. In addition to access to major highways and ample parking the new location is easily accessible with a NFTA bus stop at the entrance to the Colvin Woods Business Park. It is a safe, secure building with the required generator and an open floor plan with natural light. The

space includes an increase in the number of restrooms, fitness center, and proximity to restaurants and shopping.

Arbor will occupy the entire second floor of the building with a mostly open floorplan. The landlord will provide the space turnkey; the entire floor will be gutted and rebuilt. LED lighting will be installed throughout the new space. Electric hand dryers will replace paper towels in restrooms thereby conserving our natural resources and reducing waste. The entire building which consists of 60,000SF divided between two floors is currently vacant. Arbor will occupy 30,000SF on the second floor.

Arbor with the help of the IDA Sales Tax Incentive will purchase all new office furniture and AV equipment totaling \$2Mill in addition to building a state-of-the-art computer room, as well as providing employee amenities in the form of an upscale breakroom and employee lounge. New computer equipment will enable us to be more efficient and reduce our use of paper. New systems, furniture with frameless glass partitions will add an additional layer of protection while allowing natural light to filter throughout the space.

The creation of an attractive work environment would appeal to prospective job applicants and enable Arbor to retain and attract new talent. The current job landscape is very competitive from a recruitment standpoint. Arbor has to remain competitive in our industry and this move will achieve our goals. thereby enhancing the growth and economics of the area.

The sales tax abatement would be an incentive to move forward with this concept rather than reuse existing furniture, which we would make available for donation.

Hon. Joseph Emminger - Supervisor, Town of Tonawanda: I'm here this morning to offer my support for this application, not only for Arbor but also for the landlord Ciminelli Development. This Colvin Woods Business Park has been a successful business park in our town now for going on close to 20 years. As the tenant stated in his statement that the building has been vacant for a couple years and I know the landlord has been actively pursuing tenants in that time frame. The building and parks are conveniently located right off the 290 and the addition of 168 jobs into the business park will not only enhance the subject building at 500 Colvin Woods but I believe it will also enhance the future development of some other parcels in the park for the landlord. So, I'm just here to offer my whole hearted support for the project and welcome hopefully Arbor into the Town of Tonawanda in the near future.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:07 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

December 23, 2021 at 9:00 a.m.
at the Town of Tonawanda Town Hall located at 2919 Delaware Avenue (Town Board
Conference Room #20), Kenmore, NY 14217, regarding:

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

Project Location: 500 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Hon. Joseph Emminger	Town of Tonawanda Supervisor 2919 Delaware Avenue	X
Grant Lesswing	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**ARBOR MULTIFAMILY LENDING, 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, January 26, 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 ARBOR MULTIFAMILY LENDING, 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) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iv) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (v) AUTHORIZING THE NEGOTIATION AND EXECUTION OF 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) the renovation and updating of the second floor which consists of 30,000+/- sq. ft. to office and meeting spaces (the "Improvements"); and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment", and collectively with the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on December 23, 2021, at 9:00 a.m., at the Town of Tonawanda Town Hall located at 2919 Delaware Avenue (Town Board Conference Room #20), Kenmore, NY 14217, 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) provide Financial Assistance to the Company in the form of 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 (the “Financial Assistance”); 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 January 26, 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 result in the removal of a commercial facility of the Company from one area of the State of New York (the “State”) to another area of the State and the Agency hereby finds that, based on the Company’s application, to the extent Project occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Company 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 Company in its respective industry, and, to the extent occupants are relocating from one facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required by the Act and in accordance with 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.

(I) The Project involves a “Type II action” as said term is defined in under the State Environmental Quality Review Act (“SEQRA”) and therefore no other determination or procedures under SEQR are required; and

(J) 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) *Wage Rate (above median wage for area):* The average salary for jobs retained = \$72,000 annually and for jobs to be created = \$70,000 annually. Both are above the median wage for the area.

(ii) *Regional Wealth Creation (% sales/customers outside area):* Arbor estimates sales outside of Erie County to equal 99% with the majority of sales (84%) outside of NYS.

(iii) *In Region Purchases (% of overall purchases):* In Region Purchases are estimated at 50%.

(iv) *Supports Local Business or Cluster:* N/A.

(v) *Retention/Flight Risk:* Arbor would consider splitting their operations and/or moving out of State if they were unable to secure a new location that met their needs.

(vi) *MBE/WBE Utilization:* The Company utilizes various internship and marketing campaigns to provide career opportunities for both women and minorities

(vii) *Workforce Access-Proximity to Public Transportation:* The new location for Arbor at 500 Colvin Woods has close proximity to a NFTA bus stop at the entrance to the Colvin Woods Business Park. Nearby NFTA bus routes include 11, 20 and 25.

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 \$2,100,000, 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 \$183,750, 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.

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 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 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 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 promptly pay over any such amounts to the Agency that the Agency demands.

(C) Commitments. 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 \$1,785,000 (which represents the product of 85% multiplied by \$2,100,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 168 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 189 FTE employees [representing the sum of (x) 168 Baseline FTE and (y) 21 FTE employees, being the product of 85% multiplied by 25 (being the 21 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.

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, on behalf of the Agency, the Agent Agreement, a sales tax exemption letter (the "Sales Tax Exemption Letter"), a bill of sale (the "Bill of Sale") whereby the Agency at the completion of the installation period transfers to the Company title to the Equipment acquired during the installation period by the Company as agent of the Agency, and related documents.

Section 5. 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 6. 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 7. 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: January 26, 2022



Servicing and Asset Management Office

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name Arbor 2022 Relocation
Project Summary Relocating Arbor Servicing and Asset Management Teams
Applicant Name Arbor Multifamily Lending, LLC
Applicant Address 3370 Walden Avenue
Applicant Address 2 Suite 114
Applicant City Depew
Applicant State New York
Applicant Zip 14043
Phone (516) 316-3162
Fax
E-mail jfoote@arbor.com
Website arbor.com
NAICS Code 525990

Business Organization

Type of Business Limited Liability Company
Year Established
State in which Organization is established Delaware

Individual Completing Application

Name Jeanette Foote
Title VP, Operational Compliance
Address 333 Earle Ovington Blvd., Suite 900
Address 2
City Uniondale
State New York
Zip 11553

Phone (516) 316-3162
Fax
E-Mail jfoote@arbor.com

Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney Greg Marcus
Firm Name
Address 375 Park Avenue
Address 2 Suite 3000
City New York
State New York
Zip 10152
Phone (212) 389-6557
Fax
E-Mail gmarcus@arbor.com

Benefits Requested (select all that apply)

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	No
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%.

Arbor Multifamily Lending LLC is a subsidiary of Arbor Realty Trust Inc. Arbor Multifamily Lending, LLC. is an experienced loan servicer rated by S&P and Fitch for commercial and special servicing. Our in-house multifamily servicing and asset management teams extend the financial partnership with our commercial and multi-family clients, assisting through the lifecycle of all loans. Currently based in Depew, NY, our nationwide serviced portfolio includes mezzanine financing, permanent deals, construction/funded-forward products, REIT/securitized transaction loans and HUD-insured projects.

Estimated % of sales within Erie County 1 %

Estimated % of sales outside Erie County but within New York State 15 %

Estimated % of sales outside New York State but within the U.S. 84 %

Estimated % of sales outside the U.S. 0 %

(*Percentage to equal 100%)

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

50

Describe vendors within Erie County for major purchases

We will try to work with local vendors to purchase the furniture, fixtures and equipment for the project.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

500 Colvin Woods Parkway

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Ken-Ton Free School District

Current Address (if different)

3370 Walden Avenue

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

Depew

SBL Number(s) for proposed Project

53.14-3-1.1/500

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

Real Estate taxes are built into the operating expenses of the Lease

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?

No

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

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

No

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

Existing 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)

Arbor's history in Erie County began in 2000 when it relocated its Loan Servicing Operations from Boston, MA to Limestone Drive in Williamsville and hired five local employees from KeyBank which was moving its Operations out of state. Our continued growth took us through several annexations of space in that location and we moved to Werhle Drive which we outgrew in 2011. The current location at Walden Avenue, a flex building, has served our needs for the ease of transporting paper files from other offices to the secure file room built into this space. It also offered contiguous growth opportunities which we availed ourselves of multiple times until we grew to over 22,000SF to house our staff which now numbers 168. As lease expiration approaches, we evaluated our current location, growth options and quality of space. As we have moved to electronic storage, paper files are no longer kept onsite, and a single floor flex building location is no longer a requirement. Given the competitive labor market for professional talent, the need for onsite and nearby employee amenities, a decision was made to search for a new location for Arbor's Loan Servicing Operations. Options we would consider include splitting the Operations and/or moving out of Erie County to another state. After assessing all space availabilities in the 30,000SF range within a reasonable distance from the current Walden Avenue location, 500 Colvin Woods Parkway in Tonawanda, NY was selected. This location will provide Arbor with the opportunity to create a high-quality Class A office space, with employee amenities within the space, in the building, and nearby. The location is directly off I-290 and affords an opportunity for high visibility outdoor signage on the building which will assist in our efforts to recruit and retain talent. Arbor will occupy the entire second floor of the building with a mostly open floorplan. Arbor plans on purchasing FF&E totaling \$ 2Mill to outfit the new space. The landlord will provide the space turnkey; the entire floor will be gutted and rebuilt. LED lighting will be installed throughout the new space. Electric hand dryers will replace paper towels in restrooms thereby conserving our natural resources and reducing waste. A substantial amount of new furniture and equipment will be purchased as well. The entire building which consists of 60,000SF divided between two floors is currently vacant. Arbor will occupy 30,000SF on the second floor. What is Arbor's "Location Justification" for 500 Colvin Woods Parkway. The location is on the south side of I-290 between Colvin Boulevard and Delaware Avenue. It is easily accessible with a NFTA bus stop at the entrance to the Colvin Woods Business Park. Arbor employees drive to work, many from locations out of the current Walden Avenue area; access to major highways and ample parking is important.

Municipality or Municipalities of current operations

Depew, Lancaster NY

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

No

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

Yes

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

Yes

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

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

Yes

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

If Arbor was not able to secure this new location the office could split its operations out of the area.

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)

Arbor is contemplating purchasing all new office furniture, AV equipment and building a state-of-the-art computer room, as well as providing employee amenities in the form of an upscale breakroom and employee lounge. New computer equipment will enable us to be more efficient and reduce our use of paper. New systems, furniture with frameless glass partitions will add an additional layer of protection while allowing natural light to filter throughout the space. The creation of an attractive work environment would appeal to prospective job applicants and enable Arbor to retain and attract new talent. The current job landscape is very competitive from a recruitment stand point. Arbor has to remain competitive in our industry and this move will achieve our goals. thereby enhancing the growth and economics of the area. The sales tax abatement would be an incentive to move forward with this concept rather than reuse existing furniture, which we would make available for donation.

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

Yes

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

If Arbor was not able to secure this new location with the help of the ECIDA our options may include splitting our operations out of 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)

NFTA Bus Stop Routes 11,20 &25

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

<BLANK>

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

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?

<BLANK>

If yes, please explain

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

<BLANK>

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?

<BLANK>

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?

Project occupancy : estimated starting date of occupancy

7/1/2022

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition			
\$ 0		square feet	acres
2.) New Building Construction			
\$ 0		square feet	
3.) New Building addition(s)			
\$ 0		square feet	
4.) Reconstruction/Renovation			
\$ 0		square feet	
5.) Manufacturing Equipment			
\$ 0			
6.) Infrastructure Work			
\$ 0			
7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)			
\$ 2,000,000			
8.) Soft Costs: (Legal, architect, engineering, etc.)			
\$ 100,000			
9.) Other Cost			
\$ 0			
Explain Other Costs			
Total Cost	\$ 2,100,000		

Construction Cost Breakdown:

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

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 2,100,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 183,750

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency

may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

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

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$

Bank Financing: \$ 2,100,000

Tax Exempt Bond Issuance (if applicable): \$ 0

Taxable Bond Issuance (if applicable): \$ 0

Public Sources (Include sum total of all state and federal grants and tax credits): \$ 0

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) 0

Total Sources of Funds for Project Costs: \$2,100,000

Have you secured financing for the project? No

Mortgage Recording Tax Exemption Benefit:

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

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

Lender Name, if Known

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

Real Property Tax Benefit:

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

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

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

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

See Attached

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location).

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

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

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	168	168	25	25
Part time	0	0	0	0
Total	168	168	25	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	10	\$ 140,000	\$ 42,000	\$ 0	\$ 0
Professional	181	\$ 67,000	\$ 20,100	\$ 0	\$ 0
Administrative	2	\$ 45,000	\$ 13,500	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

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

No **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):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

12,840,000

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

72,000

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

0

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

70,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	70,000	To (Full Time)	82,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

Name and Address of Owner of Premises

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

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

Describe all known former uses of the Premises

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

<BLANK>

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?

<BLANK>

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?

<BLANK>

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?

<BLANK>

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

n/a

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

n/a

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

No

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

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

n/a

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

SS

Section VI: Retail Determination

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

Please answer the following:

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

No

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

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

3370 Walden Ave

City/Town

Depew

State

New York

Zip Code

14043

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

Yes

Within Erie County

Yes

If Yes to either question, please, explain

Arbor's lease at 3370 Walden will expire in 2022. The building is a flex building. The current landlord cannot offer the increased space to satisfy Arbor's growth plan. Arbor is seeking to upgrade its office space to a higher level to attract and retain talent and has found space at 500 Colvin Woods in Tonawanda, NY.

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

No

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

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

As Arbor's lease expiration approaches, our team evaluated our current location, growth options and quality of space. New and advanced technology initiatives have allowed Arbor to move to electronic storage, paper files are no longer kept onsite, and a single floor flex building location is no longer a requirement. Given the competitive labor market for professional talent and the need for onsite and nearby employee amenities, a decision was made to search for a new location for Arbor's Loan Servicing Operations. Arbor's options include splitting the Operations and/or moving out of Erie County to another state. After assessing all space availabilities in the 30,000SF range within a reasonable distance from the current Walden Avenue location, 500 Colvin Woods Parkway in Tonawanda, NY was selected. The new location, is directly off a major highway, I-290, which affords an opportunity for high visibility outdoor signage on the building and is within a reasonable distance from airport. It is a safe, secure building with the required generator and an open floor plan with natural light. The space includes an increase in the number of restrooms, fitness center, and proximity to restaurants and shopping. This location will provide Arbor with the opportunity to create a high-quality Class A office space which will assist in our efforts to recruit and retain talent.

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

Yes

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

Ability to find upgraded space in Tonawanda with a generator and proximity to amenities to facilitate our future growth.

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

Our Lease will expire

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

The Arbor team has had many conversations with our current landlord in addition to communicating with the Lancaster IDA on our space requirements. Our current landlord was unable to offer the upgraded space requirements. Although the landlord has brought available space to the table it was late in the process and the layout of the space is not conducive to Arbor's needs. The landlord was unable to match the existing deal. Arbor considered the following locations: 1. 4455 Genesee Street - Cheektowaga, NY location was considered a potential risk. The airport is across the street and in the event of a disaster at the airport the location could be impacted. 2. 2875 Union Road - Cheektowaga, NY has no generator. 3. 251 John James -Amherst, NY has no generator. 4. 61 John Muir -Amherst, NY has no generator. 5. 2410 North Forest - Amherst, NY was Arbor's #1 preferred location. It met all our requirements however the landlord felt our employee population was too dense for their building and did not want to move forward with a lease with Arbor. 6. 300 Corporate Parkway - Amherst, NY space became available very late into Arbor's negotiations at 500 Colvin Woods Parkway. The Landlord was unable to meet or exceed the offer.

