

**Erie County Industrial Development Agency
ECIDA Board Meeting
March 23, 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 the February 23, 2022 Meeting of the Membership (Action Item) (Pages 2-4)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 5-8)
- 3.2 Finance & Audit Committee Update (Informational) (Pages 9-10)
 - a) Committee Self-Evaluation (Informational) (Pages 11-15)
- 3.3 Audited Financial Statements (Action Item) (Pages 16-52)
- 3.4 2021 – Investment Report (Action Item) (Pages 53-55)
- 3.5 Governance Committee Report (Informational) (Pages 56-57)
 - a) Committee Self-Evaluation (Informational) (Pages 58-62)
 - b) Board of Directors Evaluation/Survey (Informational) (Page 63-65)
- 3.6 2022 Tax Incentives Induced/Closing Schedule/ Estimated Real Property Tax (Informational) (Page 66)
- 3.7 Approval of Board Certification of RLF Plan CARES ACT (Pages 67--69)
- 3.8 Agreement to Authorize Execution and Delivery of Community Development Block Grant Sub-Recipient Agreement (Pages 70-72)
- 3.9 Approval of Assignment of Assumption of START-UP NY Affiliation Agreement and related License Agreements (Pages 73-77)
- 3.10 Approval of Buffalo Niagara Partnership Diversity Equity and Inclusion Study Funding Request (Pages 78-79)
- 3.11 Policy Committee Update (Informational) (Pages 80-82)

4.0 Inducement Resolutions:

	ECIDA Incentives	Private Investment	Municipality
4.1 471 Elmwood Group, LLC (Pages 83-120)	\$122,500	\$3,590,000	Buffalo

5.0 Review and Adoption of Policies, Reports and Committee Charters: (Separate Package)

- 1. 2021 - Mission Statement, Performance Measures and Results (Action Item) (Pages 2-15)
- 2. 2022 - Mission Statement and Performance Measures (Action Item) (Pages 16-24)
- 3. 2021 - Public Authorities Report (Action Item) (Pages 25-92)
- 4. Fee Structure Policy (For ECIDA & ILDC Only) (Action) (Page 93)

Re-Adopt Policies & Charters

- 5. Board Member Compensation, Reimbursement & Attendance Policy (Action Item) (Page 94).
- 6. Code of Ethics & Conflict of Interest Policy (Action Item) (Pages 95-100)
- 7. Corporate Credit Card Policy (Action Item) (Pages 101-103)
- 8. Defense & Indemnification Policy (Action Item) (Page 104)
- 9. Employee Compensation Program (Action Item) (Pages 105-106)
- 10. Finance & Audit Committee Charter (Action Item) (Pages 107-111)
- 11. Governance Committee Charter (Action Item) (Pages 112-114)
- 12. Investment & Deposit Policy (Action Item) (Pages 115-122)
- 13. Procurement Policy (Action Item) (Pages 123-127)
- 14. Property Disposition Guidelines (Action Item) (Pages 128-134)
- 15. Real Property Acquisition Policy (Action Item) (Pages 135-136)
- 16. Sexual Harassment Policy (Action Item) (Pages 137-145)

17. Statement of Duties & Responsibilities of the Board of Directors (Action Item) (Pages 146-148)
18. Statement of the Competencies & Personal Attributes Required of Board Members (Action Item) (Page 149)
19. Travel, Conferences, Meals & Entertainment Policy (Action Item) (Pages 150-155)
20. Whistleblower Policy and Procedures (Action Item) (Pages 156-158)

6.0 Management Team Reports:

6.1 2021 Year in Review

7.0 Adjournment- Next Meeting April 27, 2022 (Annual Meeting)

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

- DATE:** February 23, 2022
- 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, Tyra Johnson, Richard Lipsitz, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche, Kenneth A. Schoetz and Paul Vukelic
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Hon. Brian Kulpa and Renee Wilson
- 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; Grant Lesswing, Director of Business Development; Andrew Federick, 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:** Maria Whyte, Deputy County Executive, Erie County

There being a quorum present at 12:02 p.m., the members of the Erie County Industrial Development Agency (the "ECIDA" or "Agency"), was called to order by Chair McDuffie.

MINUTES

The minutes of the January 26, 2022 meeting of the members were presented. Mr. Blue moved and Mr. Johnson seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

APPROVAL OF UTEP POLICY

Mr. Cappellino provided a PowerPoint explanation and presented a memorandum describing the history of the existing Countywide IDA Uniform Tax Exemption Policy (UTEP) as currently adhered to by the Agency, the Hamburg IDA, the Clarence IDA, the Lancaster IDA, and the Amherst IDA, the rationale for necessary changes to be made, described the consideration of and process for soliciting input from all of the Erie County IDAs to amend same, reviewed the proposed amended and restated Countywide IDA UTEP, and confirmed that a county wide zoom meeting reviewing the amended and restated Countywide IDA UTEP was presented to and held with all taxing jurisdictions within Erie County.

At this point in time, Mr. Nellis joined the meeting.

Mr. Poloncarz thanked ECIDA staff for their efforts. Mr. Poloncarz moved and Mr. Lipsitz seconded to approve the Amended and Restated Countywide IDA UTEP. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

**RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT
AGENCY APPROVING AND ADOPTING AN AMENDED AND RESTATED
COUNTYWIDE INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX
EXEMPTION POLICY**

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic provided a brief update regarding the 2021 year-end audit process. Our independent auditors, Freed Maxick, have been performing fully remote audits over the last few weeks. At this point we are awaiting the drafts of the financial statements. There haven't been any audit adjustments or other internal control issues brought to our attention during the audit. The financial statements and related reports will be reviewed in detail during the Finance & Audit Committee meeting on March 16, 2022. As a reminder, all board members are welcome to attend the Committee meeting. The final reports will be presented to the Board for approval at the March 23, 2022 meeting, for submission to the ABO prior to the March 31 deadline.

To give an update on how the IDA ended the 2021 financial year, the IDA recognized operating revenues of \$3.3M, including \$2.4M of Administrative Fees. This was 133% of our total Administrative Fee budget of \$1.8M. The year 2021 was the first year since 2017 that the IDA exceeded its Administrative Fee budget, and the highest Administrative Fee revenue since 2015 (\$3.75M including 4 bonds that year). ECIDA had net income from operations of approximately \$90,000 before "Strategic Investments and Initiatives". Included in that net income are expenditures of \$559,000 of PPE grant monies that were distributed in 2021 under the IDA's special program that sunset in June. \$5.3M of Federal CARES Act funding was passed through to the RDC for the CARES Act Revolving Loan Fund program. Strategic Investments of UDAG monies totaled \$183,000. Overall there was a net loss of approximately \$200,000 in 2021, which takes into account depreciation (\$116,000), PPE grants (\$559,000) and Strategic Initiatives (\$183,000). Additional information will be provided and reviewed when the 2021 audited financial statements are presented to the Board on March 23, 2022.

The IDA finished the month of January with total assets of \$30.4M, which includes \$7.3M of unrestricted cash (available for Agency operations), and \$19.5M of restricted cash (UDAG plus funds held on behalf of others). Liabilities totaled \$9.6M and net assets were \$20.8M at the end of January. The income statement shows an operating loss of \$64,000 for January. Operating revenue of \$171,000 was under budget by about \$54,000, due mainly to lower than budgeted administrative fee receipts during the month. Operating expenses of \$218,000 were about \$16,000 under budget. After Special Project grants and depreciation, there was a net loss of \$64,000 for the month. The year-to-date Income Statement is the same at this point, but also includes a comparison to January 2021. Ms. McDuffie directed that the report be received and filed.

Governance Committee. Ms. O’Keefe presented a review of the most recently completed governance committee meeting. Ms. McDuffie directed that the report be received and filed.

2022 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Ms. O’Keefe presented this report to the members. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update. Mr. Lipsitz presented the report of the most recently held Policy Committee meeting. Ms. McDuffie directed that the report be received and filed.

MANAGEMENT TEAM REPORT

CEDS Update. Mr. Cappellino provided an update to the members on the Management Team Report including an update on the CEDS plan, as so required by the Federal Economic Development Administration.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:37 p.m.