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

Broadway Development & Management Group, LLC
\$ 12,500,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531311

COMPANY INCENTIVES

- Approximately \$ 651,000 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 42,500

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs: 2 FTE
- Est. salary/yr. of jobs retained: \$30,000
- Current Annual Payroll: \$ 60,000
- Projected new jobs: 8
- Est. salary/yr. of jobs created: \$30,000
- Total jobs after project completion: 10 FTE
- Construction Jobs: 56

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
 - NET Community Benefits: \$ 9,422,236
 - Spillover Jobs: 55
- Total Payroll: \$ 8,872,920

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

- Incentives: \$ 693,500
- Community Benefit: \$ 9,365,578
- Cost: Benefit Ratio
- 1: 14

Project Title: Adaptive Reuse Broadway Redevelopment Project

Project Address: 343-345 Broadway, Buffalo, NY 14204
 City of Buffalo School District

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a 44,000 sq ft commercial building located in the City of Buffalo’s East Side.

Building Acquisition	\$ 250,000
Building Renovation	\$ 8,800,000
Infrastructure	\$ 1,800,000
Non- Manufacturing Equipment	\$ 500,000
Soft Costs/Other	\$ 1,150,000
Total Project Cost	\$ 12,500,000
85%	\$ 10,625,000

Company Description

The Broadway Development & Management Group, LLC was created in 2017 as a real estate development and management firm. The company is managed by lifelong east side residents and community members of the City of Buffalo Minority groups Dr. Uzo Ihenko PhD and Kelechi Chillis-Ihenko, MBA. Dr. Ihenko is the managing partner with 51% ownership.

Project Description

This adaptive use project of a historic 3 story, 44,000 sq ft commercial building is located within a distressed census tract on Buffalo’s East Side. The building is within close proximity to the Buffalo Central Business District, the Buffalo & Niagara Medical Campus, Canalside, the Larkin District and is served by NFTA transit. The first floor’s 20,000 sq ft uses include: common areas/tenant amenities as well as office, warehouse and retail space. Anchor tenants for this space include Uzo 1 International, Ltd and The UPS Store. The UPS Store will be the first and the only center to be located within the inner-city and the first in WNY to construct and implement a new UPS Store design called Blue Horizon that will offer state of the art equipment and services. The 24,000 sq ft on the 2nd and 3rd floors will be converted into workforce housing with rents based on 80% of the Area Median Income (AMI).

# of Units	Sq Ft	Rent Range
14 one-bedroom	790 – 850	\$1,000 - \$1,200/mo
6 two-bedroom	900- 1,100	\$1,300 - \$1,800/mo

The company is pursuing property tax savings through the City’s 485 A 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	651,000
	Mortgage Recording	42,500
	Total	693,500
	Discounted at 2%	693,500

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Construction	7,686,076
			Payroll Permanent	1,186,844
		Public	Property Taxes	
			Sales Taxes	73,757
			Other - NFTA	14,168
	New York State	Public	Income Taxes	399,281
			Sales Taxes	62,111
			Total Benefits to EC + NYS***	9,422,236
			Discounted at 2%	9,365,578

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

Discounted Cost \$ 693,500
 Discounted Benefit \$9,365,578
 Ratio 1:14

Conclusion: The Cost Benefit for this project is: 1:14. For every \$1 in costs (incentives), this project provides \$14 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$24 in benefits to the community.**

New Tax Revenue Estimated – City of Buffalo 485 A Program

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
\$ 5,000	\$ 150,000	\$ 425,779	\$ 268,180	\$ 156,662
Combined Tax Rate: \$ 22.25				

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Warehouse	3,500	\$ 1,300,000	12%
Office	6,000	\$ 1,117,500	11%
Retail / Commercial	6,000	\$ 1,815,000	17%
Other: residential housing + building amenities	28,500	\$ 6,268,500	60%
	44,000	\$10,500,000	100%

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 = \$ 12,500,000 85% = \$ 10,625,000
Employment	Coincides with recapture period	Maintain Base = 2 Projected = 8 Create 85% of Projected = 7 Recapture Employment = 9
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 maintained 2 jobs (FTE) and created 7 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

- 12/29/21: Public hearing held.
- 12/21: Minor Site Plan Review City of Buffalo Planning Board Approval – No SEQRA compliance required.
- 01/26/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

**ADAPTIVE REUSE REPORT &
EVALUATIVE CRITERIA**
Broadway Development & Management Group, LLC

<p>Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)</p>	<p>The building was built in the late 1800s (1889) and is over 130 years old. Challenges to redevelopment include addressing work on the “bones” of the building including: replacement & repair of the foundation, superstructure, and mechanical systems. Structural changes are needed to replace a freight elevator with a passenger elevator, expansion of the basement space, additional foundations, structural strengthening, underpinning and bracing. Various hazmat abatement materials, waterproofing and flooring require costly abatement. Retro fitting of new mechanical and plumbing systems provides further challenges.</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 building has been underutilized for more than 3 years: A small scale printing service (1960 – 2017) ceased operations at this site 5 years ago. The print shop operated out of 1,500 sq ft (3% of the building’s 44,000 sq ft). Since 2017, Uzo 1 International has occupied 2,000 sq ft of space (5% of the total building space) for office and warehousing operations.</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>Rental income is \$2,000/month (\$24K annually) - below 50% of the anticipated total rental income of the building.</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 location of this project, being in the City’s urban core / distressed census tract (Buffalo’s eastside) aligns with Regional & Local Development plans and addresses housing needs within the City</p>
<p>Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections</p>	<p>A cash flow analysis was performed by the ECIDA based upon various costs, expenses and expected revenues for this project. A</p>

documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)	below average ROI result of 3 % (with ECIDA assistance) is noted per the attached ROI summary (next page).
Demonstrated support of local government entities	Letter of support was received from Darius Pridgen, Buffalo Common Council President and Buffalo Mayor Byron Brown.
LEED/Renewable Resources	The applicant will purchase new machinery and equipment that demonstrates energy efficiency through Star Energy savings.
Building or site has historic designation	The site has been designated historic by both the U.S. National Service and the New York State Park Service Agency.
Site or structure has delinquent property or other local taxes	Property taxes are current.
MBE/WBE Utilization	The applicant is owned by and operated as a minority firm. The current tenant is a certified minority owned business.
Transit Oriented Development	Site is located on a major street and is service by NFTA bus route #4. The site is in proximity and walking distance to various sites including the Central Business District, the Buffalo Niagara Medical Campus and the Larkin District.

OTHER FACTORS TO CONSIDER:	
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	Various environmental issues are of concern at this site as previously stated. Safety issues can be related to /attributed to the underutilization of the building.
Site or structure is located in a distressed census tract	Yes - Highly distressed census tract # 14.04
Structure presents significant costs associated w/ building code compliance.	As was previously stated, the building requires significant structural repairs & upgrades.

DATE OF INDUCEMENT: 1/26/22

Return on Investment – Broadway Development and Management Group

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 \$651,000
- Mortgage Tax Savings in the estimated amount of \$ 42,503

ROI

Broadway Development and Management Group has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 3.0%

Stated ROI for the project without ECIDA assistance is 2.2%

City of Buffalo – 485 A 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 – Broadway Redevelopment Project

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property *	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$8,800,000	\$6,890,000	5.04	17.21	n/a

*Apply equalization rate to value

PILOT Year	% Payment (485 A)	County PILOT Amount	County as if owned	City PILOT Amount	City as if owned	Full Tax Payment w/o PILOT	Net Exemption
1	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
2	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
3	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
4	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
5	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
6	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
7	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
8	0.00	\$35,482	\$35,482	\$2,582	\$121,180	\$156,662	\$118,598
9	0.20	\$35,482	\$35,482	\$26,302	\$121,180	\$156,662	\$94,879
10	0.40	\$35,482	\$35,482	\$50,021	\$121,180	\$156,662	\$71,159
11	0.60	\$35,482	\$35,482	\$73,741	\$121,180	\$156,662	\$47,439
12	0.80	\$35,482	\$35,482	\$97,461	\$121,180	\$156,662	\$23,720
TOTAL		\$425,779	\$425,779	\$268,180	\$1,454,163	\$1,879,942	\$1,185,983

*** 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 485 a benefit	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$ 12,500,000	\$1,185,983	\$ 651,000	\$ 42,500	\$ 6,963,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 71 %



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:

Broadway Development & Management Group, LLC.

**343-345 BROADWAY STREET
BUFFALO, NEW YORK 14204**

PHONE (716) 845-5078 FAX (716) 845-5078

November 11, 2021

To Whom It May Concern:

This is to certify that Broadway Development is a Minority owned company. As an MBE firm, we have taken necessary steps to invest and develop our project in an area predominately occupied by minority population. The goal is to bring the project to the minority community, create job opportunities and stimulate the economic conditions of the community.

Further, Broadway Development by law is an equal opportunity employer. This corporation shows no discrimination regarding race, creed, gender, religion, or ethnic origin in the conduct of its business.

Broadway Development has in the past, and will continue in the future to make every effort to utilize minority businesses in the normal operation of our business.

Sincerely,

A handwritten signature in black ink, appearing to read 'Uzo Ihenko', is written over a horizontal line.

Dr. Uzo Ihenko
Managing Member

Erie County Industrial Development Agency MRB Cost Benefit Calculator



Date: January 3, 2022
 Project Title: Broadway Development & Management Group, LLC
 Project Location: 343-345 Broadway, Buffalo, NY 14204

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

\$12,500,000

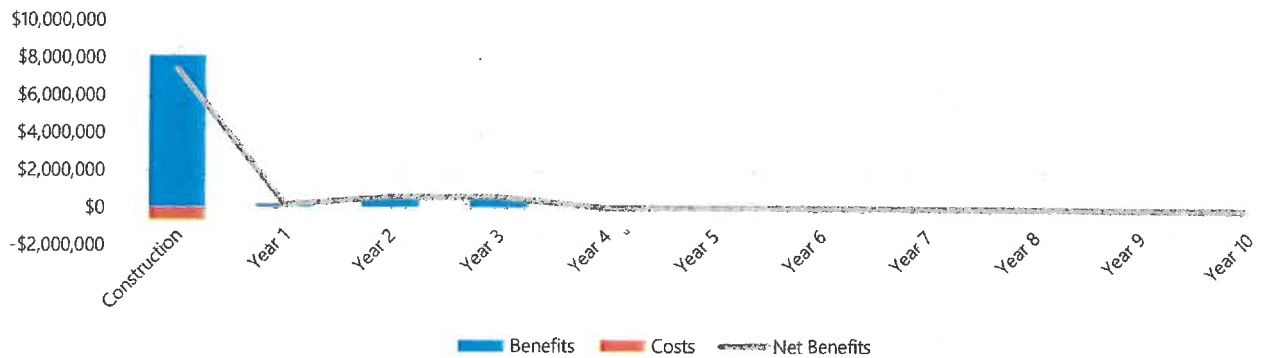
	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	56	47	104
Earnings	\$4,971,095	\$2,714,981	\$7,686,076
Local Spend	\$11,875,000	\$8,407,931	\$20,282,931

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	10	8	18
Earnings	\$630,000	\$556,844	\$1,186,844

Aggregate over life of the PILOT

Figure 1

Net Benefits



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

Figure 2

Total Jobs

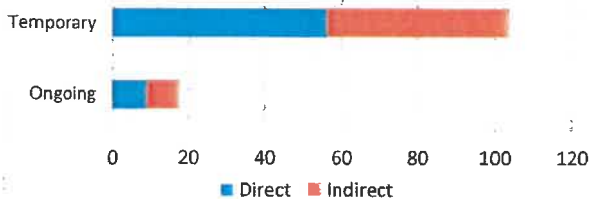
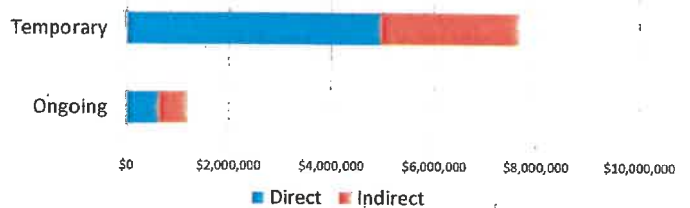


Figure 3

Total Earnings



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	\$651,000	\$651,000
Local Sales Tax Exemption	\$353,400	\$353,400
State Sales Tax Exemption	\$297,600	\$297,600
Mortgage Recording Tax Exemption	\$42,500	\$42,500
Local Mortgage Recording Tax Exemption	\$14,167	\$14,167
State Mortgage Recording Tax Exemption	\$28,333	\$28,333
Total Costs	\$693,500	\$693,500

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$8,960,844	\$8,906,951
To Private Individuals	\$8,872,920	\$8,819,746
Temporary Payroll	\$7,686,076	\$7,686,076
Ongoing Payroll	\$1,186,844	\$1,133,670
Other Payments to Private Individuals	\$0	\$0
To the Public	\$87,924	\$87,204
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$63,891	\$63,891
Ongoing Jobs - Sales Tax Revenue	\$9,866	\$9,424
Other Local Municipal Revenue	\$14,168	\$13,890
State Benefits	\$461,392	\$458,627
To the Public	\$461,392	\$458,627
Temporary Income Tax Revenue	\$345,873	\$345,873
Ongoing Income Tax Revenue	\$53,408	\$51,015
Temporary Jobs - Sales Tax Revenue	\$53,803	\$53,803
Ongoing Jobs - Sales Tax Revenue	\$8,308	\$7,936
Total Benefits to State & Region	\$9,422,236	\$9,365,578

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$8,906,951	\$367,567	24:1
State	\$458,627	\$325,933	1:1
Grand Total	\$9,365,578	\$693,500	14:1

*Discounted at 2%

Additional Comments from IDA

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



CITY OF BUFFALO

BYRON W. BROWN
MAYOR



January 11, 2022

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

RE: Adaptive Reuse Broadway Redevelopment Project
343-345 Broadway, Buffalo, NY 14204

Dear Mr. Cappellino:

The City of Buffalo supports the adaptive reuse project of the historic 3 story commercial building located at 343-345 Broadway St. We believe that this mixed-use redevelopment project will strengthen the City of Buffalo and its appeal to new residents on Buffalo's East side.

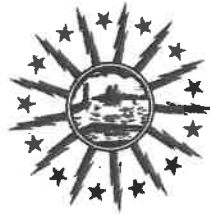
Buffalo is a wonderful place to live, and is a city that values its residents and historic structures. Plans for this adaptive reuse project call to renovate and repurpose a 3-story commercial building into office and retail space as well as 20 income restricted residential units at 80% of Area Media Income. As Buffalo makes room for its emerging modern workforce, housing demand throughout the City continues to rise. This mixed-use reuse project aligns with my vision to increase housing stock and create new job opportunities throughout the City of Buffalo to meet current housing demand and sustain economic development.

This project will enhance the vitality of the Broadway Street Commercial Corridor on Buffalo's East Side by mitigating neighborhood blight, providing new job opportunities and new affordable housing for the neighborhood's workforce. The adaptive reuse of this historic structure 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

DARIUS G. PRIDGEN
COUNCIL PRESIDENT
ELLICOTT DISTRICT COUNCIL MEMBER
65 NIAGARA SQUARE, 1315 CITY HALL
BUFFALO, NY 14202-3318
PHONE: (716) 851-4980 • FAX: (716) 851-6576



CHAIRMAN
RULES COMMITTEE
CHIEF OF STAFF
MARC A. POPE

**The City of Buffalo
Common Council**

ELLICOTT

OFFICE OF THE COUNCIL PRESIDENT

November 23, 2021

John Cappellino, President & CEO
Erie County Industrial Development Agency (ECIDA)
95 Perry Street, Suite 403
Buffalo, New York 14203

RE: Broadway Adaptive Reuse Project – 343 Broadway

Dear Mr. Cappellino:

I write to express my support of Broadway Development & Management Groups, LLC's sales tax credit application for their adaptive reuse project at 343 Broadway.

This project is expected to attract over \$15 million in development for 20,000 square feet of commercial and retail space and over 40,000 square feet of workforce housing in the Ellicott District. After completing the adaptive reuse project, it is expected that this creates 20-30 new positions on the East Side of Buffalo.

Funding provided to the project will allow Broadway Development & Management Groups, LLC to undertake the reuse of the structure, and build a well-designed mixed-use space for future businesses and residents. The project will create much needed workforce housing opportunities for families. There is a serious need for high quality, safe and affordable housing opportunities in our community. Broadway Development & Management Groups, LLC's proposed project will go a long way in addressing the needs of households in our community.

Again, I support Broadway Development & Management Groups, LLC's sales tax credit application for their adaptive reuse project at 343 Broadway and look forward to the successful completion of this project. If you have any further questions, please reach out to my office at 716-851-4980 or dpridgen@city-buffalo.com.

Sincerely,

Darius G. Pridgen
Buffalo Common Council President
Ellicott District Councilmember



PUBLIC HEARING SCRIPT

**Broadway Development & Management
Group, LLC and/or Individual(s) or
Affiliate(s), Subsidiary(ies), or Entity(ies)
formed or to be formed on its behalf Project**

Public Hearing to be held on December 29, 2021 at 9:00 a.m. at the Agency's offices,
at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Beth O'Keefe - ECIDA
Kelechi Chillis Ihenko – Broadway Development & Management Group
Dr. Uzo Ihenko – Broadway Development & Management Group
Steve Walentynowicz – Savarino Companies
Joe Quinn – Savarino Companies

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:07 a.m. My name is Grant Lesswing. I am the Director of Business Development of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the {Company} and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, December 16, 2021.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 343-345 Broadway, City of Buffalo, Erie County, New York (the "Land"), improved with the existing historic 44,000+/- SF 3-story building (the "Existing Improvements") (ii) the renovation, upgrading and equipping of the Existing Improvements on the Land for a mixed-use building thereon with 20,000+/- SF of first floor retail and commercial space and the construction on the existing 24,000+/- SF of the upper floors into 20-30 one and two bedroom market rate and workforce housing apartments with adjacent parking on the Existing Improvements (the "Improvements");and (iii) the acquisition by the Company in and around the Existing Improvements and the Improvements of certain items of machinery,

equipment and other tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements and the Improvements, the "Facility").

The 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 January 25, 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.

Dr. Uzo E. Ihenko, I am the Managing Partner of the Broadway Development Management Group out of Buffalo. Indeed, we are pretty much pleased to be invited to participate and sit and discuss our project. The project has been pretty much outlined by Mr. Grant Lesswing and its simple goal is to stimulate the economy of the eastside of Buffalo as well as be able to improve the area, create jobs as well as be able to create housing. What we call workforce housing. That's really needed in that area. That's what really interested us in this project. Pretty much we really need the help of the ECIDA in order to make this project feasible and affordable. The reason being it's a historic site and we have to restore a lot of the existing infrastructure like windows, doors, all that type of thing has to be constructed and this requires a lot of cost to do that. We also have issues with abatements and those cost a lot of money. When you factor the cost of the project, government and private partnership are really needed. Without that we cannot do this project and that's why we are here seeking assistance from the ECIDA. Thank you.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:12 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

December 29, 2021 at 9:00 a.m. at the Agency's offices,
at 95 Perry Street, Suite 403, Buffalo, NY 14203
regarding:

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

Project Location: 343-345 Broadway, City of Buffalo, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Beth O'Keefe	ECIDA 95 Perry Street, Suite #403 Buffalo, New York 14203	
Dr. Uzo Ihenko	Broadway Development & Management 343-345 Broadway Buffalo, New York 14204	X
Kelechi Chillis-Ihenko	Broadway Development & Management 343-345 Broadway Buffalo, New York 14204	
Steve Walentynowicz	Savarino Companies 500 Seneca Street Buffalo, New York 14204	
Joe Quinn	Savarino Companies 500 Seneca Street Buffalo, New York 14204	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**BROADWAY DEVELOPMENT & MANAGEMENT GROUP, 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, January 26, 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 BROADWAY DEVELOPMENT & MANAGEMENT GROUP, 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) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iv) 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 (v) 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) the acquisition by the Agency of a leasehold interest in certain property located on 343-345 Broadway, City of Buffalo, Erie County, New York (the "Land"), improved with the existing historic 44,000+/- SF 3-story building (the "Existing Improvements") (ii) the renovation,

upgrading and equipping of the Existing Improvements on the Land for a mixed-use building thereon with 20,000+/- SF of first floor retail and commercial space and the construction on the existing 24,000+/- SF of the upper floors into 20-30 one and two bedroom market rate and workforce housing apartments with adjacent parking on the Existing Improvements (the "Improvements"); and (iii) the acquisition by the Company in and around the Existing Improvements and the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on December 29, 2022, at 9:00 a.m., at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 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, and (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 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 and recommendations of the Project and its January 13, 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.~~

(I) The Project involves a "Type II action" as said term is defined in under the State Environmental Quality Review Act ("SEQRA") and therefore no other determination or procedures under SEQR are required; and

(J) The Project is compliant with the Countywide IDA Eligibility Policy, 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 approximately fifty-six (56) temporary construction jobs and seven (7) FTE positions, and, by adaptively reusing a vacant, declining and aged structure and rehabilitating it for residential use, will be a physical and economic improvement to this sensitive area of the City of Buffalo; and

(K) The Project qualifies for Agency Financial Assistance as it is compliant with the Agency's Adaptive Reuse Project Policy and meets the Agency's evaluative criteria for adaptive reuse projects, said criteria established by the Agency as required under General Municipal Law Section 859-a(5) as evidenced by the following:

- (i) the building is approximately 130 years old and functional issues related to its age present challenges to its reuse;
- (ii) the building has been underutilized for more than 3 years;
- (iii) the building is generating rental income at below 50% of the anticipated total rental income of the building;
- (iv) the Project is in compliance with the investment and growth criteria of the Framework for Regional Growth;
- (v) the Applicant has demonstrated evidence of financial obstacles and impediments to conventionally financing the project without otherwise obtaining Agency or other public assistance;
- (vi) the Project has received the support of local governmental entities;
- (vii) the building is located within a distressed census tract;
- (viii) the structure requires significant costs to comply with building codes;
- (ix) the facility is on several bus routes thus meeting transit oriented development criteria;
- (x) the Project is located in a highly distressed census tract;
- (xi) the Project's stated return on investment is below what investors and developers seek to achieve for such investments in urban high-risk areas; and
- (xii) asbestos issues present a public safety hazard related to rehabilitation and redevelopment of the Project; and
- (xiii) the Project is in compliance with MBE/WBE Utilization.

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 \$7,440,000, 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 \$651,000, 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 \$42,502.

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 promptly pay over any such amounts to the Agency that the Agency demands.

(C) Commitments. 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 \$10,625,000 (which represents the product of 85% multiplied by \$12,500,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 2 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 9 FTE employees [representing the sum of (x) 2 Baseline FTE and (y) 7 new FTE employees, being the product of 85% multiplied by 8 (being the 8 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.

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 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: January 26, 2022



Adaptive Reuse Broadway Redevelopment Project

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	Broadway Mix Use Workforce Housing & Commercial Development Project
Project Summary	<p>Company Background Info The Broadway Development & Management Group, LLC. (BDMG) is a New York State Corporation created in June 2017 as a real estate development and management firm. The company is solely owned and operated by partners and lifelong members of the east side residents and community members of the City of Buffalo Minority groups. Our partners and management team comprise of professionals with a combined thirty (30) years of experience in Architecture, Facility Maintenance and Operations Management, Business Management, Sales, Marketing, and Finance among other professional expertise. The proposed project would be developed and managed under the leadership of Dr. Uzo Ihenko, PhD. and Kelechi Chillis-Ihenko, MBA. As part of our development concept, we have already attracted and secured two anchor tenants; Uzo 1 International, Ltd., and The UPS Store, a national retail chain. The UPS Store is the first and the only center to be located within an inner city area and the first in Western New York to construct and implement a new UPS Store design known as the Blue Horizon. This new store design is premium and top of its kind as it offers state of the art equipment and services. The UPS Store 7445 Center is a retail service business that would offer mail and parcel receiving, packaging, and shipping services through various carriers and provide a wide range of other authorized products and services, including notary, printing, copying, office supplies, fingerprinting, and communications (such as fax) services. The center is targeted to the needs of businesses of all sizes, small office/home office workers, and busy consumers looking for timesaving services. In addition, The UPS Store franchise has a developed service distribution network enabling national and international companies to utilize the center for their shipping, packaging, postal, print services, and other business and communication needs. In addition to these two anchor tenants, we are currently negotiating with other commercial tenants to relocate to our facility. The resulting jobs to be created and or retained through this concept of adaptive and re-use mix use development (commercial and workforce housing) components will be enormous and certainly stimulate the economic condition of the Buffalo east side. Need Assessments & Community Problem to Solve East Side Economic Conditions: In the early 1900s, urban cities began to experience residential segregation and urban flight. The same characteristics were true in Buffalo especially the east side communities. As minorities especially blacks, began to migrate to Buffalo from the Southern States for safety and in search of jobs and better living conditions, the whites who had residence in the east side began to move and migrate away from the area into the outer part of the cities which is known as the suburbs. The urban flight was exacerbated when the highways were introduced which made it easier for suburban residents to commute to and fro to urban cities where professional jobs were in abundance. Consequently, these professional jobs available in urban cities such as Buffalo required some level of education and technical know-how, which the minorities lack. The service industries (the malls, dry cleaners, restaurants and mom and pop stores) which required no or little education that would have provided jobs to the minorities (blacks) followed suite and migrated away to the suburban areas. Since minorities lacked access to transportation to seek such jobs in the suburban area, and of</p>

course, cannot dare to migrate closer to the job location. The resulting effects are the concentration of joblessness, poverty, and poor housing conditions (slum and blight) that plagued the east side neighborhoods for decades. East Side Housing Conditions (Slum and Blight) The east side neighborhoods have continued to experience large scale areas of slum and blight characterized by residential and commercial building deteriorations, high rates of turnover, vacancies, board-ups, and abandonments. This has resulted in large scale building collapses, especially buildings with historic characteristics. The area continued to experience capital investment flights as investors perceives no reasonable rates of returns and no incentives to invest in the area without any meaningful Government participation through tax incentives or grants. The outcome is the shortage of decent housing, shortage of adequate affordable housing, safe neighborhoods and high rate of unemployment. It is these east side state of economic and housing conditions that have prompted and attracted Broadway Development owners to join Mayor Brown, Council President Pridgen, the City of Buffalo, now the County via ECIDA and the State of New York, in the quest and push to revitalize the area through private and government partnership. It is much more rewarding when the private partnership revitalization efforts are from members of the community than from out of town corporations, which has dominated the Buffalo Developer trend and the cause of the east side community residents resentment today. In the 2016 Buffalo Development Guide, Mayor Brown brilliantly highlighted the state of the Buffalo Downtown economic growth, viability and the need for housing to match the City's growth rate . Mayor Brown states "The City of Buffalo is on the move; with a vibrant new Buffalo rapidly taking shape. Nowhere is this more evident than in the downtown area, where we are adding jobs, seeing major new projects constructed, and witnessing our economic base evolve for a bright and sustainable future. Currently, over \$5.5 billion in new economic development activity is underway, mostly in Downtown Buffalo - the heart of our region.....". Further, Mayor Brown explained, " These new developments are generating over 12,000 new jobs, increasing our workforce from 87,000 to over 99,000 workers in just three years. Since my election in 2006, there have been 1,200 new downtown residential units created to meet an increased demand for housing, prompting me to set a new goal of an additional 2,000 new downtown housing units by 2018 and beyond". This call to action for additional mix-use infrastructure development by the honorable Mayor Brown has inspired Broadway Development & Management Group, LLC., to step up to the challenge for the proposed development. And in no other part of the city is the demand for decent and affordable housing and job creation more pronounced than on the east side of Buffalo

Project Narratives (Our Plan Overview) Project and Site Location: The proposed site is a commercial building located at 343-345 Broadway, Buffalo NY 14204. The site has great potential as it is in close proximity and a walking distance to all parts of designated Buffalo Downtown Development Sites: Buffalo Central Business District, the center for all Downtown development activities; Buffalo and Niagara Medical Campus; Canal side, Cobblestone District and Larkin District. Further, the site is situated on a major street, bus route - (NFTA no.4 Broadway Bus), close and less than 5 minutes to the subway train station, less than 5 minutes to all major interstate and local highways. Additionally, it is in close proximity to major prime employers; City of Buffalo, County of Erie Government, State, Federal and Court System offices among other non- governmental agencies. More importantly, our site is near the African American Heritage Corridor, a major corridor and link to downtown, east side and south Buffalo. The area is currently experiencing great revitalization as other projects are springing up and around our proposed project site. Currently, there is a veteran housing development just opposite and adjacent to our proposed site. An article in the Buffalo News dated November 15, 2016 cited many more infrastructure and real estate development activities within and up to the 600 block of the Broadway waiting in the pipeline. These activities points out to the viability and the potential growth surrounding our proposed development site.