Dated: February 23, 2022

Gerald Manhard, Assistant Secretary

Erie County Industrial Development Agency
Financial Statements
As of February 28, 2022

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

February 28, 2022

	February 2022	January 2022	December 2021
ASSETS:			
Cash *	\$ 7,325,956	\$ 7,369,368	\$ 7,851,664
Restricted Cash & Investments *	19,522,121	19,474,237	19,656,732
Due from Affiliates	827,376	791,456	755,496
Due from Buffalo Urban Development Corp.	122,665	111,581	105,721
Other Receivables	174,853	130,295	35,629
Total Current Assets	<u>27,972,970</u>	<u>27,876,937</u>	<u>28,405,242</u>
Grants Receivable	738,473	863,473	863,473
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,144,083	1,154,083	1,164,083
Total Long-Term Assets	<u>2,389,441</u>	<u>2,524,441</u>	<u>2,534,441</u>
TOTAL ASSETS	<u>\$ 30,362,412</u>	<u>\$ 30,401,379</u>	<u>\$ 30,939,684</u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 158,158	\$ 144,494	\$ 452,629
Deferred Revenues	755,013	876,493	872,993
Funds Held on Behalf of Others	8,608,025	8,547,557	8,717,606
Total Liabilities	<u>9,521,196</u>	<u>9,568,544</u>	<u>10,043,228</u>
Net Assets	<u>20,841,216</u>	<u>20,832,834</u>	<u>20,896,455</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 30,362,412</u>	<u>\$ 30,401,379</u>	<u>\$ 30,939,684</u>

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

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of February 2022

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 53,228	\$ 154,583	\$ (101,355)
Affiliate Management Fees	44,850	45,125	(275)
Interest Income - Cash & Investments	276	1,042	(766)
Rental Income	19,789	16,975	2,814
Other Income	-	833	(833)
Total Revenues	118,143	218,558	(100,415)
EXPENSES:			
Salaries & Benefits	\$ 158,122	\$ 169,542	\$ (11,420)
General Office Expenses	29,474	22,630	6,844
Building Operating Costs	17,744	20,312	(2,568)
Professional Services	16,007	5,583	10,424
Public Hearings & Marketing	256	5,000	(4,744)
Travel, Mileage & Meeting Expenses	470	2,917	(2,447)
Other Expenses	438	625	(187)
Total Expenses	222,511	226,608	(4,097)
SPECIAL PROJECT GRANTS:			
Revenues	\$ 125,000	\$ 80,945	\$ 44,056
Expenses	(2,250)	(75,261)	73,011
	122,750	5,683	117,067
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:			
	18,382	(2,367)	20,749
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Bethlehem Steel Industrial Park Grant	-	(8,333)	8,333
Angola Ag Park Grant	-	(8,333)	8,333
	-	(16,667)	16,667
NET INCOME/(LOSS) BEFORE DEPRECIATION:			
	18,382	(19,033)	37,415
Depreciation	(10,000)	(10,000)	-
NET INCOME/(LOSS):	\$ 8,382	\$ (29,033)	\$ 37,415

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: February 28, 2022

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 154,228	\$ 309,167	\$ (154,939)	\$ 154,228	\$ 303,354	\$ (149,126)
Affiliate Management Fees	89,700	90,250	(550)	89,700	86,200	3,500
Interest Income - Cash & Investments	584	2,083	(1,499)	584	2,309	(1,725)
Rental Income	39,578	33,950	5,628	39,578	39,788	(210)
Other Income	5,000	7,667	(2,667)	5,000	-	5,000
Total Revenues	289,090	443,117	(154,026)	289,090	431,651	(142,561)
EXPENSES:						
Salaries & Benefits	323,036	339,083	(16,048)	323,036	288,583	34,453
General Office Expenses	50,880	45,260	5,620	50,880	40,909	9,971
Building Operating Costs	39,365	40,623	(1,258)	39,365	38,138	1,227
Professional Services	23,512	18,192	5,320	23,512	18,560	4,952
Public Hearings & Marketing	511	10,000	(9,489)	511	15,923	(15,411)
Travel, Mileage & Meeting Expenses	1,400	5,833	(4,433)	1,400	196	1,204
Other Expenses	1,657	1,250	407	1,657	746	911
Total Expenses	440,362	460,242	(19,879)	440,362	403,055	37,307
SPECIAL PROJECT GRANTS:						
Revenues	125,120	161,889	(36,769)	125,120	120	125,000
Expenses	(9,087)	(150,522)	141,435	(9,087)	(96,816)	87,729
	116,033	11,367	104,666	116,033	(96,696)	212,729
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ (35,239)	\$ (5,758)	\$ (29,481)	\$ (35,239)	\$ (68,100)	\$ 32,861
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (104,319)	\$ 104,319	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	-	(100,000)	100,000	-	(29,621)	29,621
Angola Ag Park Grant	-	(100,000)	100,000	-	(11,743)	11,743
Bethlehem Steel Industrial Park Grant Reimb	-	250,000	(250,000)	-	-	-
Buffalo Urban Development Corporation	-	(100,000)	100,000	-	-	-
Other Strategic Initiatives	-	(125,000)	125,000	-	-	-
	-	(279,319)	279,319	-	(41,364)	41,364
NET INCOME/(LOSS) BEFORE DEPREC:						
	(35,239)	(285,078)	249,839	(35,239)	(109,464)	74,225
Depreciation	(20,000)	(20,000)	-	(20,000)	(20,000)	-
NET INCOME/(LOSS):	\$ (55,239)	\$ (305,078)	\$ 249,839	\$ (55,239)	\$ (129,464)	\$ 74,225



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: March 23, 2022
Re: Finance & Audit Committee Report

In accordance with its Committee Charter, the Finance & Audit Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance and Audit Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on March 16, 2022. Committee members present were: Michael Szukala, Chair, Penny Beckwith, Allison DeHonney, Brian Kulpa, Glenn Nellis, Paul Vukelic, and William Witzleben. The following items were reviewed:

- 1) Freed Maxick CPAs Report including Draft 2021 Audited Financial Statements
The Agency’s auditors presented the Draft 2021 Audited Financial Statements for ECIDA, RDC, and ILDC (copies of which are included in respective Board packages).
 - The independent auditors expressed an unmodified (clean) opinion on the financial statements of all entities. This type of opinion indicates that the financial statements present fairly, in all material respects, the financial position of the corporations as of December 31, 2021 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
 - No uncorrected audit adjustments were noted.
 - No significant deficiencies or material weaknesses in internal controls noted.
- 2) Public Authorities Accountability Act (PAAA) 2021 Annual Report
The joint Finance & Audit Committee reviewed the PAAA 2021 Annual Report required under the Public Authorities Law and recommended that it be approved by their respective Boards.
- 3) 2021 Investment Reports
The joint Finance & Audit Committee reviewed the 2021 Investment Reports, which are required under the Public Authorities Law and recommended that they be approved by their respective Boards.
- 4) Investment and Deposit Policy (Re-adoption)
The joint Finance & Audit Committee reviewed the Investment and Deposit Policy and recommended that it be approved by their respective Boards.
- 5) Finance & Audit Committee Charter (Re-adoption)
The joint Finance & Audit Committee reviewed the joint Committee Charter and recommended that it be approved by their respective Boards.
- 6) Corporate Credit Card Policy (Re-adoption)
The joint Finance & Audit Committee approved the Corporate Credit Card policy and reviewed the card activity over the past year as required by the policy.
- 7) Finance & Audit Committee Self-Evaluation
The joint Finance & Audit Committee approved a report that documents the Committee’s activities for 2021 as required under the Public Authorities Law.

- 8) The Committee reviewed Management's Assessment of the Effectiveness of Internal Controls, a document prepared by management based on internal control processes and procedures of the organization. The document will be posted on the website as required by the ABO.
- 9) The Committee reviewed a document entitled "What's on the horizon for 2022?" by Deloitte's Center for Board Effectiveness to satisfy the educational requirements set forth in the Finance & Audit Committee Charter.
- 10) The Committee was presented a report of the corporate credit card usage over the past 12 months in accordance with the Corporate Credit Card Policy.

**Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County
Regional Development Corporation (RDC), and Buffalo and Erie County
Industrial Land Development Corporation (ILDC)**

2021 Finance & Audit Committee Self-Evaluation

Responsibilities of the Finance & Audit Committee:

The core responsibilities of the Finance & Audit Committee, as mandated under Section 2825 of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting, and regulatory compliance practices; (ii) maintaining, through regular meetings, direct communication between the members of the Agency and the Agency’s independent accountants and auditors; (iii) maintaining direct communication between members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Finance & Audit Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Finance & Audit Committee met on 3/17/21, 4/19/21, 8/18/21, 9/14/21, and 12/14/21.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
4. Were meeting notices and agendas prepared for each meeting and provided to Finance & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Did the Finance & Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below.
6. Did the Finance & Audit Committee: (a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, and provide oversight of the audit services provided by the independent auditor? (b) Establish procedures for the engagement of the independent auditors to provide permitted audited services? (c) Review and approve the Agency's audited financial statements, associated management letter, and all other auditor communications? (d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Agency? (e) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency and any issues that may have arisen during the audit? (f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	In March of 2021, Freed Maxick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/20. The auditors issued unmodified (clean) opinions that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the March 2021 meeting. The March 2021 audit reports did not identify any internal control deficiencies or material weaknesses.
8. Did the Finance & Audit Committee: (a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency? (b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing? (c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/24/21.
9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	On 3/17/21, the Committee reviewed an article entitled, "The Strategic Audit Committee: Navigating 2021" published by the Deloitte Center for Board Effectiveness.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Finance & Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance & Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reported its actions and recommendations to the Board following each meeting. On 3/24/21, the Audit & Finance Committee reported on its activities to the ECIDA Board of Directors. These activities included the: (1) Audit & Finance Committee self-evaluation; (2) Audit & Finance Committee Charter; (3) draft 2020 financial statements audited by Freed Maxick, CPAs; (4) Corporate Credit Card Policy; (5) 2020 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2020 Investment Reports.</p>

Finance & Audit Committee Self-Evaluation

Other Self-Evaluation Notes

In addition to the above:

- During its 3/17/21 meeting, the Committee reviewed drafts of the 2020 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2020 PAAA Annual Report, 2020 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, and the 2020 Finance & Audit Committee Self-Evaluation.
- During its 4/19/21 meeting, the Committee voted to recommend a bond refunding for the Joint Schools Construction Board.
- During its 8/18/21 meeting, ECIDA staff discussed the ECIDA, RDC, and ILDC budget review process and the timelines for obtaining approval for those budgets. The Committee also reviewed drafts of the 2022 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee also voted to approve an extension for Freed Maxick to provide auditing services to the ECIDA, RDC, and ILDC for the year ending 12/31/21.
- During its 9/16/20 meeting, the Committee voted to recommend insurance brokers following an RFQ for insurance brokerage services. The Committee also approved drafts of the 2022 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts for recommendation to their respective Boards.
- During its 12/14/21 meeting, Freed Maxick reviewed their 2021 Audit Plan for ECIDA, RDC, and ILDC. The Committee also voted to recommend a bond issuance for Buffalo Niagara Medical Campus.

DRAFT

REPORT TO THE BOARD OF DIRECTORS

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT
CORPORATION**

DECEMBER 31, 2021

XXXXX, 2022

To the Members of the Board of Directors
Erie County Industrial Development Agency
Buffalo and Erie County Industrial Land Development Corporation
Buffalo and Erie County Regional Development Corporation
95 Perry Street, Suite 403
Buffalo, New York 14203

Members of the Board:

We are pleased to present this report related to our audit of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Industrial Land Development Corporation (ILDC), and Buffalo and Erie County Regional Development Corporation (RDC), as of and for the year ended December 31, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for ECIDA/ILDC/RDC's financial reporting process.

This report is intended solely for the information and use of ECIDA/ILDC/RDC and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to be of service to ECIDA/ILDC/RDC.

Very truly yours,

Freed Maxick CPAs, P.C.

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Required Communications

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Generally accepted auditing standards (AU-C 260, *The Auditors Communications with Those Charge with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated January 4, 2022. Our audits of the financial statements do not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audits and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by ECIDA/ILDC/RDC. The ECIDA/ILDC/RDC did not adopt any significant new accounting policies nor have there been any changes in significant existing policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Significant Accounting Estimates."
Basis of Accounting	The financial statements were prepared on assumption that the entities will continue as a going concern.

Area	Comments
Audit Adjustments	There were no audit adjustments made to the original trial balances presented to us to begin our audit, other than those that are clearly trivial.
Uncorrected Misstatement	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communication Between Management and Our Firm	A copy of the representation letter provided to us by management is attached as Exhibit A.

**Erie County Industrial Development Agency
 Buffalo and Erie County Industrial Land Development Corporation
 Buffalo and Erie County Regional Development Corporation
 Summary of Significant Accounting Estimates
 Year Ended December 31, 2021**

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Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Depreciation of Property, Plant & Equipment (ECIDA & ILDC)	Management depreciates property, plant and equipment over the estimated lives of the assets.	Useful lives were assigned based on ECIDA/ILDC's useful life policy. Management was consistent in calculating depreciation based on the useful lives assigned to each asset.	The methods and lives used to estimate depreciation expense appears reasonable.
Allowance for Uncollectible Accounts	Management estimates collectability of receivables based on knowledge of past history. Due to a lack of collection history, management has established a 10% allowance on all loans issued with funds available from the CARES Act.	Management reviews prior year write-off information and loan payment histories and uses this to estimate the allowance needed in the current year for the ECIDA/ILDC/RDC. A 10% estimate is applied to the total balance in loan receivables at year-end for all CARES Act EDA loans issued.	Management's process to estimate the allowance for uncollectible accounts appears reasonable.
Investments (ECIDA)	Investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ECIDA recognizes investments in accordance with GASB Statement No. 72, "Fair Value Measurements" as it defines the fair value and establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels of Level 1, 2 or 3.	Management has described the valuation techniques used for valuing investments at fair value in the financial statements ECIDA Note 7. Additionally, management has broken out the investments into Level 1, 2 or 3 based upon the valuation hierarchy.	Management's process to evaluate fair value and establish the fair value hierarchy of investments appears reasonable.

The GASB has issued several statements not yet implemented by the ECIDA/ILDC/RDC. The ECIDA/ILDC/RDC's management has not yet determined the effect these Statements will have on the ECIDA/ILDC/RDC's financial statements. However, the ECIDA/ILDC/RDC plans to implement all standards by the required dates. The Statements which might impact the ECIDA/ILDC/RDC are as follows:

Summary of GASB Statement No. 87, Leases

This Statement issued in June 2017 will be effective for ECIDA/ILDC/RDC with its fiscal year ending December 31, 2022. This Statement better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

Summary of GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period

This Statement issued in June 2018 will be effective for ECIDA/ILDC/RDC beginning with its fiscal year ending December 31, 2022. The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of GASB Statement No. 89 are effective for financial periods beginning after December 15, 2021. Earlier application is encouraged.

Summary of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This Statement issued in May 2020 will be effective for the ECIDA beginning with its fiscal year ending December 31, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.



XXXX, 2022

The Finance & Audit Committees, Boards of Directors, and Management
Erie County Industrial Development Agency
Buffalo and Erie County Regional Development Corporation
Buffalo and Erie County Industrial Land Development Corporation

In planning and performing our audits of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation, and Buffalo and Erie County Industrial Land Development Corporation (collectively, ECIDA/ILDC/RDC), as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the separate financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Finance & Audit Committees, Boards of Directors, and others within ECIDA/ILDC/RDC. It is not intended to be, and should not be, used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

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**EXHIBIT A – SIGNIFICANT WRITTEN COMMUNICATION
BETWEEN MANAGEMENT AND OUR FIRM**

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AUDITED FINANCIAL STATEMENTS

**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

DECEMBER 31, 2021

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FINANCIAL SECTION

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

**December 31, 2021
(UNAUDITED)**

Erie County Industrial Development Agency (ECIDA) is a public benefit corporation that provides tax incentives, financing programs, international trade assistance, land development and other economic development services to the City of Buffalo (the City) and Erie County, New York (the County). In accomplishing its mission, ECIDA does not receive any operational funding from Federal, State, County or local sources. Instead, ECIDA relies primarily upon administrative fees charged to those businesses that utilize its products and services.

As a public benefit corporation, ECIDA is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, ECIDA is required to present management's discussion and analysis (MD&A) to assist readers in understanding ECIDA's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ECIDA as of and for the years ended December 31, 2021, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with ECIDA's audited financial statements.