Site Historical Background and Apparent Uses: The site has been designated historic by both the US National Service and New York State Park Service Agency. The building has been determined to be NRE by SHPO and recently was approved under Part 1/ Draft National Register Nomination. The 3-story building was built in the early 1889 with interesting historical background. This facility has been occupied by various business industries that supported Buffalo economy over the years. The building was first built and used by a candy company, later a cooper shop, sheet iron and stove works in 1899 and in the late 1960 to 2017 by a print shop. The building was built in stages and utilized for various commercial operations, including storefronts, candy manufacturing, furniture repair/warehouse, and commercial printing. A residence was located on site from at least 1889 through at least 1899. The facility had remained empty for over five (5) years with the print shop operating on a 1500 square foot of space out of the 44,000 sf space of the facility until the purchase in 2017 when Broadway Development acquired the facility. Since the acquisition of the building, Broadway Development has used the facility as office space and

warehouse for its core tenant Uzo 1 International, Ltd. and as staging space for its development and reconstruction activities. Project Redevelopment Strategy and Objectives: Broadway Development & Management Group, LLC. plans to adapt and redevelop the current New Rosen Printing commercial building located on 343 Broadway Buffalo into a mixed-use commercial and affordable workforce housing. The 3-story building which was built in 1889 was last operated by the print shop from 1960 to 2017. During the last tail end of the print operations, the owner occupied only the first floor of the building leaving the 2nd and 3rd floors vacant with windows boarded up. This has created an eye sore, a sign of deterioration that has plagued Buffalo East Side Neighborhood for decades. The building's current size is 44,000 SF has much potential for adaptive and reuse expansion to accommodate up to 60,000 sf of mixed-use commercial and residential function with acquired vacant lots adjacent near Walnut and Archie Streets respectively. Our goal is to expand and add additional square foot of space to create more functional and usable facility. The ground floors would serve as retail space, office space, warehouse, gym, laundry and community spaces; while the upper floors would be strictly for moderate and middle-income housing geared towards professionals and working-class individuals without access to decent housing stock within close proximity to downtown. The proposed mixed-use project will provide secured and gated parking spaces for tenants and patrons. The project shall have a positive impact on the surrounding community. The project will actively advance Downtown's larger sustainability commitment by incorporating sustainable building and design criteria. The following describes the programming aspects of the mixed-use development as foreseen by the developer. In general the project will entail:

- A ground floor of approximately 20,000 net square feet (NSF) providing soft lit shell retail and commercial spaces on the ground floor.
- Two floors of single and double semi-suite residential housing units totaling approximately 20 to 30 beds or more. Each residential floor will include a community space with a lounge area and support spaces.
- Access to the upper residential floors will be via an elevator in the first floor lobby located adjacent to the retail spaces. Enclosed egress stairways shall also be provided.
- Approximately 40 surface parking spaces which equal 2 1/2 spaces per 1,000 NSF of the retail space.
- Pedestrian oriented exterior spaces, as well as site amenities, including furniture and landscaping

PROGRAMMING CONCEPTS: The following information defines the general project design parameters for the project.

- The development shall contribute to the architectural context of the downtown area and reinforce the Western New York Buffalo identity and sense of place.
- The retail street frontage is imagined to create a downtown and Allentown atmosphere that is active day and night.
- Sound deadening measures, such as sound attenuation blankets shall be used to reduce noise transmission between the retail and residential spaces. Such measures shall also be used between the residential units.
- Brick veneer shall be the predominant exterior material, along with a metal standing seam roof.
- Sidewalks and lighting shall be provided along Broadway side. The site lighting shall match existing landscape and area lighting incorporating LED technology.
- Service access for deliveries, waste removal (including trash, recyclables and food waste), the utility corridor, and move-in day activities shall be from an access drive along the rear of the building (Archie Street) and adjacent to the parking lot.
- The buildings street façade shall be designed to architecturally delineate the retail spaces.

Project Phased Redevelopment Strategy: The development project would be carried out in multiple phases as follows:

1. Pre-Development and Administrative Strategies Phase Developer: Broadway Development and Management Group, LLC. under the leadership of Dr. Uzo Ihenko, PhD. Phase 1: Building and land acquisition. This phase has been completed, building and vacant lot expansion acquired and presently under developer control. Phase 2: Environmental Study - Phases 1 & 2 This phase has been completed and no presence of environmental impact discovered except a minor asbestos presence on tiles and ceilings that would be abated during reconstruction. Phase 3: Historic Site Designation. Applied for and designation approved. Phase 4: Procurement of Professional Services All professional services have been procured. Our team includes well known local Architectural and Engineering firms, Construction Managers and General Contractors, Historic Consultants, Accounting and legal services, among others. Phase 5: City of Buffalo Planning Board: Application and plans submitted and under review for Planning Board approvals Phase 6: Project Finance Secured and leveraged with historic tax credits and NYS ESD grants.
2. Development and Reconstruction, Phase 1: (Existing Building) Capital Project Plan Budget and Sources of Funds Redevelopment of the current existing building at 345 Broadway is projected at a cost of \$12m dollars. The project is anticipated to attract over \$6m in tax credits and incentives. Broadway Development (the developer) would leverage over \$5m dollars through private financing. Commercial Development Types This phase would rehabilitate 20,000 sf of the first floor for retail and commercial space. We have currently secured two anchor tenants - The UPS Store, a national retail chain and Uzo 1 International, Ltd. a national and international distribution company with local Buffalo ties. Other commercial tenants are being sought and

under negotiation to be announced at a later time. The business activities of these corporations and other incoming tenants would generate needed jobs in short supply for the area.

Residential Development Types Broadway Development plans to convert the existing 24,000 sf of upper floor of the 345 Broadway into 20 plus one and two bedroom loft apartments with adjacent parking. The rental rates for these apartments would be reasonably affordable and would range from \$1,000 to \$1,200 per month for the one bedroom and from \$1,300 to \$1,800 for the two bedrooms respectively. Further, this would be based on 80% of the Area Medium Income (AMI) of our local community in which our project is located. Employment

Opportunities to be Generated: The project would generate sizable employment opportunities. We anticipate from all activities (construction hiring, retail hiring, commercial office hiring, and apartment and facility management hiring) to create over fifty (50) job positions and retaining between the ranges of 13 to 25 jobs after the project is complete. This level of hiring and employment would be a game changer for the east side area that is greatly in need of jobs.

Additionally, would immensely stimulate the economy of the City, County and State and would contribute to the growth of East Side Buffalo. 3. Development and New Additions, Phase 2: (Vacant Lots) This phase is outside the perimeter of our ECIDA sales tax credit application.

Although this phase cannot be discussed here in detail, it is expected to create over 50 to 70 units of additional affordable housing to be linked to the current existing structure. The impact of our Project on the East Side and to the City of Buffalo 1. Elimination of slum and blight in our block of 343-345 Broadway. 2. Reconstruction and adaptive re-use of the current facility at 343 Broadway. 3. Converting the structure into a resurgent economic engine (commercial activities) and livable space (apartments). 4. Create new businesses (retail stores and offices) at the same time uplift and eliminate the boarded up windows and restoring them to their original historic look. 5. Creating new housing and job opportunities to stimulate brighter economic outlook that would enhance the sustainability of the entire area and community.

Applicant Name Broadway Development & Management Group, LLC.
Applicant Address 343-345 Broadway
Applicant Address 2
Applicant City Buffalo
Applicant State New York
Applicant Zip 14204
Phone (716) 845-5078
Fax (716) 845-5372
E-mail broadwaydevelopmentwny@gmail.com
Website None
NAICS Code 537210; 531190; 531311; 531312

Business Organization

Type of Business Limited Liability Company
Year Established 2017
State in which Organization is established New York

Individual Completing Application

Name Dr. Uzo Ihenko
Title Managing Member
Address 343-345 Broadway
Address 2
City Buffalo
State New York
Zip 14204
Phone (716) 845-5078

Fax (716) 845-5372
E-Mail uzo1@uzo1.com

Company Contact (if different from individual completing application)

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

Company Counsel

Name of Attorney Yvonne S. Tripi
Firm Name Bartlo, Hettler, Weiss & Tripi
Address 22 Victoria Blvd
Address 2
City Kenmore
State New York
Zip 14217-2413
Phone (716) 873-8833
Fax (716) 447-0677
E-Mail ytripi@bhwtlaw.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%.

Corporate Background & History: Broadway Development & Management Group, LLC. is founded in the year 2017 by Dr. Uzo Ihenko, as a real estate development firm. The company is a New York State Corporation based and head quartered in Buffalo New York with its first development project at 343-345 Broadway near downtown Buffalo East Side corridor . The corporation is under an experienced management team with over 30 years of business and real development wealth of knowledge. Consequently the first and only operated, solely managed and owned by a minority firm in Buffalo with national and international business expertise and capabilities.

Corporate Products / Services: Our main services are in apartment building development, commercial space rental, space management, providing platforms for east side entrepreneur and small business development and growth through co working and cooperative work space concept.

Corporate Customers: Our customers are everyone / individuals within the downtown workforce that desires decent loft apartments near downtown. Also businesses seeking for retail storefronts, offices, inexpensive co working and cooperative and collaborative work spaces. We have already attracted and secured two core and anchor tenant(s) for our facility and they are The UPS Store Corporation, a national retail chain and Uzo 1 International, Ltd., a national sales and distribution corporation. The UPS Store 7445 to be located in our facility would be the first center ever built near inner city neighborhood and also on the East Side Corridor of Buffalo in particular. The Center is a retail service business that would offer mail and parcel receiving, packaging, and shipping services through various carriers and provide a wide range of other authorized products and services, including notary, printing, copying, office supplies, fingerprinting, and communications (such as fax) services. The center is targeted to the needs of businesses of all size, small office/home office workers, and busy consumers who are looking for time saving services. In addition, The UPS Store franchise has a developed service distribution network enabling national and international companies to utilize the center for their shipping, packaging, postal, print services, and other business and communication needs. The development of this facility would enhance the growth and expansion of both The UPS Store center and Uzo 1 International, Ltd. The location of these anchor businesses or tenants would stimulate and contribute to the economic viability of the near East Side and the minority community which has large population of youth unemployment and lack professional and retail outfits that can provide employment opportunities. The attraction of these two business would enhance our development objectives and goals of converting and reusing the old commercial printing building into mix use space that would offer homes for many, jobs that is lacking and a center to nurture and develop small businesses and entrepreneurs under one roof.

Corporate Ownership: The corporation has members and partners with Dr. Uzo Ihenko, as the Managing Member with over 50% ownership control. Dr. Ihenko is a proud member of the minority community and a contributing resident of the City of Buffalo.

Estimated % of sales within Erie County	80 %
Estimated % of sales outside Erie County but within New York State	10 %
Estimated % of sales outside New York State but within the U.S.	5 %
Estimated % of sales outside the U.S.	5 %

(*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

The vendors that would be engaged in our project and operations for supplies would include the following industries: For the Project: General Building supply vendors, Electrical, Plumbing, HVAC or Mechanical, Equipment Rental and building Systems suppliers, etc For Operations: Office equipment suppliers, Office supplies, Janitorial supplies, Safety Supplies, Printing Equipment, Warehousing Equipment, Packaging supplies. For Services: Architectural Services, Engineering Services, Various technical trades and services contractors and other professional services

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

343-345 Broadway

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo School System

Current Address (if different)

Same as above

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

Same as above

SBL Number(s) for proposed Project

111.48-6-1;111.56-5-1;111.56-5-2;111.56-5-3;111.56-5-50;111.56-5-51;111.56-5-52

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

\$5,000

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.)

Existing Building: The proposed site is a commercial building located at 343-345 Broadway, Buffalo NY 14204. The building's current size is 44,000 SF with much potential for Adaptive Reuse of mix-use function. This commercial space is now currently used as an office and warehouse space on the first floor leaving the upper floors vacant and boarded up in preparation for the new adaptive and reuse mixed use commercial and workforce housing development. The vacant lands are also adjacent to the main building and currently used as green space until project development is in effect.

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)

Project Redevelopment Strategy and Objectives: Broadway Development & Management Group, LLC. plans to adapt and redevelop the current New Rosen Printing commercial building located on 343 Broadway Buffalo into a mixed-use commercial and affordable workforce housing. The 3-story building which was built in 1889 was last operated by the print shop from 1960 to 2017. During the last tail end of the print operations, the owner occupied only the first floor of the building leaving the 2nd and 3rd floors vacant with windows boarded up. This has created an eye soar, a sign of deterioration that has plagued Buffalo East Side Neighborhood for decades. The building's current size is 44,000 SF has much potential for adaptive and reuse expansion to accommodate up to 60,000 sf of mix-use commercial and residential function with acquired vacant lots adjacent near Walnut and Archie Streets respectively. Our goal is to expand and add additional square foot of space to create more functional and usable facility. The ground floors would serve as retail space, office space, warehouse, gym, laundry and community spaces; while the upper floors would be strictly for moderate and middle-income housing geared towards professionals and working-class individuals without access to decent housing stock within close proximity to downtown. The proposed mixed-use project will provide secured and gated parking spaces for tenants and patrons. The following describes the programming aspects of the mixed-use development as foreseen by the developer. In general the project will entail:

- A ground floor of approximately 20,000 net square feet (NSF) providing soft lit shell retail and commercial spaces on the ground floor.
- Two floors of single and double semi-suite residential housing units totaling approximately 20 to 30 beds or more. Each residential floor will include a community space with a lounge area and support spaces.
- Access to the upper residential floors will be via an elevator in the first floor lobby located adjacent to the retail spaces. Enclosed egress stairways shall also be provided.
- Approximately 40 surface parking spaces which equal 2 1/2 spaces per 1,000 NSF of the retail space.
- Pedestrian oriented exterior spaces, as well as site amenities, including furniture and landscaping

PROGRAMMING CONCEPTS: The following information defines the general project design parameters for the project.

- The development shall contribute to the architectural context of the downtown area and reinforce the Western New York Buffalo identity and sense of place.
- The retail street frontage is imagined to create a downtown and Allentown atmosphere that is active day and night.
- Sound deadening measures, such as sound attenuation blankets shall be used to reduce noise transmission between the retail and residential spaces. Such measures shall also be used between the residential units.
- Brick veneer shall be the predominant exterior material, along with a metal standing seam roof.
- Sidewalks and lighting shall be provided along Broadway side. The site lighting shall match existing landscape and area lighting incorporating LED technology.
- Service access for deliveries, waste removal (including trash, recyclables and food waste), the utility corridor, and move-in day activities shall be from an access drive along the rear of the building (Archie Street) and adjacent to the parking lot.
- The buildings street façade shall be designed to architecturally delineate the retail spaces.

Potential Tenants / End Users As part of our development concept, we have already attracted and secured two anchor tenants; Uzo 1 International, Ltd., and The UPS Store, a national retail chain. The UPS Store is the first and the only center to be located within an inner city area and the first in Western New York to construct and implement a new UPS Store design known as the Blue Horizon. This new store design is premium and top of its kind as it offers state of the art equipment and services. The UPS Store 7445 Center is a retail service business that would offer mail and parcel receiving, packaging, and shipping services through various carriers and provide a wide range of other authorized products and services, including notary, printing, copying, office supplies, fingerprinting, and communications (such as fax) services. The center is targeted to the needs of businesses of all sizes, small office/home office workers, and busy consumers looking for time saving services. In addition, The UPS Store franchise has a developed service distribution network enabling national and international companies to utilize the center for their shipping, packaging, postal, print services, and other business and communication needs. In addition to these two anchor tenants, we are currently negotiating with other commercial tenants to relocate to our facility. The resulting jobs to be created and or retained through this concept of adaptive and re-use mix use development (commercial and workforce housing) components will be enormous and certainly stimulate the economic condition of the Buffalo east side.

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:

Not Applicable

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)

Need for the Financial Assistance: The key elements necessary and required to enhance and make our project feasible and competitive is greatly dependent on government subsidies available to us. The receipt of the historic tax credits, NYS ESD grants and the ECID'S Sales Tax credits and other financial subsidies (mortgage recording fee waver, 485 property tax assistance) would greatly enhance the financial success of our project. For example, when rental gross revenue is compared to the amortization payment schedule using the estimated project cost of \$12,500,000, the resulting debt service payments (principle and interest) far exceeds our gross revenue not including the required operational service cost. Consequently, when subsidies and or grants are leveraged, our project cost now dropped from \$12,500,000 to \$5,237,000. As our attached financial data analysis will show, the project debt services and the operational expense cost are now affordable, hence the project has become viable again as the gross revenue has now exceed the cost of obligations. Therefore, these financial assistance would significantly make the project feasible, thereby making it attractive to banks or investors to capitalize the cost of development. Because our housing rental rates must conform to the 80% or lower of median income of residents, any investments or capital borrowing exceeding certain target budget levels would make the project on affordable and on attractive to funders. Therefore, it is imperative that ECIDA's financial assistance be sought for our project to meet affordability threshold needed for the project to be feasible and competitive. Difficulties of attracting investment in Inner Cities Further, our project is located near East Side, an area that is difficult to invest. Project investors and or bankers shy away from projects in the area of our development as they are difficult to realize reasonable return on investment except with subsidy's or tax incentive programs such as offered by ECIDA. Therefore, without these tax incentives from ECID's financial assistance, the bank finances or loans would cease and be difficult to come by, our project would experience a drastic shortfalls on capital, hence be considered non competitive to other local similar development projects especially in the local area or near East side of Buffalo. Key Cost Drivers of our Adaptive Re-use Mixed - Used Project Restoration and rehabilitation of historic buildings such as ours proposed at 343 - 345 Broadway which has been neglected for a long period and with resulting extreme deterioration would require enormous capital investments. It is because of this extreme deterioration and intensive capital investment required that begs for private and governmental collaboration through grant subsidies to make such projects feasible and affordable. Hence assistance is greatly needed. The key elements that drives our projected rehabilitation cost to \$12.5m are attributed to the hug cost required for significant work and replacement of building bones such as the foundation, superstructure, and mechanical systems. These cost premiums are more pronounced in the following high cost impact constructions areas: 1.) Labor Required to Restore the building to its Original Historical Context The cost breakdown for a historic adaptive reuse project is typically 60% labor/40% materials, compared to a typical new-build at 55% labor/45% materials. This reduced productivity is due to challenging working conditions and the number of unknowns, hazmat abatement issues, and inefficient existing MEP pathways that crews must contend with throughout the duration of the project .2.) Custom Materials Required for Historical Restoration Windows, doors, and elevators are key common components that need to be specially procured and installed due to historic and aesthetic requirements, logistical restrictions, and unique building dimensions. With limited number of suppliers, price competition is less or non existence, hence drives up costs of these materials. 3.) Structural Changes Expansions and reconfiguration are common in historic projects. In our project, we plan to remove the current freight elevator and install new passenger elevator units at Walnut / Archie side. This would require lowing and expanding the basement space to accommodate the proposed tenants' storage space. These modifications have major structural implications that often require selective demolition, additional foundations, structural strengthening, underpinning, and bracing. 4.) Hazmat Abatement Since our building was constructed in 1889, this historical building has areas containing reasonable areas of lead paint, hazardous flooring materials, waterproofing or flooring mastic, piping insulation, and minor other miscellaneous items that would require abatement which usually are significantly very costly. 5.) Basement and Foundation Waterproofing Basement waterproof below grade are essential in prolonging the building life span and humans health and safety that results from mold inhibitions. However, waterproofing is often a necessary investment to protect the building. The cost can be extremely high if the whole basement needs waterproofing from the outside and even higher if the foundation requires treatment. 6.) Building Mechanical Systems Our building is of exterior brick and stone walls. This type of wall materials can create challenges when retrofitting and routing new Mechanical and Plumbing Systems. Original mechanical and plumbing systems are typically outdated and in most cases, the equipment is replaced or the system is removed completely. 7.) Acoustics and Insulation Older buildings lack acoustics and insulation and for our project these retrofits can be a cost driver that most developers tend to ignore or fail to account for during design and cost projections. Because our building exterior façade and slabs were not thick enough to properly insulate sound, and because of our building lacks drop ceilings with insulation; acoustical plaster and insulation are needed to be applied.

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

Yes

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

The impact of not funded or unable to obtain any financial assistance from ECIDA for our project would be enormous and very devastating and here is how: 1. The projected number of employees our project had forecasted to generate would not come to fruition. These jobs are greatly needed in this part of the City of Buffalo Community with high unemployment levels for its people and community. 2. Affordable Housing Shortages: This part of the urban center of Buffalo City and County of Erie has great shortage of affordable and workforce housing stock. If these subsidy assistance are not secured, there would be no workforce and affordable housing stock available to the citizens. Thereby further impact the high demand for decent and affordable housing stock needed for the community. 3. Effects on Capital Investments: The failure not to provide subsidy for our project would have high impact not only to us but to the community at large as these projects are designed to attract huge capital investments which not only would go into the local government economy in the form of taxes but also an economic engine that would spore other developments and investment in the City and County. 3. Slum and Blight: Currently, there has been a wide spread of older or historic buildings such as ours in East Side of Buffalo that has remained boarded up. Since early part of 2020, these buildings have begun to collapse and disappear due to lack of maintenance and non functional use or adaptive reuse. The effects and impacts are huge, no longer do we have such historic building with architectural and history character and contest. The more devastating effect is life safety and collateral damages these building bring along to other nearby buildings when collapsing.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Printing Machines and Digital Machines, office Equipment, Store Shelves and display equipment, etc, The lease terms are 5 years with option to purchase outright.

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)

Location of the Proposed Project Development The proposed project is located at 343 / 345 Broadway, an intersection of Walnut and Broadway downtown Buffalo. The site has great potential as it is in close proximity and a walking distance to all parts of designated Buffalo Downtown Development Sites: Buffalo Central Business District, the center for all Downtown development activities; Buffalo and Niagara Medical Campus; Canalside, Cobblestone District and Larkin District. Further, the site is situated on a major street, bus route - (NFTA no.4 Broadway Bus), close and less than 5 minutes to the subway train station, less than 5 minutes to all mayor interstate and local highways. Additionally, it is in close proximity to major prime employers; City of Buffalo, County of Erie Government, State, Federal and Court System offices among other none governmental agencies.

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

Building is : N-3C (Mixed Use Center) Land is N-3E (Mixed Use Edge)

Describe required zoning/land use, if different

Not Applicable

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

Not Applicable

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Energy Saver

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

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

No

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

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

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales Yes

Services Yes

Please check any and all end uses as identified below.

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

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

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

		Cost	% of Total Cost
Manufacturing/Processing	0 square feet	\$ 0	0%
Warehouse	3,500 square feet	\$ 1,300,000	12%
Research & Development	0 square feet	\$ 0	0%
Commercial	square feet	\$ 0	0%
Retail	6,000 square feet	\$ 1,814,000	17%
Office	6,000 square feet	\$ 1,117,500	11%
Specify Other	28,500 square feet	\$ 6,268,500	60%

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

3/10/2022

End date : Estimated completion date of project

11/20/2026

Project occupancy : estimated starting date of occupancy

3/15/2027

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 250,000 74,000 square feet 1 acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 8,800,000 44,000 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 1,800,000

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

\$ 500,000

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

\$ 1,150,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 12,500,000

Construction Cost Breakdown:

Total Cost of Construction \$ 10,600,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials \$ 6,890,000
% sourced in Erie County 95%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 7,440,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 651,000

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

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 25

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

If Yes, describe particulars: The cost of the building and land acquisition has already been incurred and or currently paid through a bank finance. Also, part of soft cost such as environmental, Design work, professional consultants, legal, accountants, etc has been paid and some are on going. Additionally, we are currently in the process of borrowing additional funds for the UPS Store leasehold improvement and equipment .

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 300,000

Bank Financing: \$ 5,237,000

Tax Exempt Bond Issuance (if applicable): \$ 0

Taxable Bond Issuance (if applicable): \$ 0

Public Sources (Include sum total of all state and federal grants and tax credits): \$ 6,963,000

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) historic tax credits \$5M, NYS ESD housing & main st grant of \$1.09 M plus ECIDA sales tax credit

Total Sources of Funds for Project Costs: \$12,500,000

Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing). 5,667,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$42,502

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):

We have submitted application for the NYS SECTION 485-A, Real Property Tax Exemption through the City of Buffalo.

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

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

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

Our firm is owned and operated and also certified as a Minority Firm. We believe in hiring and providing equal opportunity for all God's people in our business. We would endeavor and make all efforts to encourage and utilize minority and disadvantaged businesses in our project.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Printing Machines and Digital Machines, office Equipment, Store Shelves and display equipment, etc. The lease terms are 5 years with option to purchase outright.

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).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	1	0	5	6
Part time	2	0	5	7
Total	3	0	10	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or	# of Employees Retained and/or	Average Salary for	Average Fringe Benefits for Full	Average Salary for Part Time (if	Average Fringe Benefits for Part Time (if
-----------------------------------------------	---------------------------------------	---------------------------	-----------------------------------------	-----------------------------------------	--------------------------------------------------

Created	Created	Full Time	Time	applicable)	applicable)
Management	2	\$ 60,000	\$ 19,800	\$ 0	\$ 0
Professional	1	\$ 35,000	\$ 11,550	\$ 0	\$ 0
Administrative	2	\$ 30,000	\$ 9,900	\$ 15,000	\$ 4,950
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	3	\$ 0	\$ 0	\$ 15,000	\$ 4,950
Other	5	\$ 0	\$ 0	\$ 15,000	\$ 4,950

** 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):

Address	Not Applicable		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

300,000

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

30,000

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

15,000

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

30,000

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

15,000

Estimated salary range of jobs to be created

From (Full Time)	25,000	To (Full Time)	40,000
From (Part Time)	15,000	To (Part Time)	20,000

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

343-345 Broadway Buffalo, New York 14204

Name and Address of Owner of Premises

Broadway Development & Management Group, LLC. 343-345 Broadway Buffalo New York 14204

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

The building is located in an urban area, as result, the above stipulated features are not applicable

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

Historical Background: The 3-story building was built in the early 1889 with interesting historical background. This facility has been occupied by various business industries that supported Buffalo economy over the years. The building was first built and used by a candy company, later a china manufacturing company and in the late 1960 to 2017 by a printing shop. The building has been determined to be NRE by SHPO and recently has been approved under Part 1/ Draft National Register Nomination. The facility has remind empty for over five (5) years with the print shop operating on a 1500 square foot of space out of the 44,000 sf space of the facility. Future Adaptive and Reuse Development: We intend to covert the building into a mixed use commercial and residential development (adaptive and reuse function). Construction on the commercial and retail space is projected to commence March of this 2022. In this phase, an anchor tenant (The UPS Store Center) would undergo a leasehold improvement that would address the Broadway façade improvement which is on the main street approach and the interior store center space for the UPS. This would allow the UPS center to begin its operation in early March of 2022. Thereafter, other phases of the commercial and residential improvements and or reconstruction would begin to line up with expected or projected completion in the year 2026. When all is completed, the commercial space on the first floor would comprise of retail, office, warehouse and small coffee space. The upper floors would strictly be improved for workforce loft apartment space.

Describe all known former uses of the Premises

The 3-story building was built in the early 1889 with interesting historical background. This facility has been occupied by various business industries that supported Buffalo economy over the years. The building was first built and used by a candy company, later a china manufacturing company and in the late 1960 to 2017 by a printing shop. The building has been determined to be NRE by SHPO and recently has been approved under Part 1/ Draft National Register Nomination. The facility has remind empty for over five (5) years with the print shop operating on a 1500 square foot of space out of the 44,000 sf space of the facility.

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

Yes

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

Current tenant at the location is Uzo 1 International, Ltd.. UZO1 currently occupy 2,000 SF out of the 44,000 SF space available in the facility UZO1 is currently using the small area of space as office and warehousing operations.

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

Not Applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

No

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

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

None

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

Ceiling and floor tiles on the front lobby space.

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

MULTI-TENANT FACILITY ON THE RISE: Source: Terrydale Capital (25 August, 2021) In recent times, we have seen a surge in private investors branching out from single-tenant retail and expanding into multi-tenant retail assets. While the retail sector has been hit hard by COVID-19, the latest and ongoing sales demonstrates a return of confidence in multi-tenant retail - as we come out of COVID restrictions. Looking into the future, we can expect a significant surge in multi-tenant retail transaction volume. WHY MULTI-TENANT RETAIL INVESTMENT ASSESTS: 1. Low Risk of a 100% Vacancy: Acquiring multi-tenant retail assets lets you enjoy better diversification and yields in a single investment. Thus, mitigate the risk of a 100% vacancy associated with their single--tenant counterparts. The reason is a multi-tenant asset houses retailers selling products and services from a wide range of industries. Given the low chance of all industries experiencing a downturn at the same time or in equal measures, a multi-tenant retail investment can better survive recession than its single-tenant counterparts. Further still, there are countless retail businesses in existence - hundreds of small to medium retail businesses are opened daily. That makes it easier to fill vacant positions - especially in the upturn cycle of real estate. 2. Probable Better Value For Everyone Involved: Despite the short lease terms associated with multi-tenant retail assets, the right mix of tenants can create opportunities to add value for all parties. It can also create "stickiness" to the location. Think of a shoe store combined with a women's fashion retail store and a jewel store. These stores provide complementary products in a less competitive environment. Thus, either of these stores is likely to draw value from its neighbor. The added value can trickle down to the two tenants retaining their stores longer, which reduces tenant rollover and the associated costs. 3. A Better Chance To Survive The E-Commerce Wave: The right mix of retailers is not only essential for the center's value but can also help the investor survive the transition in the retail world driven by e-commerce. Currently, investors are paying attention to service-based retail stores that are internet-proof. Think of nail salons, medical centers, restaurants, and fitness centers. Their internet-proof nature help investors overcome their concerns of losing investment to changing consumer behavior. With that in mind, a multi-tenant retail asset provides the opportunity to accommodate more internet-proof businesses, while still benefiting from stable product-based retail stores. Thinking critically; however, retail is not going away, it's just changing. (Remember Sears started selling out of a catalog only to open retail stores. Amazon seems to be set on a similar path.) Today's consumer wants it all. The flexibility associated with on-demand purchases, the ability to touch and feel their orders, the discounts offered by e-commerce stores, and more. They want more value and a better shopping experience. As such, any investor who strives to ensure their multi-tenant retail asset possesses the right mix of experiential value and shopping will most likely survive the "retail-apocalypse). Besides, it also boils down to the quality of the tenants and properties. For example, retail properties with future-proof entertainment avenues, dining establishments, and similar attractions are likely to keep more foot traffic than those dependents on the strength of respective anchor tenants. 4. Better Redevelopment Options: It's no secret that investors are after investment-grade retailers highly resistant to e-commerce and recession disruptions. They want to lease to essential physical retailers like grocery, convenience, pharmacy, dollar, tire and auto service, and home improvement stores. But that only increases competition in those sectors. To survive the competition, an investor can choose to re-develop their property than go the obvious route. For instance, an investor can sample the troubled anchor store for redevelopment options. Redevelopment is particularly easy in cases of department stores, large lifestyle centers, theaters, and malls. As you can leverage the large size, ample parking, and desirable locations to transform the spaces into power centers or multifamily properties. 5. Decreased Competition for Private Investors: COVID-19 has brought a lot of uncertainty in the retail sector. This uncertainty could explain why retail-focused institutional investors are shifting their strategies towards more stable single tenant retail assets. The reduction of institutional buyer competition translates to more opportunities for private investors in the multi-tenant retail space. This is especially good news given the low supply of distressed assets, power centers with essential retailers, and unanchored strip centers with limited shop space. 6. Lenders Have a Competitive Appetite for Multi-Tenant Retail In 2021 As we emerge from the pandemic, lenders have a high preference for lending to multi-tenant retail investors. That makes it easy to obtain higher (up to 80%) LTVs. And considering the high potential of diversifying multi-tenant retail assets, you can repay the loan in a record time. As mentioned earlier, a diverse range of tenants with different lease types and durations, different lease structures, and in different industries can help lower risk and boost the minimum income expectations.