In 2021 the ECIDA was again impacted by the COVID-19 pandemic and state of emergency declaration in New York State. ECIDA worked diligently with economic development partners in Erie County to provide assistance and support to businesses negatively impacted by the pandemic. In 2020, certain sections of New York State General Municipal Law were amended and allowed industrial development agencies in the State to provide financial assistance in the form of loans and/or grants to eligible small businesses and not-for-profit corporations in an effort to alleviate the financial hardship caused by the COVID-19 pandemic. ECIDA established a COVID-19 Disaster Emergency Grant Program in July 2020, with an initial funding allocation of \$500,000 of ECIDA general funds. An additional funding allocation of \$500,000 was approved in January 2021. The program sunset with the end of the emergency declaration in New York State. Several references are made in this MD&A to the pandemic and ECIDA grant program.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Statements of Net Position** – The statements of net position show the reader what ECIDA owns (assets and deferred outflows of resources) and what ECIDA owes (liabilities and deferred inflows of resources). The difference between ECIDA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) can be one way to measure ECIDA's financial position. Over time, increases or decreases in ECIDA's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** – This statement reports ECIDA's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ECIDA's operating results for the year.
- 3) **Statements of Cash Flows** – This statement reports ECIDA's cash flows from operating, capital and related financing, and investing activities.

Financial Highlights

- ECIDA's total net position decreased by 1% from \$21,098,000 in 2020 to \$20,897,000 in 2021.
- ECIDA experienced an overall decrease in net position of \$201,000 in 2021 compared to an decrease of \$1,524,000 in 2020.
- Administrative fees, a key source of revenue for ECIDA, increased 31% from \$1,850,000 in 2020 to \$2,419,000 in 2021.
- Net special project grants increased to a loss of \$743,000 in 2021, from a loss of \$1,363,000 in 2020.
- Operating expenses increased 1% from \$2,747,000 in 2020 to \$2,764,000 in 2021.

Condensed Comparative Financial Statements:

1. Statements of Net Position:

The following table (Table 1) presents condensed comparative financial information and was derived from the audited statements of net position of ECIDA.

Table 1
Statements of Net Position at December 31, 2021, 2020 and 2019
(Amounts in thousands)

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Assets:					
Cash	\$ 18,638	\$ 18,670	\$ (32)	0%	\$ 19,023
Loans receivable, net of allowance	-	-	-	0%	56
Capital assets, net	1,164	1,249	(85)	-7%	1,358
Other assets	2,268	2,088	180	9%	1,722
Restricted cash	8,870	6,289	2,581	41%	7,939
Total assets	\$ 30,940	\$ 28,296	\$ 2,644	9%	\$ 30,098
Liabilities:					
Current liabilities	\$ 1,325	\$ 1,064	\$ 261	25%	\$ 691
Funds held on behalf of others	8,718	6,134	2,584	42%	6,786
Total liabilities	10,043	7,198	2,845	40%	7,477
Net position:					
Investment in capital assets	1,164	1,249	(85)	-7%	1,358
Restricted	11,435	11,647	(212)	-2%	13,009
Unrestricted	8,298	8,202	96	1%	8,255
Total net position	20,897	21,098	(201)	-1%	22,622
Total liabilities and net position	\$ 30,940	\$ 28,296	\$ 2,644	9%	\$ 30,099

Cash – ECIDA's cash balance decreased \$32,000 (less than 1%) due mainly to an increase in receivables of \$195,000. The decrease in cash from 2019 to 2020 was a result of an increase in receivables of \$524,000.

Loans Receivable – Loans receivable represents conduit receivables. The final conduit loan repayments were received during 2020.

Restricted Cash (Funds held on behalf of others) – Restricted cash consists primarily of funds held on behalf of others including the Buffalo Brownfields Redevelopment fund, Regional Redevelopment fund and PILOT Increment Financing (PIF) funds. The 2019 balance also included investment sales proceeds held in escrow. The \$2,581,000 or 41% increase was due to continued PILOT payments into PIF funds and the establishment of a new PIF fund in 2021. The \$1,650,000 or 21% decrease from 2019 to 2020 was due to a decrease in the sales proceeds held in escrow of \$1,000,000 and a decrease of \$762,000 in the Buffalo Brownfields Redevelopment Fund.

Other Assets – Other assets include ECIDA’s grants receivable, venture capital investments, affiliate receivables, prepaid expenses, and other receivables. The increase in other assets of \$180,000 from 2020 to 2021 is primarily due to an increase in affiliate receivables of \$178,000. The increase in other assets between 2019 and 2020 related mainly to an increase in grants receivable.

Current Liabilities – The \$261,000 increase in current liabilities from 2020 to 2021 is primarily due to a \$227,000 increase in accounts payable, plus a \$48,000 increase in unearned revenue related to grant funds awarded but not yet expended. The increase in current liabilities between 2019 and 2020 related to an increase in unearned revenue of \$581,000 and a decrease in accounts payable of \$137,000.

2. Change in Net Position:

The following table (Table 2) presents condensed, comparative financial information and was derived from ECIDA’s audited statements of revenues, expenses, and changes in net position.

Table 2
Change in Net Position for the Years ended December 31, 2021, 2020 and 2019
(Amounts in thousands)

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Revenue:					
Administrative fees	\$ 2,419	\$ 1,850	\$ 569	31%	\$ 1,591
Affiliate management fees	419	387	32	8%	363
Other income	459	439	20	5%	388
Total revenue	\$ 3,297	\$ 2,676	\$ 621	23%	\$ 2,342
Expenses:					
Salaries and benefits	\$ 1,905	\$ 2,004	\$ (99)	-5%	\$ 1,982
General and administrative	741	625	116	19%	726
Depreciation and other	118	118	-	0%	119
Total expenses	2,764	2,747	17	1%	2,827
Operating income (loss) before special project grants	533	(71)	604	-851%	(485)
Special grants and nonoperating revenue					
Net special project grants	(743)	(1,363)	620	-45%	853
Investment income (loss)	2	(127)	129	-102%	32
Interest income	7	37	(30)	-81%	107
Change in net position	\$ (201)	\$ (1,524)	\$ 1,323	-87%	\$ 507

3. Revenue Analysis:

Administrative Fees – Administrative fees are primarily collected from the issuance of various forms of tax abatements and tax-exempt financing. Fees for tax abatements are based on the amount of project investment. ECIDA relies on these fees to cover its operating costs; however, the amount of fees collected in any given year is largely dependent upon the local economic climate and the timing between project approval and project commencement. Administrative fees increased \$569,000 or 31% in 2021 primarily due to an increase in the number of projects induced (22 in 2021 compared to 14 in 2020), with an average project investment of over \$20 million. Administrative fees were collected related to 31 different projects in 2021, compared to 21 projects in 2020, signaling an increase in development activity.

Affiliate Management Fees – Affiliate management fees represent salaries and overhead costs charged to the following ECIDA affiliates for services that ECIDA’s employees provide to these organizations:

- Buffalo & Erie County Regional Development Corporation (RDC) – a lending corporation affiliated with ECIDA.
- Buffalo & Erie County Industrial Land Development Corporation (ILDC) – a land development corporation affiliated with ECIDA.

The following table (Table 3) illustrates the amounts charged to ECIDA’s affiliated corporations in 2021 with comparisons for 2020 and 2019:

Table 3
Affiliate Management Fees for the Years ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Affiliate Management Fees Charged:					
RDC	\$ 295	\$ 292	\$ 3	1%	\$ 302
ILDC	124	95	29	31%	61
Total Affiliate Management Fees	\$ 419	\$ 387	\$ 32	8%	\$ 363

Affiliate management fees charged to RDC increased \$3,000 or 1% primarily due to increased salary and benefit costs. Those charged to ILDC increased \$29,000 or 31% due to an increase in ECIDA staff time spent on ILDC’s projects during 2021. The micro-loan fund managed by ILDC had a significant increase in activity in 2021, and the ECIDA hired a project manager to oversee the ongoing development projects.

Other Income – Other income is comprised of rental income, international division revenues, loan interest, and miscellaneous income. The increase of \$20,000 or 5% in 2021 is due mainly to an increase in rental income related to one of ECIDA’s properties, which can vary from year to year. The increase in 2020 from 2019 related to an increase in rental income related to the same property.

4. Expense Analysis:

Salaries and Benefits – Decrease of \$99,000 in 2021 is primarily due to a \$36,000 decrease in accrued leave, a \$54,000 decrease in employee performance incentive costs, and a \$16,000 decrease in employee pension contributions. The Agency did not pay a performance incentive in 2021. Many employees ended 2020 with larger than usual accrued leave balances, which contributed to a decrease in expense in 2021. Pension contributions decreased due to newly hired employees not yet meeting eligibility requirements. These decreases were offset by a \$6,000 increase in payroll expense.

General and Administrative – In 2021, General and Administrative expenses increased \$116,000 from \$625,000 to \$741,000. Key expense differences in 2021 include the following:

- Consultant costs increased \$84,000. \$34,000 was paid as part of a contract for the required Comprehensive Economic Development Strategy (CEDS) update started in 2021. A total of \$39,000 was also paid to three recruiting firms that assisted with the placement of three new hires in 2021.
- Insurance costs increased \$31,000 because of overall market increases.
- Public notice costs increased \$17,000 due to an increase in projects in 2021. These costs relate to required notices for each project brought before the Agency board.

Depreciation – Depreciation expense was consistent at \$118,000 from 2020 to 2021.

Net Special Project Grants – Net Special Project Grants increased from a net loss of \$1,363,000 in 2020 to a net loss of \$743,000 in 2021. ECIDA established a COVID-19 Personal Protective Equipment (PPE) Grant program in 2020 in response to the state of emergency declared in New York State. \$559,000 of grants were expended in 2021. The ECIDA also granted \$213,000 to the ILDC to support carrying costs of property owned. In 2020, ECIDA granted \$855,000 to ILDC for the acquisition of property at the former Angola Airport site.

Investment Income (Loss) – The investment loss of \$127,000 in 2020 was due to a valuation decrease of one of ECIDA’s venture capital investments.

5. Budget Analysis:

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 28, 2020. The following table (Table 4) presents an analysis of ECIDA’s performance compared to the approved 2021 budget.

Table 4
Budget to Actual Analysis for the year ended December 31, 2021
(Amounts in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenue:				
Administrative fees	\$ 2,419	\$ 1,800	\$ 619	34%
Affiliate management fees	419	407	12	3%
Other income	459	486	(27)	-6%
Total revenue	3,297	2,693	604	22%
Expenses:				
Salaries and benefits	1,905	1,953	(48)	-2%
General and administrative	741	705	36	5%
Depreciation and other	118	130	(12)	-9%
Total expenses	2,764	2,788	(24)	-1%
Operating loss before special project grants	533	(95)	628	-661%
Net special project grants	(744)	(2,891)	2,147	-74%
Investment income (loss)	2	-	2	100%
Interest income	7	40	(33)	-83%
Change in net position	\$ (202)	\$ (2,946)	\$ 2,744	-93%

Budget to Actual Analysis:

Overall, ECIDA exceeded its budgeted decrease in net position for 2021 by \$2,744,000. Total revenue was \$604,000, or 22%, above the budgeted amount due to both administrative fees and affiliate management fees in excess of budgeted amounts. Total expenses were \$24,000, or 1%, below budget. Net special project grants had a positive variance of \$2,147,000 as some of the budgeted special projects were not funded in 2021, including \$1,000,000 of venture capital activity and \$1,000,000 for a forgivable attraction loan, which were included in the budget as a placeholder. Interest income fell \$33,000 below budget, due to continued decreases in interest rates as a result of the COVID-19 pandemic.

6. Economic Factors Impacting ECIDA:

ECIDA relies extensively upon administrative fees to generate the majority of its annual revenue. As a result of current uncertain economic conditions and potential legislative/board actions, ECIDA's ability to generate the administrative fees necessary to support operations may be limited in the future.

7. Requests for Information:

This financial report is designed to provide a general overview of ECIDA's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ECIDA at (716) 856-6525. General information relating to ECIDA can be found at its website, www.ecidany.com.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENTS OF NET POSITIONS
 FOR THE YEARS ENDED DECEMBER 31,

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ASSETS	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 18,638,374	\$ 18,669,826
Receivables		
Affiliates	755,495	577,111
Grants	863,473	831,498
Other	111,804	126,734
Prepaid expenses	29,547	45,558
Total current assets	<u>20,398,693</u>	<u>20,250,727</u>
Noncurrent assets:		
Capital assets, net	1,164,083	1,249,227
Investments	506,886	506,886
Restricted cash	8,870,022	6,289,218
Total noncurrent assets	<u>10,540,991</u>	<u>8,045,331</u>
Total assets	<u>\$ 30,939,684</u>	<u>\$ 28,296,058</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 302,018	\$ 74,652
Accrued expenses	150,611	164,444
Unearned revenue	872,994	825,000
Total current liabilities	<u>1,325,623</u>	<u>1,064,096</u>
Noncurrent liabilities:		
Funds held on behalf of others	8,717,606	6,134,119
Total noncurrent liabilities	<u>8,717,606</u>	<u>6,134,119</u>
Total liabilities	10,043,229	7,198,215
NET POSITION		
Investment in capital assets	1,164,083	1,249,227
Restricted	11,434,813	11,646,524
Unrestricted	8,297,559	8,202,092
Total net position	<u>20,896,455</u>	<u>21,097,843</u>
Total liabilities and net position	<u>\$ 30,939,684</u>	<u>\$ 28,296,058</u>

See accompany notes

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED DECEMBER 31,

DRAFT

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Administrative fees	\$ 2,419,283	\$ 1,850,078
Affiliate management fees and related income	419,100	387,152
Rental income	332,727	287,717
Other income	126,161	150,651
Total operating revenues	<u>3,297,271</u>	<u>2,675,598</u>
Operating expenses:		
Salaries and benefits	1,905,312	2,003,970
General and administrative	741,076	624,717
Depreciation	116,449	117,025
Other expenses	1,060	973
Total operating expenses	<u>2,763,897</u>	<u>2,746,685</u>
Operating income (loss) before special project grants	533,374	(71,087)
Special project grants:		
Revenues	5,484,283	112,937
Expenses	<u>(6,228,502)</u>	<u>(1,475,907)</u>
Net loss from special project grants	<u>(744,219)</u>	<u>(1,362,970)</u>
Operating loss	(210,845)	(1,434,057)
Nonoperating revenues (expenses):		
Investment income (loss)	2,425	(127,175)
Interest income	7,032	37,085
Total nonoperating revenues (expenses)	<u>9,457</u>	<u>(90,090)</u>
Change in net position	(201,388)	(1,524,147)
Net position - beginning of year	<u>21,097,843</u>	<u>22,621,990</u>
Net position - end of year	<u>\$ 20,896,455</u>	<u>\$ 21,097,843</u>

See accompany notes

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31,

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	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from fees and rental income	\$ 2,766,940	\$ 2,137,710
Cash received from special project grants	5,500,302	194,166
Cash received from affiliates and other sources	366,877	514,343
Payments to employees, suppliers, and other	(2,417,904)	(2,750,975)
Payments for special project grants	(6,228,502)	(1,475,907)
Net cash used by operating activities	<u>(12,287)</u>	<u>(1,380,663)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(31,305)	(8,148)
Net cash used by capital and related financing activities	<u>(31,305)</u>	<u>(8,148)</u>
Cash flows from investing activities:		
Change in restricted cash, net of funds held on behalf of others	2,683	998,404
Cash received from equity investments	2,425	-
Interest	7,032	37,085
Net cash provided by investing activities	<u>12,140</u>	<u>1,035,489</u>
Net decrease in cash and cash equivalents	<u>(31,452)</u>	<u>(353,322)</u>
Cash and cash equivalents - beginning of year	<u>18,669,826</u>	<u>19,023,148</u>
Cash and cash equivalents - end of year	<u>\$ 18,638,374</u>	<u>\$ 18,669,826</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (210,845)	\$ (1,434,057)
Adjustment to reconcile loss from operations to net cash used by operating activities:		
Depreciation expense	116,449	117,025
Increase in receivables	(195,429)	(523,609)
Decrease in prepaid expenses	16,011	30,560
Increase (decrease) in accounts payable	227,366	(136,990)
Decrease in accrued expenses	(13,833)	(14,885)
Increase in unearned revenue	47,994	581,293
Net cash used by operating activities	<u>\$ (12,287)</u>	<u>\$ (1,380,663)</u>

See accompany notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Erie County Industrial Development Agency (ECIDA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The ECIDA's significant accounting policies are described below.

A. REPORTING ENTITY

Erie County Industrial Development Agency (ECIDA) was created in 1970 by an act of the Legislature of the State of New York (the State) for the purpose of encouraging financially sound companies to establish themselves and prosper in Erie County (the County).

ECIDA has related party relationships with Buffalo and Erie County Industrial Land Development Corporation (ILDC) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel and RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment, innovation, workforce development and international trade resulting in a successful business climate focused on growth, economic stability, job creation and retention for businesses and individuals which improves the quality of life for the residents of the region.

B. BASIS OF PRESENTATION

Revenues from administrative fees, management fees, rental income and interest on loans are reported as operating revenues. All expenses related to the ECIDA are reported as operating expenses. Interest income and realized and unrealized gains are reported as nonoperating revenues and expenses, as appropriate.