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 project site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
-------------	------------------------------------	--------------------------------------------------------------	------------------------------------------------------------------------------------------------

*fill out table for each tenant and known future tenants

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Uzo 1 International, Ltd.

Property Address:

343-345 Broadway

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)

5,000

What percentage of the building does this represent?

5

Are terms of lease:

GROSS

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

We plan to extend the sales tax credit incentives obtained to UZO1 STORE & Corporate office build out construction material purchases and operational equipment purchases to help subsidize investment levels for affordability.

Estimated date of occupancy

5/31/2023

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Uzo 1 International, Ltd.

Local Contact Person:

Dr. Uzo Ihenko

Title:

President/CEO

Current Address:

343-345 Broadway

Phone:

(716) 845-5078

Fax:

(716) 845-5372

E-Mail:

uzo1@uzo1.com

Website:

www.uzo1.com

Company President/General Manager:

Dr. Uzo Ihenko

Number of employees moving to new project location:

Full-Time:

1

Part-Time:

2

Total:

3

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:

Nature of Business and offerings: PRODUCTS: Office, Janitorial, Paper, Promotional, Medical, Industrial, Lab, Construction, Packaging, Houseware, Electronics, Pets, Health and Beauty Products respectively. SERVICES: Export, Warehousing, Shipping, Custom and Contract Manufacturing

Attach additional information as necessary.

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

Uzo 1 International, Ltd., is a New York State Corporation in business since 1991. It is a Minority Company certified both by Buffalo & Erie County, Certified by NYS, State of Maryland, NFTA DBE and US Small Business HUBZONE company.. Over these years in operation, the company has grown and have presence worldwide and has become a national and international wholesale distribution company. The company is a privately held company and now seeks for retail expansion into the Buffalo and Erie County space. The intention now is to develop a retail space to display and sale UZO1 Unique products locally and within Erie County. This would allow us to generate more sales and create jobs that is highly needed in this part of Erie County.

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

5,000

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

2,000

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

Retail and warehouse expansion

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?

Not Applicable

If leased, when does lease expire?

12/31/2023

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?

Not Applicable

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

The UPS Store Inc.

Property Address:

343-345 Broadway

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)

1,650

What percentage of the building does this represent?

2

Are terms of lease:

GROSS

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

Sales tax incentives would be extended to The UPS Store store build out construction material cost, and the operational equipment purchases and or leases.

Estimated date of occupancy

11/30/2021

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

The UPS Store, ,Inc.

Local Contact Person:

Kelechi Chillis-Ihenko

Title:

Operational Manager

Current Address:

343-345 Broadway

Phone:

(716) 845-5078

Fax:

(716) 845-5078

E-Mail:

uzo1@uzo1.com

Website:

None

Company President/General Manager:

Dr. Uzo Ihenko

Number of employees moving to new project location:

Full-Time:

3

Part-Time:

2

Total:

5

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:

Nature of UPS STORE Offerings: Services: Mailbox; Printing; Packaging; shipping; Copying; Faxing; Notary; Finger Printing; Passport Photos; Storage; etc. Products: Packaging & Shipping materials; Office Supplies; Greetings Cards; USPS Mailing and Metered Stamps; etc. Percentage of total sales: 90% within Erie County and US and 10% international activities. NAICS CODES: 323111; 323120; 453210; 453220; 484121; 488991; 488510; 492110; 541199; 541430; 541860; 541921; 561410; 561431; 561439; 561611; 561910

Attach additional information as necessary.

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

The UPS Store 7445 is a national franchise company to be operated by the Broadway Business Hub, LLC. which is a New York State Corporation. Although a startup company but in the family of The UPS Store, Inc. a worldwide recognizable brand. This location would be the first of its kind near an inner city area but close to the down town business corridor. It is the first within Upstate New York with the new UPS Store Blues Horizon design, a revolutionary trendy store space design. The operators of The UPS Store 7445 are all highly educated with many years of running other successful businesses.

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

1,650

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.

Not applicable (New Startup Company / New Franchise)

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?

Not applicable

If leased, when does lease expire?

12/31/2023

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?

None

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?

14 %

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?

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

If yes, explain

Is the project located in a Highly Distressed Area?

<BLANK>

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)? 200

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.

10

If underutilized, number of years underutilized.

15

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

Small scale printing services and warehousing.

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)

Yes

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

\$2,000 per month or \$24,000 annual

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

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	14	790 - 850	\$1,000 - \$1,200
2 Bedroom	6	900 - 1,100	\$1,300 - \$1,800
3 Bedroom	-	-	\$ - \$
Other	-	-	\$ - \$

Does the site have historical significance?

Yes

If yes, please indicate historical designation

NRE (Section 14.09 review)

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

Yes

If yes, provide estimated value of tax credits

\$5,000,000

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)

The estimated development cost of our project and its magnitude near East Side by itself poses a huge financial obstacles without any public subsidy or tax incentives. This is true for all projects in urban cities which explains why large scale building abandonment and deterioration occur there more than the suburban cities.. The elements necessary and required to enhance and make our project feasible and competitive is greatly dependent on government subsidies available to us. The receipt of the historic tax credits, NYS ESD grants and the ECID'S Sales Tax credits and other financial subsidies (mortgage recording fee waver, 485 property tax assistance) would greatly enhance the financial success of our project. For example, when rental gross revenue is compared to the amortization payment schedule using the estimated project cost of \$12,500,000, the resulting debt service payments (principle and interest) far exceeds our gross revenue not including the required operational service cost. Consequently, when subsidies and or grants are leveraged, our project cost now dropped from \$12,500,000 to \$5,237,000. As our attached financial data analysis will show, the project debt services and the operational expense cost are now affordable , hence the project has become viable again as the gross revenue has now exceed the cost of obligations. Therefore, these financial assistance would significantly make the project feasible, thereby making it attractive to banks or investors to capitalize the cost of development. Because our housing rental rates must conform to the 80% or lower of median income of residents, any investments or capital borrowing exceeding certain target budget levels would make the project on affordable and on attractive to funders. Therefore, it is imperative that ECIDA's financial assistance be sought for our project to meet affordability threshold needed for the project to be feasible and competitive. As a result, thè financial obstacles and challenges posed due to east side economic conditions and the associated cost of redeveloping older structures would not attract investors and or bankers to our project without the any public subsidies or tax incentives. That is the reason why we sought for historic designation and ECIDA financial assistance to attract public incentives which would significantly reduce the financial obstacles posed.

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

Our project has great support from our councilman and the City of Buffalo. The Council and the City were instrumental for the additional vacant land acquisition owned by the City. They also supported and approved the land variances needed for the project expansion and new additions. Further, the City encouraged the State to extend the Main Street Facade Program map to include the area of our project development. As a result of this action, our project received a \$50,000 Main Street Facade Program which is current on going with project completion time of February 2022. We also received a \$38,000 grant from NYS ESD East Side Stabilization program. These grant activities show both the City and State support of our project.

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

The key factors to be considered for financial determination are: 1. The buildings historical significance: Based on the approval to have the building listed on a national registry, it is therefore worth saving 2. The economic contribution and impact to the east side community. The development of this structure would eliminate blight and create highly needed jobs in the east side of Buffalo 3. Adaptive Reuse Concept: This commercial structure would experience a revival in that it would provide workforce housing that is in short supply and highly needed as well as help create new business in the commercial space (mix-use concept development).

Indicate census tract of project location

14

Indicate how project will eliminate slum and blight

How we plan to eliminate slum and blight: Reconstruction and adaptive re-use of the space. By converting the old commercial print shop into a mix use development, we plan to convert the structure into a livable space (apartments), create new businesses (retail stores and offices) at the same time uplift and eliminate the boarded up windows and restoring them into its original historic look. The end result would enhance the entire area and community.

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

Not applicable

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

343-345 Broadway Street

City/Town

Buffalo

State

New York

Zip Code

14204

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:

Not applicable

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Not applicable

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

No

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

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

Not applicable

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

No

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

Not applicable

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

Not applicable

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.

Not applicable

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

Lactalis American Group, Inc.
\$ 1,436,697
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section – 311513
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$ 71,433 in sales tax savings • Approximately \$55,360 in real property tax savings
JOBS & ANNUAL PAYROLL
<ul style="list-style-type: none"> • Current Jobs: 334 (FTE) • Annual Payroll: \$ 33,533,749 • Projected new jobs: 27 (FTE) • Est. salary/yr. of jobs created: \$93,458 • Est. salary/yr. of jobs retained: \$86,535 • Total jobs after project completion: 361 (FTE) • Construction Jobs: 5
PROJECTED COMMUNITY BENEFITS*
<ul style="list-style-type: none"> • Term: 10 YEARS • NET Community Benefits: \$ 1,355,834,802 • Spillover Jobs:1,390 <p>Total Payroll: \$ 1,278,698,578</p>
INCENTIVE COST/COMMUNITY BENEFIT RATIO (discounted @ 2%) *
<p>Incentives: \$ 121,441</p> <p>Community Benefit: \$ 1,213,741,244</p> <p>Cost: Benefit Ratio</p> <ul style="list-style-type: none"> • 1:9994

Project Title: Lactalis Office Expansion

Project Address 2376 South Park Ave, Buffalo, NY 14220
 (City of Buffalo School District)

Agency Request

A sales tax and real property tax abatement in connection with

Building Addition	\$ 1,158,995
Non- Manufacturing Equipment	\$ 236,887
Soft Costs/Other	\$ 40,815

Total Project Cost \$1,436,697

85% \$1,221,192

Company Description

Lactalis American Group, Inc. (Lactalis) is a subsidiary of Group Lactalis, a global dairy company that owns and operates dairy manufacturing plants worldwide. Buffalo, NY is the U.S. headquarters for the Lactalis American Group, Inc. that employs 335 back-office employees at this location supporting all U.S. operations. Directly across the street, the applicant operates one of its affiliated eight U.S. manufacturing plants. The Buffalo manufacturing plant employs 370 manufacturing employees for a total of more than 700 employees in Buffalo. The Buffalo manufacturing plant produces mozzarella, ricotta and whey. On average this plant processes 81,410,560 gallons of milk annually from 230 dairy farms located throughout WNY. This translates into more than \$145 M in annual milk purchases from WNY dairy farms. 95% of raw materials used in this plant are produced in NYS.

Project Description

The company is proposing to add a 5,660 sq ft addition to their existing 26,865 sq ft one story office building to provide current and future employees with the space needed to support the company’s U.S. operations from the Buffalo NY facility. A recent acquisitions and organic growth are the primary factors for the need to expand. The additional space will also address the needs of those returning to work post COVID 19 shutdown, who have had to share offices or work remotely.

* 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
	Property	55,360
	Sales	71,433
	Mortgage Recording	0
	Total	126,793
	Discounted at 2%	121,441

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**	
	Erie County	Individuals	Payroll Construction	650,930	
			Payroll Permanent	1,278,047,648	
		Public	Property Taxes	14,716	
			Sales Taxes	10,629,182	
	New York State	Public	Income Taxes	57,541,436	
			Sales Taxes	8,950,891	
				Total Benefits to EC + NYS***	\$ 1,355,834,802
				Discounted at 2%	\$ 1,213,741,244

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

Discounted Cost \$ 121,441
 Discounted Benefit \$ 1,213,741,244
 Ratio 1:9994

Conclusion: The Cost Benefit for this project is: 1: 9994. For every \$1 in costs (incentives), this project provides \$9,994 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$13,000 in benefits to the community.**

New Tax Revenue Estimated

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
\$ 14,465	\$ 650,000	\$36,097	\$ 123,268	\$ 21,472
Combined Tax Rate: \$22.25				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$ 1,436,697 85% = \$ 1,221,192
Employment	Coincides with 10-year PILOT	Maintain Base = 334 Create 85% of Projected Projected = 27 85% = 22 Recapture Employment = 356
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of state and local sales tax and real property tax savings

Recapture applies to:

State and Local Sales Taxes
Real Property Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 334 jobs and created 22 jobs, 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

- 12/28/21: Public hearing held.
- 01/26/22: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 01/26/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

**EVALUATIVE CRITERIA- Lactalis American Group
 BACK OFFICE/DATA/CALL CENTERS – HQ of a national mfg of cheese-based products.**

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Average wages for its 333 full time staff equals \$86,535, exceeding the median wages for the area.
Regional Wealth Creation (% sales/customers outside area)	97% of sales are outside Erie County. Of particular note, 91% are outside NYS (89%) and the U.S. (2%).
In Region Purchases (% of overall purchases)	15% of purchases are made outside Erie County for the HQ back office operations.
Supports Local Business or Cluster	The HQ supports 8 manufacturing facilities including the South Park Ave plant that employs 370 FTE. This manufacturing facility produces mozzarella, ricotta and whey. On average this plant processes 81,410,560 gallons of milk annually from 230 dairy farms located throughout WNY. This translated into more than \$145 MM in annual purchases from WNY farms.
Retention/Flight Risk	As the applicant is out of space for its employees, alternatives include employees being moved out of Erie County and possibly out of NYS where applicant’s affiliated companies have available office space in locations such as Chicago, Illinois and NYC.
LEED/Renewable Resources	N/A
MBE/WBE Utilization	Applicant’s project and purchasing teams are required to utilize the NYS MBE/WBE certified contractors list prior to publishing jobs for bid to ensure the certified companies are included in the RFP and bid process. Applicant also requires via contract terms and conditions, that all of their contractors in NYS engage MBE/WBE to work on projects to the max extent possible.
Workforce Access – Proximity to Public Transportation	The project / company is located on South Park Ave. in the City of Buffalo with a major bus route and major connections in close proximity. NFTA bus routes include #14 & #16.