When both restricted and unrestricted resources are available for use, it is the ECIDA's policy to use restricted resources first, then unrestricted resources as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The ECIDA is reported as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the ECIDA are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Nonexchange transactions, in which the ECIDA gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the year in which all eligibility requirements have been satisfied.

D. TAX INCENTIVE TRANSACTIONS

ECIDA maintains an economic development incentive program to provide sales, property, and/or mortgage recording tax benefits for qualified construction, renovation, or expansion projects or other economic development activities within Erie County. Under this program, ECIDA may take title to or a leasehold interest in the real and/or personal property involved in the project for the term of the incentive period. ECIDA simultaneously leases the property under a lease agreement to the company undertaking the project (lessee). ECIDA receives administrative fees from the lessee for providing these tax incentives which are recognized according to the terms of the fee agreement.

ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects. These bonds are obligations of the borrower. Since ECIDA has no obligation to repay the principal and interest of such bonds, they are not reflected as liabilities in the accompanying financial statements. ECIDA receives bond issuance fees from the borrower for providing this service. ECIDA also has a shared services agreement with ILDC under which administrative and staffing services are provided to ILDC in connection with its bond issuances to nonprofit organizations in exchange for the related bond issuance fees received by ILDC. Such fees totaled \$0 and \$382,050, respectively, for the years ended December 31, 2021 and 2020.

E. CASH AND CASH EQUIVALENTS

The ECIDA's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

F. RESTRICTED ASSETS

Certain assets are classified on the Statements of Net Position as restricted because their use is limited. See Note 5 for the detail of restricted cash.

G. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

H. CAPITAL ASSETS

Capital assets are recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements are expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. Contributed capital assets are recorded at fair value at the date received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the ECIDA are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Furniture and equipment	\$ 1,000	Straight-line	3-10 years
Buildings and improvements	1,000	Straight-line	5-40 years

In 1989, ECIDA developed a public warehouse and trans-shipment facility (the Port Terminal Facility) at the Gateway Metroport facility in the City of Lackawanna. The Port Terminal Facility provides enclosed storage facilities and materials handling services for the trans-shipment of goods by water, rail and truck. The facility is owned by ECIDA and is operated by Gateway Trade Center, Inc. Rental property is recorded at cost which includes all costs incurred during the development stage, net of accumulated depreciation. Port Terminal Facility rental property assets are fully depreciated.

ECIDA also owns its former office space at 143 Genesee Street. This property is recorded at cost and leased to a third party.

I. INVESTMENTS

Investments include venture capital investments made by ECIDA in order to spur local economic growth. The Urban Development Action Grant (UDAG) and General Accounts include venture capital investments that are recorded at the lesser of cost or fair value.

J. INSURANCE

The ECIDA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three years.

K. GRANTS

Grants are recognized at the time awarded, with timing differences resulting from funds spent and earned. ECIDA receives special project grants from various Federal, State and County governments.

L. NET POSITION

Equity is classified as net position and displayed in three components:

- a. *Investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. *Restricted* - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by Federal Urban Development Action Grants (UDAG).
- c. *Unrestricted* - The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by ECIDA.

M. STATEMENTS OF CASH FLOWS

For the purposes of the statement of cash flows, the ECIDA considers all cash to be unrestricted including demand accounts and certificates of deposit with an original maturity of generally three months or less.

N. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

O. ACCOUNTING PRONOUNCEMENTS

The following are GASB Statements that have been issued recently and are currently being evaluated, by the ECIDA, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

NOTE 2 - CASH AND INVESTMENTS

ECIDA's investment policies are governed by State statutes. In addition, ECIDA has its own written investment policy. ECIDA monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the State. ECIDA is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and its agencies, repurchase agreements and obligations of the State and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

As of December 31, 2021 and 2020, the ECIDA aggregate bank deposits were considered fully collateralized.

Investment and Deposit Policy

ECIDA follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of ECIDA's Chief Financial Officer.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. ECIDA's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

ECIDA's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. ECIDA's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with ECIDA's investment and deposit policy, all deposits of ECIDA including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Corporation (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. ECIDA restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by the State of New York and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

NOTE 3 - LOANS RECEIVABLE

Loans are made to local businesses, with UDAG monies under certain restrictions, to complement private financing at a 4% interest rate with varying repayment terms. All loans are classified as commercial loans. Loans in non-accrual status are fully reserved.

During 2013, the ECIDA provided a \$1,000,000 forgivable loan to a manufacturing company. Half of that amount was immediately forgiven and the other \$500,000 will be forgiven in \$100,000 installments from 2019 through 2023 as long as the borrower maintains minimum employment requirements as set forth in the agreement. In 2021 this agreement was amended to extend the forgiveness period through 2024 due to effects of COVID-19 on the borrower's workforce. The portion not immediately forgiven is included in loans receivable and fully recognized in the allowance for uncollectible loans.

During the 2019 year, the ECIDA established an allowance for uncollectible loans amounting to \$400,000. There was no change to the allowance as of December 31, 2021.

NOTE 4 - GRANTS RECEIVABLE

The following is a summary of grants receivable at December 31:

	<u>2021</u>	<u>2020</u>
Buffalo Southern Railroad - 2017 PFRAP		
Rail Improvement	\$ 140	\$ 140
Sumitomo Dunlop Rail - PFRAP	6,358	6,358
National Grid - Zero Net Energy Building	125,000	125,000
EDA - Comprehensive Economic		
Development Strategy	50,000	-
Bethlehem Shoreline Enhancement	92,119	-
Bethlehem Water and Sewer Design	589,856	700,000
Total	<u>\$ 863,473</u>	<u>\$ 831,498</u>

NOTE 5 - FUNDS HELD ON BEHALF OF OTHERS AND OTHER RESTRICTED CASH

ECIDA acts as a fiduciary for certain cash held for various development activities. ECIDA disburses these funds when given the appropriate authorization. The funds include:

	<u>2021</u>	<u>2020</u>
Erie County Regional Redevelopment Fund	\$ 1,846,057	\$ 1,528,292
Buffalo Brownfields Redevelopment Fund	561,316	217,484
Jemal's Seneca Fund	348,142	-
Seneca Street Corridor Fund	2,304,585	1,657,749
Main Street Improvement Fund	3,657,506	2,730,594
Total funds held on behalf of others	<u>8,717,606</u>	<u>6,134,119</u>
Other restricted cash:		
Railway Trust Fund	<u>152,416</u>	<u>155,099</u>
Total restricted cash	<u>\$ 8,870,022</u>	<u>\$ 6,289,218</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for ECIDA for the year ended December 31, 2021 was as follows:

	Balance 01/01/2021	Increases	Decreases	Balance 12/31/2021
Capital assets not being depreciated:				
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Capital assets being depreciated:				
Land improvements	1,106,386	-	-	1,106,386
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	471,536	31,305	32,696	470,145
Total capital assets, being depreciated	<u>4,325,411</u>	<u>31,305</u>	<u>32,696</u>	<u>4,324,020</u>
Less accumulated depreciation:				
Land improvements	825,348	54,528	-	879,876
Buildings	1,990,421	36,043	-	2,026,464
Furniture and equipment	427,815	25,878	32,696	420,997
Total accumulated depreciation	<u>3,243,584</u>	<u>116,449</u>	<u>32,696</u>	<u>3,327,337</u>
Total capital assets being depreciated, net	<u>1,081,827</u>	<u>(85,144)</u>	<u>-</u>	<u>996,683</u>
Total capital assets, net	<u>\$ 1,249,227</u>	<u>\$ (85,144)</u>	<u>\$ -</u>	<u>\$ 1,164,083</u>

Capital asset activity for ECIDA for the year ended December 31, 2020 was as follows:

	Balance 01/01/2020	Increases	Decreases	Balance 12/31/2020
Capital assets not being depreciated:				
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Capital assets being depreciated:				
Land improvements	1,106,386	-	-	1,106,386
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	463,388	8,148	-	471,536
Total capital assets, being depreciated	<u>4,317,263</u>	<u>8,148</u>	<u>-</u>	<u>4,325,411</u>
Less accumulated depreciation:				
Land improvements	770,820	54,528	-	825,348
Buildings	1,954,378	36,043	-	1,990,421
Furniture and equipment	401,361	26,454	-	427,815
Total accumulated depreciation	<u>3,126,559</u>	<u>117,025</u>	<u>-</u>	<u>3,243,584</u>
Total capital assets being depreciated, net	<u>1,190,704</u>	<u>(108,877)</u>	<u>-</u>	<u>1,081,827</u>
Total capital assets, net	<u>\$ 1,358,104</u>	<u>\$ (108,877)</u>	<u>\$ -</u>	<u>\$ 1,249,227</u>

NOTE 7 - INVESTMENTS

The ECIDA's investments consisted of the following at December 31:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Equity interest	\$ 913,136	\$ 506,886	\$ 913,136	\$ 506,886

In accordance with GASB Statement No. 72 Fair Value Measurement and Application, investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date. GAAP establishes a framework for measuring fair value of assets and liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Valuation is based on quoted prices (unadjusted) in active markets for identical assets or liabilities in active markets that the ECIDA has ability to access.
- Level 2: Valuation is based upon quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Valuation is based upon unobservable inputs that are significant to the fair value measurement.

Where quoted prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, fair values are estimated using quoted prices of securities with similar characteristics or inputs other than quoted prices that are observable for the security, and would be classified within Level 2 of the valuation hierarchy. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities would be classified within Level 3 of the valuation hierarchy.

Following is a description of the valuation methodology used at December 31, 2021 and 2020:

Equity interest - Value based analysis performed by industry consultant familiar with the industries in which the ECIDA has equity interest.

All investments are classified as a Level 3 of the valuation hierarchy.

NOTE 8 - UNEARNED REVENUE

ECIDA received a grant from Erie County in the amount of \$700,000 in July 2020 to support the design, engineering and construction administration of water and sewer utility extensions and upgrades on the former Bethlehem Steel property. As of December 31, 2021, the ECIDA has recognized \$124,379 of revenue leaving \$575,621 as unearned (2020 - \$0).

ECIDA received an Economic Development Program grant from National Grid in the amount of \$125,000 in January 2017. As of December 31, 2021 and 2020, the entirety of that amount is included as unearned revenue as ECIDA has not yet met the requirements to recognize grant funds as revenue.

ECIDA received a grant from the NYS Department of State in the amount of \$122,825 in June 2020 to support the construction and administration of Shoreline Trail enhancements on the former Bethlehem Steel property. As of December 31, 2021, the ECIDA has received and recognized \$452 of revenue leaving \$122,373 as unearned (2020 - \$0).

ECIDA received a grant from the EDA in the amount of \$50,000 in October 2021 to support the Comprehensive Economic Development Strategy recovery plan implementation. As of December 31, 2021, \$50,000 remained unearned.

NOTE 9 - RELATED PARTY TRANSACTIONS

Affiliate Management Fees

ECIDA allocates a portion of personnel and rental costs to its affiliates, RDC and ILDC. ECIDA earned \$419,100 and \$387,152 in affiliate management fees and rental costs for the years ended December 31, 2021 and 2020, respectively. Management fees and related receivables by affiliate are as follows:

	Management Fees and Rental Costs		Receivables	
	2021	2020	2021	2020
	RDC	\$ 294,566	\$ 292,107	\$ 297,384
ILDC	124,534	95,045	458,111	283,473
Total	\$ 419,100	\$ 387,152	\$ 755,495	\$ 577,111

ECIDA also provides personnel to perform administrative and accounting functions on behalf of Buffalo Urban Development Corporation, which amounted to \$92,601 and \$119,444 for the years ended December 31, 2021 and 2020, respectively. BUDC administration fees are included in other income on the Statements of Revenues and Expenses.

NOTE 10 - OPERATING LEASES

Office rent expense for the years ended December 31, 2021 and 2020 amounted to \$190,586 and \$191,473, respectively.

The ECIDA's office lease agreement with Empire State Development is effective for the period of October 1, 2015 through September 30, 2023. This lease agreement states a base lease amount of \$176,633 per annum plus utility charges that will be determined on an annual basis.

ECIDA recognized \$213,681 and \$213,529 of rental income on its former office for the years ended December 31, 2021, and 2020, respectively. The net book value of the leased property is approximately \$941,600 and \$1,047,300 at December 31, 2021 and 2020, respectively.

Future annual rental income anticipated under this noncancelable lease is:

2022	\$ 218,613
2023	230,856
2024	230,856
2025	230,856
2026	230,856
2027	134,666
Total	\$ 1,276,703

NOTE 11 - PENSION

ECIDA maintains a defined contribution simplified employee pension (SEP) plan covering all of its employees. Employees are eligible to participate six months after employment, with employer contributions vesting immediately. During 2021 and 2020, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contribution to the plan for the years ended December 31, 2021 and 2020 amounted to \$157,973 and \$173,647, respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

NOTE 12 - SUBSEQUENT EVENTS

In January 2022, ECIDA's tenant exercised the renewal option for the lease of 143 Genesee Street. The term of the lease is extended through July 2027.

Management has evaluated subsequent events through XXXX, 2022, which is the date the financial statements are available for issuance and have determined there are no subsequent events, other than the event noted above, that require disclosure under generally accepted accounting principles.

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SUPPLEMENTARY INFORMATION

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 COMBINING STATEMENT OF NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2021

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	<u>General Account</u>	<u>UDAG Account</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,851,663	\$ 10,786,711	\$ 18,638,374
Receivables			
Affiliates	500,890	254,605	755,495
Grants	813,473	50,000	863,473
Other	111,804	-	111,804
Prepaid expenses	29,547	-	29,547
Total current assets	<u>9,307,377</u>	<u>11,091,316</u>	<u>20,398,693</u>
Noncurrent assets:			
Capital assets, net	1,164,083	-	1,164,083
Investments	100,639	406,247	506,886
Restricted cash	8,870,022	-	8,870,022
Total noncurrent assets	<u>10,134,744</u>	<u>406,247</u>	<u>10,540,991</u>
Total assets	<u>\$ 19,442,121</u>	<u>\$ 11,497,563</u>	<u>\$ 30,939,684</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 289,268	\$ 12,750	\$ 302,018
Accrued expenses	150,611	-	150,611
Unearned revenue	822,994	50,000	872,994
Total current liabilities	<u>1,262,873</u>	<u>62,750</u>	<u>1,325,623</u>
Noncurrent liabilities:			
Funds held on behalf of others	8,717,606	-	8,717,606
Total noncurrent liabilities	<u>8,717,606</u>	<u>-</u>	<u>8,717,606</u>
Total liabilities	9,980,479	62,750	10,043,229
NET POSITION			
Investment in capital assets	1,164,083	-	1,164,083
Restricted	-	11,434,813	11,434,813
Unrestricted	8,297,559	-	8,297,559
Total net position	<u>9,461,642</u>	<u>11,434,813</u>	<u>20,896,455</u>
Total liabilities and net position	<u>\$ 19,442,121</u>	<u>\$ 11,497,563</u>	<u>\$ 30,939,684</u>

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2021

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	<u>General Account</u>	<u>UDAG Account</u>	<u>Total</u>
Operating revenues:			
Administrative fees	\$ 2,419,283	\$ -	\$ 2,419,283
Affiliate management fees and rental income	419,100	-	419,100
Rental income	332,727	-	332,727
Other income	126,161	-	126,161
Total operating revenues	<u>3,297,271</u>	<u>-</u>	<u>3,297,271</u>
Operating expenses:			
Salaries and benefits	1,905,312	-	1,905,312
General and administrative	706,129	34,947	741,076
Depreciation	116,449	-	116,449
Other expenses	1,060	-	1,060
Total operating expenses	<u>2,728,950</u>	<u>34,947</u>	<u>2,763,897</u>
Operating income(loss) before special project grants	568,321	(34,947)	533,374
Special project grants:			
Revenues	5,379,783	104,500	5,484,283
Expenses	<u>(5,940,551)</u>	<u>(287,951)</u>	<u>(6,228,502)</u>
Net loss from special project grants	<u>(560,768)</u>	<u>(183,451)</u>	<u>(744,219)</u>
Operating income (loss)	7,553	(218,398)	(210,845)
Nonoperating revenues:			
Investment income	-	2,425	2,425
Interest income	2,770	4,262	7,032
Total nonoperating revenues	<u>2,770</u>	<u>6,687</u>	<u>9,457</u>
Change in net position	10,323	(211,711)	(201,388)
Net position - beginning of year	<u>9,451,319</u>	<u>11,646,524</u>	<u>21,097,843</u>
Net position - end of year	<u>\$ 9,461,642</u>	<u>\$ 11,434,813</u>	<u>\$ 20,896,455</u>

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INTERNAL CONTROL AND COMPLIANCE

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Erie County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Erie County Industrial Development Agency (the ECIDA), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise ECIDA's financial statements, and have issued our report thereon dated XXXX, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ECIDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of ECIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of ECIDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ECIDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ECIDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ECIDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Buffalo, New York
XXXX, 2022

Erie County Industrial Development Agency
Investment Report
For the year ended December 31, 2021

Erie County Industrial Development Agency

2021 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, the ECIDA is required to prepare and approve an annual Investment Report. The Investment Report is to include: the investment guidelines (see below), the results of the annual independent investment audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last Investment Report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2021 and were approved by the ECIDA membership on March 23, 2022.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, the ECIDA is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. In addition, the ECIDA is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law.