DATED: 12/15/21

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-Lactalis Office Expansion

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$1,158,995	\$314,893	5.04	17.21	n/a

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.1	\$3,435	\$11,731	\$0	\$15,166	\$21,472	\$6,307
2	0.1	\$3,435	\$11,731	\$0	\$15,166	\$21,472	\$6,307
3	0.1	\$3,435	\$11,731	\$0	\$15,166	\$21,472	\$6,307
4	0.2	\$3,594	\$12,273	\$0	\$15,866	\$21,472	\$5,606
5	0.2	\$3,594	\$12,273	\$0	\$15,866	\$21,472	\$5,606
6	0.2	\$3,594	\$12,273	\$0	\$15,866	\$21,472	\$5,606
7	0.3	\$3,753	\$12,815	\$0	\$16,567	\$21,472	\$4,905
8	0.3	\$3,753	\$12,815	\$0	\$16,567	\$21,472	\$4,905
9	0.3	\$3,753	\$12,815	\$0	\$16,567	\$21,472	\$4,905
10	0.3	\$3,753	\$12,815	\$0	\$16,567	\$21,472	\$4,905
TOTAL		\$36,097	\$123,268	\$0	\$159,365	\$214,724	\$55,359

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$1,436,697	\$ 55,359	\$816,387	n/a	0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 60 %

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: January 3, 2022
 Project Title: Lactalis American Group Inc.
 Project Location: 2376 South Park Ave, Buffalo, NY 14220

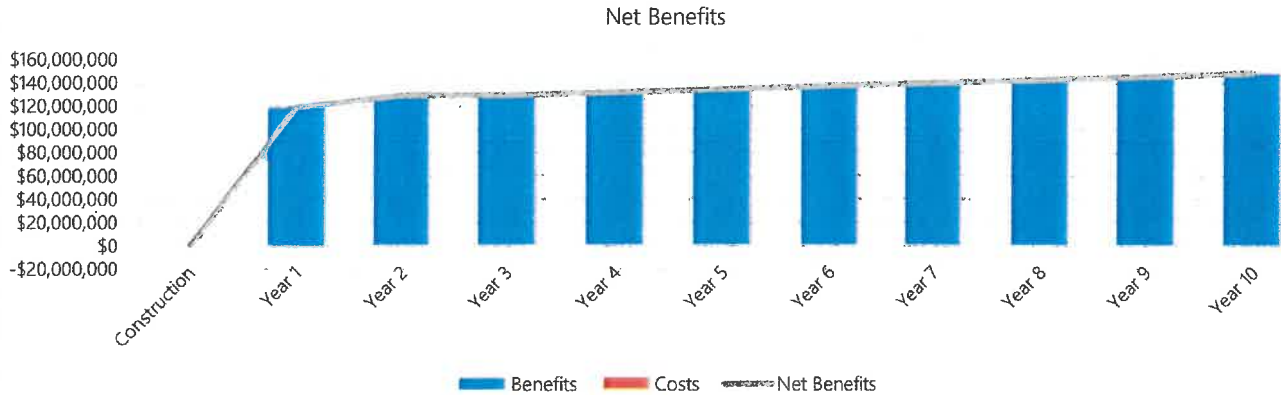
Economic Impacts

Summary of Economic Impacts over the Life of the PILOT
 Project Total Investment
 \$1,436,697

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	5	4	9
Earnings	\$421,000	\$229,930	\$650,930
Local Spend	\$1,005,688	\$712,064	\$1,717,751

Ongoing (Operations) Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	361	1386	1747
Earnings	\$330,057,612	\$947,990,036	\$1,278,047,648

Figure 1

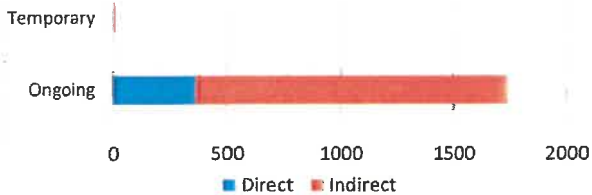


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

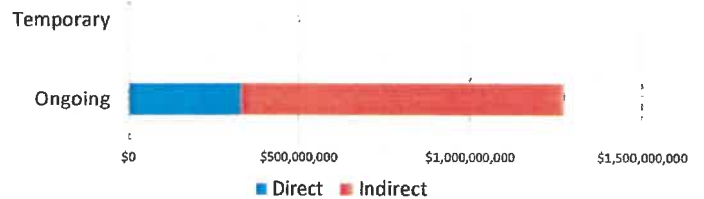
Figure 2

Figure 3

Total Jobs



Total Earnings



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$55,359	\$50,008
Sales Tax Exemption	\$71,433	\$71,433
Local Sales Tax Exemption	\$38,778	\$38,778
State Sales Tax Exemption	\$32,655	\$32,655
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$126,792	\$121,441

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$1,289,342,476	\$1,154,217,404
To Private Individuals	\$1,278,698,578	\$1,144,689,237
Temporary Payroll	\$650,930	\$650,930
Ongoing Payroll	\$1,278,047,648	\$1,144,038,307
Other Payments to Private Individuals	\$0	\$0
To the Public	\$10,643,898	\$9,528,167
Increase in Property Tax Revenue	\$14,716	\$12,938
Temporary Jobs - Sales Tax Revenue	\$5,411	\$5,411
Ongoing Jobs - Sales Tax Revenue	\$10,623,771	\$9,509,818
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$66,492,326	\$59,523,840
To the Public	\$66,492,326	\$59,523,840
Temporary Income Tax Revenue	\$29,292	\$29,292
Ongoing Income Tax Revenue	\$57,512,144	\$51,481,724
Temporary Jobs - Sales Tax Revenue	\$4,557	\$4,557
Ongoing Jobs - Sales Tax Revenue	\$8,946,334	\$8,008,268
Total Benefits to State & Region	\$1,355,834,802	\$1,213,741,244

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$1,154,217,404	\$88,786	13000:1
State	\$59,523,840	\$32,655	1823:1
Grand Total	\$1,213,741,244	\$121,441	9994:1

*Discounted at 2%

Additional Comments from IDA

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

PUBLIC HEARING SCRIPT

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

Public Hearing to be held on December 28, 2021 at 9:00 a.m. at the Agency's offices,
at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

No Attendees

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 Grant Lesswing. I am the Director of Business Development of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the {Company} and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, December 16, 2021.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 2376 South Park Avenue, City of Buffalo, Erie County, New York (the "Land"), (ii) the construction on the Land of an approximately 5,066+/- SF office addition to the existing 26,856+/- SF facility situate on the Land (the "Existing Improvements") to provide additional enhanced working conditions for the employees (the "Improvements"), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the

“Equipment”; and, together with the Land, the Existing Improvements and the Improvements, the “Facility”).

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

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

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

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on January 25, 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.

The Hearing Officer calls on those who raise their hand.

(See attached statement from company)

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:07 a.m.



Suzanne Risman
VP & General Counsel
t: 716.823.6262 x1405
suzanne.risman@us.lactalis.com

December 14, 2021

John Cappellino
President/CEO
Direct Line (716) 362-8362
jcappell@ecidany.com

Re: Lactalis American Group, Inc., - Application for Tax Incentive

Dear Mr. Cappellino:

Lactalis American Group, Inc., ("Applicant") submits this letter to support its Tax Incentive Application made to Erie County Development Agency for Sales Exemption in connection with Applicant's expansion of its corporate headquarter offices located at 2376 South Park Avenue, in the City of Buffalo.

Background

Applicant is one of four U.S. subsidiaries owned by Group Lactalis, which is a global group of dairy companies headquartered in Laval, France. Together, the U.S. subsidiaries employ approximately 3,700+/- full-time employees and operate eleven dairy manufacturing facilities across the U.S. Applicant, owns four of those manufacturing facilities, one of which is located in Buffalo, NY, along with its corporate headquarters. In Buffalo, Applicant employs 705 full-time employees (370 in its manufacturing facility and 335 in corporate headquarters). From Applicant's corporate headquarters offices, Applicant provides back-office support to its manufacturing facilities, in addition to providing certain back-office support to its affiliates in the U.S.

Need for the Office Expansion

Applicant's business has grown in terms of number of employees and assets. Since 2017, Applicant has added 120 jobs in Buffalo and its parent company has acquired five companies in the U.S. As a result of this continued growth and Applicant's expanded role in supporting its affiliates in the U.S., Applicant has outgrown its current office space and needs to expand its corporate offices to accommodate the growth. Today, it is impossible for Applicant to welcome all of its employees in the office at the same time – employees are doubled and tripled-up in offices, and are forced to manage a complex hybrid schedule between home and office. During

normal business operations, this situation has been less than optimal. With the added capacity restrictions imposed by Covid-19 mandates, it has become untenable to try to operate in limited office space. The Office Expansion project, which is the subject of the current Tax Incentive Application, is necessary to accommodate Applicant's growth in its current Buffalo location. Without the office expansion, employees will be relocated, some likely outside of NYS and others outside of Buffalo. This Office Expansion project would add 5,066 s/f to the existing 25,000+/- sf one-story office building. The capital investment is approximately \$1,100,000. The prime contractor under consideration, is a local contractor with local employees that has an established WMBE program and will engage WMBE subcontractors for the project.

Any consideration you can give to the Application is appreciated. If you require additional information about the project please contact me at the number listed above.

Thank you for your attention to this matter.

Very truly yours,



Suzanne Risman

617.20
Appendix B
Short Environmental Assessment Form

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information			
Name of Action or Project: Office Expansion			
Project Location (describe, and attach a location map): 2376 South Park Avenue, Buffalo, NY 14220			
Brief Description of Proposed Action: Applicant will expand its existing 26,866 s/f office location to add a 5066 s/f addition.			
Name of Applicant or Sponsor: Lactalis American Group, Inc.		Telephone: 716-394-1310	
		E-Mail: suzanne.risman@us.lactalis.com	
Address: 2376 South Park Avenue			
City/PO: Buffalo		State: New York	Zip Code: 14220
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input checked="" type="checkbox"/>
			YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: City of Buffalo Building Permit			NO <input type="checkbox"/>
			YES <input checked="" type="checkbox"/>
3.a. Total acreage of the site of the proposed action?		0.3581 acres	
b. Total acreage to be physically disturbed?		0.1163 acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		0.2584 acres	
4. Check all land uses that occur on, adjoining and near the proposed action.			
<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____			
<input type="checkbox"/> Parkland			

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: <u>Lactalis American Group, Inc.</u>		Date: <u>November 29, 2021</u>
Signature: _____		

Part 2 - Impact Assessment. The Lead Agency is responsible for the completion of Part 2. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept “Have my responses been reasonable considering the scale and context of the proposed action?”

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Will the proposed action result in a change in the use or intensity of use of land?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Will the proposed action impair the character or quality of the existing community?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Will the proposed action impact existing:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a. public / private water supplies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. public / private wastewater treatment utilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part 3 - Determination of significance. The Lead Agency is responsible for the completion of Part 3. For every question in Part 2 that was answered “moderate to large impact may occur”, or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

ECIDA _____ 1/21/2022 _____
Name of Lead Agency Date

Elizabeth A. Okeke _____ VP-Operations _____
Print or Type Name of Responsible Officer in Lead Agency Title of Responsible Officer

Elizabeth A. Okeke _____ _____
Signature of Responsible Officer in Lead Agency Signature of Preparer (if different from Responsible Officer)

PRINT

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**LACTALIS AMERICAN GROUP, INC., 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, January 26, 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 LACTALIS AMERICAN GROUP, INC., 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 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

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) the acquisition by the Agency of a leasehold interest in certain property located on 2376 South Park Avenue, City of Buffalo, Erie County, New York (the "Land"), (ii) the

construction on the Land of an approximately 5,066¹+/- SF office addition to the existing 26,856+/- SF facility situate on the Land (the “Existing Improvements”) to provide additional enhanced working conditions for the employees (the “Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land, the Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on December 28, 2021, at 9:00 a.m., at the Agency’s offices, at 95 Perry Street, Suite 403, Buffalo, NY 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 partial abatement from real property taxes benefit through a ten (10) year “payment in lieu of tax agreement” (the “PILOT Agreement”) with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes 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 and recommendations of the Project and its January 26, 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.

(I) Based upon a review of the Application and representations made by the Company to the Agency and the EAF, and the City of Buffalo Negative Declaration issued with respect to the Project pursuant to SEQR on December 20, 2021, the Agency finds and determines that: (i) the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) the Project will result in no major impacts to the land, air quality, surface water, noise, order and have no impacts on lighting, flora, fauna, critical environmental areas, historic or archeological resources, will have no impacts on transportation, will not impact flooding, based upon issuance of zoning variances the Project will only have a minor adverse impact upon the community character related to newly approved lot width and side yard setbacks, will not result in any impacts to human health or aesthetic resources, will not encourage or attract a large number of people to the site, will not involve changes in two or more elements of the environment, no one of which has a significant adverse impact on the environment, but when considered together, results in a substantial adverse impact, and the Project does not include two or more related actions undertaken, funded, or approved by an agency, none of which that has or would have a significant impact on the environment, but when considered cumulatively would meet one or more of the criteria for determining a significant impact, and therefore, the Project is one which may not cause significant damage to the environment; (iv) construction work and interior fit-out related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; and (vi) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action. The Agency thus issues a Negative Declaration pursuant to 6 N.Y.C.R.R. § 617.7 of the SEQR regulations, which concludes the Agency's uncoordinated review of the Project.

(J) 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) *Wage Rate (above median wage for area):* Average wages for its 333 full time staff equals \$86,535, exceeding the median wages for the area.

(ii) *Regional Wealth Creation (% sales/customers outside area):* 97% of sales are outside Erie County. Of particular note, 91% are outside NYS (89%) and the U.S. (2%).

(iii) *In Region Purchases (% of overall purchases):* 15% of purchases are made outside Erie County for the HQ back office operations.

(iv) *Supports Local Business or Cluster:* The HQ supports 8 manufacturing facilities including the South Park Avenue plant that employs 370 FTE. This manufacturing facility produces mozzarella, ricotta and whey. On average this plant processes 81,410,560 gallons of milk annually from 230 dairy farms located throughout WNY. This translated into more than \$145MM in annual purchases from WNY farms.

(v) *Retention/Flight Risk:* As the applicant is out of space for its employees, alternatives include employees being moved out of Erie County and possibly out of NYS

where applicant's affiliated companies have available office space in locations such as Chicago, Illinois and NYC.

(vi) *MBE/WBE Utilization:* Applicant's project and purchasing teams are required to utilize the NYS MBE/WBE certified contractors list prior to publishing jobs for bid to ensure the certified companies are included in the RFP and bid process. Applicant also requires via contract terms and conditions, that all of their contractors in NYS engage MBE/WBE to work on projects to the max extent possible.

(vii) *Workforce Access-Proximity to Public Transportation:* The project/company is located on South Park Avenue in the City of Buffalo with a major bus route and major connections in close proximity. NFTA bus routes include #14 and #16.

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 \$816,387, 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 \$71,433, 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

(iii) authorizes and approves that the real property tax abatement benefits (“PILOT benefits”) to be provided over the term of the PILOT Agreement are estimated to be approximately \$55,359, resulting in estimated total PILOT payments of \$159,365 over the term of the PILOT Agreement.

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 partial abatements from real property taxes 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 the partial abatement from real property taxes 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 the partial abatement from real property taxes 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 promptly pay over any such amounts to the Agency that the Agency demands.

(C) Commitments. 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 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 \$1,221,192 (which

represents the product of 85% multiplied by \$1,436,697, being the total project cost as stated in the Company's application for Financial Assistance).

- (ii) Employment Commitment – that there are at least 334 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 356 FTE employees [representing the sum of (x) 334 Baseline FTE and (y) 22 FTE employees, being the product of 85% multiplied by 27 (being the 27 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.

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) the PILOT Agreement and (E) 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; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

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: January 26, 2022



Lactalis Office Expansion

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	Office Expansion
Project Summary	Expansion of Lactalis' Corporate Headquarters location to add 5066 sf office addition to existing 26,865 sf ground floor office building. The addition is needed to accommodate recent and future growth to our back-office workforce, which currently supports 8 manufacturing facilities in the U.S. Over the last several months of the Covid-19 Pandemic, our company has experienced significant increases to product demand, which required us to hire additional staff. With us returning staff to the office, we are out of office space. In addition, we recently acquired Kraft's natural cheese division in Chicago. Much of the back office support for this new affiliate, will be performed in our Buffalo location and we will need to add staff. With this acquisition, coupled with recent and future growth, we have outgrown our current location and need to expand to accommodate the growth.
Applicant Name	Lactalis American Group, Inc.
Applicant Address	
Applicant Address 2	2376 South Park Avenue
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14220
Phone	(716) 394-1310
Fax	(716) 842-0717
E-mail	suzanne.risman@us.lactalis.com
Website	LactalisAmericanGroup.com
NAICS Code	3115

Business Organization

Type of Business	Corporation
Year Established	1980
State in which Organization is established	Delaware

Individual Completing Application

Name	Suzanne Risman
Title	General Counsel

Address 2376 South Park Avenue
Address 2
City Buffalo
State New York
Zip 14220
Phone (716) 394-1310
Fax (716) 842-0717
E-Mail suzanne.risman@us.lactalis.com

Company Contact (if different from individual completing application)

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

**Name of
Attorney**

Firm Name

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Benefits Requested (select all that apply)

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

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

Applicant Business Description

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

Applicant is a subsidiary of Group Lactalis, which is a global dairy company that owns and operates dairy manufacturing plants around the world, including in the U.S. The Buffalo, NY location is Applicant's U.S. headquarters and the site of the project ("Premises"). At the Premises, Applicant currently employs 335 back-office employees who support the U.S. operations. Directly across the street from the Premises, Applicant operates one of its four manufacturing plants where it employs 370 Full time employees for a combined workforce of more than 700 employees in Buffalo, NY. While at the Premises, Applicant provides back-office support to its manufacturing facilities, it also provides support to its affiliates. Our Buffalo manufacturing plant, produces mozzarella, ricotta and whey. On average this plant processes 81,410,560 Gallons of milk annually from 230 dairy farms located throughout WNY. This translates into more than \$145MM in annual milk purchases from WNY dairy farms. 95% of raw materials used in this plant are produced in NYS. Applicant is 100% owned by LAG Holding, Inc., a subsidiary of Group Lactalis.

Estimated % of sales within Erie County	3 %
Estimated % of sales outside Erie County but within New York State	6 %
Estimated % of sales outside New York State but within the U.S.	89 %
Estimated % of sales outside the U.S.	2 %

(*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?

15

Describe vendors within Erie County for major purchases

As part of a global family of companies, and having a national footprint, Applicant purchases goods and services locally, nationally and at a global level to leverage its buying power and gain economies of scale. Our annual operating expenses from this Buffalo location is \$726,306,835, outside of payroll expense for more than 700 employees. \$726,306,835 is spent within Erie County. Outside of payroll expense, our largest expense is milk, which is sourced from 39 dairy farmers in WNY. We use a variety of local service providers and contractors for our capital investment projects. We have cold storage facilities in Erie County where we spend more than \$650K annually. A major service provider in WNY is National Traffic Safety, which we use to manage our logistics invoices and payments. This vendor processes more than \$120 million in freight invoices annually.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

2376 South Park Avenue

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

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

SBL Number(s) for proposed Project

133.79-1-67

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

County 2021 = \$3,276.37; City 2021 \$11,188.52

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

Land

\$ 33,100

Building(s)

\$ 616,900

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

No

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

Existing Office Building and ancillary parking. From the applicant's Buffalo HQ location, applicant provides back-office support to Lactalis' family of affiliated companies across the U.S. which includes a total of 11 dairy manufacturing facilities. In the U.S., the Lactalis affiliated companies employ more than 2,000 employees.

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)

With the recent acquisition of Kraft natural cheese division and organic company growth, our workforce has out-grown our current HQ location. Since returning to the offices post Covid-19 shut-down, our employees have been forced to share offices sometime tripling the number of employees per office and/or forcing employees to work from remote locations. The additional 5066 s/f office addition to our existing 26,865 s/f one-story office building will allow us to have our employees in one building and hire additional employees needed to support U.S. operations from our Buffalo, NY facility.

Municipality or Municipalities of current operations

Buffalo

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

Yes

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

No

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

No

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

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

Yes

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

Applicant is currently out of space for its employees, due to business growth. Without this new space, there is a high probability that employees will be moved out of Erie County and possibly out of NYS where Applicant's affiliated companies have available office space including locations in Chicago, Illinois and New York City.

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

Applicant is currently out of space for its employees, due to business expansion. Without this new space, employees will be moved out of Erie County and possibly out of NYS where Applicant's affiliated companies have available office space including locations in Chicago, Illinois and New York City.

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)**

Buffalo HQ location supports the U.S. operations including 5 manufacturing plants, and also provides certain back-office support to its affiliated companies that operate another 6 manufacturing facilities, including our most recent Kraft natural cheese division acquisition. With the recent acquisition of Kraft natural cheese division and organic company growth, our workforce has out-grown our current HQ location. Since returning to the offices post Covid-19 shut-down, our employees have been forced to share offices sometime tripling the number of employees per office and/or forcing employees to work from remote locations. The additional 5066 s/f office addition to our existing 26,865 s/f one-story office building will allow us to have our employees in one building and hire additional employees needed to support U.S. operations from our Buffalo, NY facility.

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

No

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

Loss of corporate headquarters location and loss of 335 full-time corporate back-office employees.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Standard office equipment such as copiers.

Site Characteristics**Is your project located near public transportation?**

Yes

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

Project is located on South Park Avenue, a major bus route with major connections in close proximity. NFTA bus routes #14 & #16.

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

Mixed Use fringe. Allows for commercial, office and ancillary parking.

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?

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

It will be expansion to an existing building. All new lighting fixtures, windows and utilities will be energy efficient. You may also attach additional information about the machinery and equipment at the end of the application.

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

No

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

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

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales No

Services No

Please check any and all end uses as identified below.

3.) New Building addition(s)

\$ 1,158,995 5,066 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

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

\$ 236,887

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

\$ 40,815

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 1,436,697

Construction Cost Breakdown:

Total Cost of Construction \$ 1,158,995 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials \$ 579,500
% sourced in Erie County 70%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 816,387

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 71,433

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

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

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

If Yes, describe particulars: We have paid \$6,696 for architectural drawings.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$
Bank Financing: \$ 0
Tax Exempt Bond Issuance (if applicable): \$ 0
Taxable Bond Issuance (if applicable): \$ 0
Public Sources (Include sum total of all state and federal grants) \$ 0

and tax credits):

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) 0

Total Sources of Funds for Project Costs: \$0

Have you secured financing for the project? No

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing). 0

Lender Name, if Known

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

Real Property Tax Benefit:

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

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

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

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

Applicant's internal practices include use of MBE/WBE companies when available. Our Project managers and Purchasing team are required to utilize the NYS MBE/WBE maintained list of certified contractors prior to publishing jobs for bid. This helps ensure certified companies are included in the RFP and bid process. We also require via contract terms and conditions that all of our contractors in NYS engage MBE/WBE to work on our projects to the maximum extent possible. The prime contractor for the project has a policy that requires all of its local (Erie County) contracts include MWBE suppliers or subcontractors for approximately 9%-11% of its contract prices. This has been a standard practice for this contractor for a number of years.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Standard office equipment such as copiers.

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).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	333	333	27	21
Part time	2	2	0	0
Total	335	335	27	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	190	\$ 110,964	\$ 22,193	\$ 0	\$ 0
Professional	74	\$ 68,418	\$ 13,684	\$ 0	\$ 0
Administrative	62	\$ 41,004	\$ 8,201	\$ 21,711	\$ 0
Production	5	\$ 54,922	\$ 10,984	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	4	\$ 18,079	\$ 3,616	\$ 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.

No **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):

Address	N/A		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

33,533,749

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

86,535

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

21,710

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

93,458

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

0

Estimated salary range of jobs to be created

From (Full Time)	50,000	To (Full Time)	150,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

2376 South Park Avenue, Buffalo, NY 14220

Name and Address of Owner of Premises

Sorrento Lactalis, Inc., 2376 South Park Avenue, Buffalo, NY 14220

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

Premises is located on South Park Avenue, in a mixed use commercial district. The existing building is a 25,000+/- sf one-story office building with ancillary parking. There are no wetlands, coastlines, rivers, etc.

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

The existing 25,000+/- sf one-story office building, houses the back office support employees for Applicant's U.S. operations. The current employee parking on Premises, will be relocated to other off-street parking. Applicant recently acquired Kraft natural cheese division, which is located in Chicago. A significant portion of back-office support for the Chicago location will be performed in our Buffalo HQ location on South Park, which will require us to hire additional head-count.

Describe all known former uses of the Premises

Existing 25,000+/- sf one-story office building with ancillary parking.

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum,

petroleum-related products, solid and hazardous wastes or hazardous substances?

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

N/A

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

No

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

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

N/A

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility.

Occupant Name Lactalis American Group, Inc.
Address 2376 South Park Avenue, Buffalo, NY 14220
Contact Person Suzanne Risman
Phone (716) 394-1310
Fax (716) 842-0717
E-Mail suzanne.risman@us.lactalis.com
Federal ID # 39-1429105
SIC/NAICS Code 31-33

SS

Section VI: Retail Determination

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

Please answer the following:

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

No

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

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

2376 South Park Avenue

City/Town

Buffalo

State

New York

Zip Code

14220

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

<BLANK>

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

N/A

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

N/A

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large

enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

N/A

Section IX: Senior Housing

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

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

No



TO: ECIDA Board of Directors
DATE: January 26, 2022
RE: Amended and Restated Countywide Industrial Development Agency Uniform Tax Exemption Policy Draft

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

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

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

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



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

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

Summary of New UTEP Sections:

Section I: Eligible Applicants/Projects

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



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

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

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

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

General Revisions:

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

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



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

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

Countywide Industrial Development Agency Uniform Tax Exemption Policy

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

Amended and Restated as of _____, 202__

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

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

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

I. Eligible Applicants/Projects

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

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

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

B. **Retail Business.** Only certain Retail Business projects may be eligible to receive Financial Assistance in compliance with Section 862 of the New York General Municipal Law (“GML”). Applicants are strongly encouraged to consult Section 862 of the GML and the appropriate individual IDA if a proposed project involves the sale of goods or services to customers who personally visit the project site.

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

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

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

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

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

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

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

Below is a listing of the current tiered PILOT schedules:

A. Tier 1: Five Year PILOT Schedule

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

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

B. Tier 2: Seven Year PILOT Schedule

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

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

C. Tier 3: Ten Year PILOT Schedule

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

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

D. Tier 4: Renewable Energy PILOT Schedule

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

III. Exemption from Sales and Use Taxes

The IDAs maintain a policy for the provision of sales and use tax exemptions, being a 100% exemption from the New York State and local sales and use taxes related to the acquisition, construction, re-construction and equipping of any approved project, inclusive of rentals and all other elements of the Project qualifying for exemption. In coordination with an IDA, an Applicant must confirm the amount of sales and use tax exemption in connection with a qualified project. Operating and maintenance expenses are not eligible for a New York State and local sales and use tax exemption benefit.

IV. Exemption from Mortgage Recording Taxes

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

V. Deviation from the Uniform Tax Exemption Policy

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

VI. Intermunicipal Movement of Facility or Plant

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

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

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

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

C. A written response or acknowledgement from the chief elected officer of the Current Municipality will be sought with regard to the application for Financial Assistance, and any such response or acknowledgement will be included in the record to be considered by the IDA which has jurisdiction over the Proposed Municipality. This need not be a “sign-off” or an approval of the intermunicipal move. The chief elected officer of the Current Municipality and the Proposed Municipality (and their respective economic development designees) will be invited to address the IDA Board when it considers any such application for Financial Assistance.

VII. IDA Leadership Council

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

VIII. Effective Date

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

IX. Amendments

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

X. Policy Addendums

A. An IDA, by resolution of its members, and upon notice to all affected taxing jurisdictions as may be required by law, may approve a policy or policies unique to each such IDA as Policy Addendums that may be attached hereto and made a part hereof.

B. For Profit Market Rate Rental Senior Citizen Housing Policy enclosed within this Policy as Addendum A.

XI. Changes in Law

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

Addendum A

Uniform Tax Exemption Policy Erie County Industrial Development Agency

For-Profit Market Rate Rental Senior Citizen Housing Policy

Notwithstanding anything contained within the Countywide Industrial Development Agency Uniform Tax Exemption Policy to the contrary, for purposes of eligibility, “Senior Rental Housing” is defined as a multi-family housing structure where at least 90% of the units are rented to and occupied by a person who is 60 years of age or older. No benefits will be provided for units that are not available for rent as a Senior Rental Housing.

Market rate senior housing projects approved by ECIDA are eligible for a PILOT the equivalent of the 485(b) property tax incentive that includes all taxing jurisdictions, a sales tax exemption on equipment and construction materials, and a mortgage recording tax exemption. An enhanced or custom PILOT may be considered for certain small scale projects where a particular need is being filled in a small village or town that does not contain alternative senior citizen housing and where the local taxing jurisdiction has requested the enhanced or custom PILOT and there is a showing of unmet demand for senior housing within the taxing jurisdictions and no prospect of this demand being satisfied through normal market forces.

Projects will be evaluated under the following criteria:

1. If the project has received written support from the city, town or village government in which it is located;
2. The location of the project with particular emphasis on if the project is located within the town, village or city center or within a recognized hamlet.
3. If the project is consistent with the applicable municipal master plan
4. If the project advances efforts to create walkable neighborhoods and communities for seniors in proximity to important local amenities and services.
5. If an independent market study shows a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities.
6. If the project is located in areas of the Community where there are significant local resident populations that are at or below the median income level as defined by a 1-5 mile radius of the project site.
7. If the project provides amenities that are attractive to seniors and differentiates the project from standard market rate housing apartments including but not limited to:
 - Community rooms, including social/recreational activities
 - In facility senior specific services and amenities
 - Senior oriented fixtures and safety amenities (hand-rails, ramps, elevators, safety devices etc.)
 - Security, call systems
 - On site medical services.
8. Impediments to the ability to conventionally finance the project and the project’s rate of return.
9. The project is targeted at and will be at least 50% occupied by senior citizens whose income is at or below 60 to 80% of the median income for Erie County.