The Investment Guidelines were approved by the ECIDA membership on March 23, 2022 and are posted on the ECIDA website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on March 24, 2021.

Investment Audit:

The auditors for the ECIDA have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March XX, 2022 Freed Maxick CPAs indicated that the Agency complied, in all material respects, with these Investment Guidelines.

Erie County Industrial Development Agency (ECIDA)

Annual Investment Report
For the year ended December 31, 2021

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2021	2021		Restricted	Purpose
		1/1/2021	12/31/2021		Investment Income	Fees		
1 Checking	M&T Bank	1,194,625	925,947	0.01%	98	-		General ECIDA Checking account
2 Savings	M&T Bank	6,423,067	6,925,717	0.02%	2,650	-		General ECIDA Savings account
3 Checking	M&T Bank	35,452	1,185	0.01%	4	-	✓	ECIDA UDAG Fund checking/investment account
4 Savings	M&T Bank	11,016,682	10,785,526	0.02%	4,258	-	✓	ECIDA UDAG Fund Savings/investment account
5 Checking	M&T Bank	155,099	152,416	0.01%	22	-	✓	Restricted account for Erie County shoreline railroad related activities
6 Savings	M&T Bank	217,484	561,316	0.02%	183	-	✓	Restricted account for BLCF, Riverbend and Northland development
7 Savings	M&T Bank	1,528,292	1,846,057	0.02%	661	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
8 Savings	M&T Bank	2,730,594	3,657,506	0.02%	1,182	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
9 Savings	M&T Bank	1,657,749	2,304,585	0.02%	721	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
10 Savings	M&T Bank	-	348,142	0.01%	7	-	✓	Restricted account for infrastructure improvements in the Seneca One Tower District. ^b
		<u>\$ 24,959,045</u>	<u>\$ 27,508,396</u>		<u>\$ 9,786</u>	<u>\$ -</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2021 and is prior to the deduction of any fees.

^b New bank account opened in 2021.

To: ECIDA, RDC & ILDC Board of Directors
From: Brenda McDuffie, Governance Committee Chair
Date: March 23, 2022
Re: Governance Committee Report

In accordance with its Committee Charter, the Governance Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

The ECIDA/RDC/ILDC Governance Committee meeting scheduled for March 14, 2022, did not have a quorum present. Committee members present were Brenda McDuffie, Chair, Ken Schoetz, and Maria Whyte. The Committee was provided with several documents for review and comment prior to the meeting. The members present were in agreement with sending the items below to the Boards for approval:

1) 2021 PAAA Annual Report

The PAAA Annual Report will be reviewed by the full Boards during the March 23, 2022 Board meetings.

2) Results of 2021 Performance Measures

The Governance Committee met on January 25, 2022 and February 22, 2022 to discuss the ECIDA/RDC/ILDC Mission Statement and 2021 Performance Measures. The results of the 2021 Performance Measures will be reviewed by the Boards during the March 23, 2022 Board meetings.

3) Mission Statement and 2022 Performance Measures

The Governance Committee met on January 25, 2022 and February 22, 2022 to discuss the ECIDA/RDC/ILDC Mission Statement and 2022 Performance Measures. During these meetings the Committee provided input and made changes to certain metrics based on current economic conditions. The 2022 Mission Statement & Performance Measures will be reviewed by the Boards during the March 23, 2022 Board meetings.

4) 2021 Board of Directors’ Self-Evaluation

The Governance Committee received the summary sheets for the ECIDA, RDC, and ILDC Board self-evaluations. The results will be reviewed with the Boards. The Governance Committee Chair will forward the summary sheets to the Authorities Budget Office (ABO) as required.

5) 2021 Governance Committee Self-Evaluation

The evaluation documents the activities of the Governance Committee during 2021.

6) Annual Re-Adoption of Policies, Charters & Guidelines

These items must be approved annually by the ECIDA/RDC/ILDC Boards:

- Board Member Compensation, Reimbursement & Attendance Policy
- Code of Ethics & Conflict of Interest Policy
- Defense & Indemnification Policy
- ECIDA Employee Compensation Program
- Governance Committee Charter
- Procurement Policy

- Property Disposition Guidelines
- Real Property Acquisition Policy
- Sexual Harassment Policy
- Statement of Duties & Responsibilities of the Board of Directors
- Statement of the Competencies & Personal Attributes Required of Board Members
- Travel, Conferences, Meals & Entertainment Policy
- Whistleblower Policy and Procedures

ECIDA General Counsel Harris Beach reviewed the above referenced policies and did not recommend any changes. The ABO did not publish any new recommended guidance for any of these policies. The Boards will review these policies during the March 23, 2022 Board meetings.

7) Adoption of Policies, Charters & Guidelines

ECIDA staff and General Counsel Harris Beach recommend adoption of the Fee Structure Policy.

8) PARIS Report Update

The Governance Committee members present received an update on the status of the ABO's reporting requirements through the Public Authorities Reporting Information System (PARIS). The Agency is on track to complete the ECIDA, RDC, and ILDC PARIS reports on or before the March 31, 2022 deadline.

9) Board Member PAAA Training Update

The Governance Committee members present received an update on the status of the required ABO board member training. One board member received training during 2021. The Agency's Compliance Officer is tasked with forwarding training opportunities to board members who have not had the required training and to those who have not had training within the last three years.

Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC)

2021 Governance Committee Self-Evaluation

Responsibilities of the Governance Committee:

The core responsibilities of the Governance Committee, as mandated under Section 2824(7) of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) keeping the Board informed of current best governance practices; (ii) reviewing corporate governance trends; (iii) updating the Agency’s corporate governance principles; and (iv) advising those responsible for appointing members to the Board on the skills and experiences necessary required of potential Board members.

Governance Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Governance Committee appointed in accordance with the Bylaws and are individuals appointed to the Governance Committee knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to governance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Governance Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Governance Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Governance Committee meet a minimum of once (1) each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Governance Committee met on 1/28/21, 2/9/21, and 3/17/21.
4. Were meeting notices and agendas prepared for each meeting and provided to Governance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
5. Did the Governance Committee develop the Agency's governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#9 below.
6. Did the Governance Committee develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals (it being acknowledged that membership in the Agency is determined pursuant to Section 891-a of the General Municipal Law)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Statement of the Competencies and Personal Attributes is posted on the ECIDA website. It was approved by the ECIDA Board of Directors on 2/16/10. Revisions to this document were not necessary in 2021.
7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No additional committees were recommended by the Governance Committee in 2021.
8. Did the Governance Committee develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers as required under Section 2824(2) of the New York Public Authorities Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>New Board members attend an orientation session hosted by ECIDA staff and are provided with a New Member Orientation Manual.</p> <p>As of 12/31/21, 16 of 19 ECIDA/RDC Board members and 5 of 7 ILDC Board members have received the PAAA required training. All Board members who have not received the training received notifications throughout the year regarding PAAA training session dates.</p>
9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following: (i) the Agency's Code of Ethics. (ii) written policies regarding conflicts of interest.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>(iii) written policies regarding the protection of whistleblowers from retaliation.</p> <p>(iv) equal opportunity and affirmative action policies.</p> <p>(v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.</p> <p>(vi) written policies regarding the disposition of real and personal property and the acquisition of property.</p> <p>(vii) committee charters, including this Charter.</p> <p>(viii) any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, including the Agency's Bylaws. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.</p>				<p>Items i) & ii) are included in the ECIDA Code of Ethics and Conflict of Interest Policy. The Governance Committee reviewed the Code of Ethics and Conflict of Interest Policy, during its 3/17/21 meeting. The Code was re-adopted by the full Board during its meeting on 3/24/21.</p> <p>(iii) In 2012, the Governance Committee approved a formal Whistleblower Policy. The Committee did not recommend any changes in 2021. The Policy was re-adopted by the full Board during its meeting on 3/24/21.</p> <p>iv) The ECIDA's EEO policy is included in the Employee Handbook and the Procurement Policy.</p> <p>v) The Committee reviewed recommended changes to the Procurement Policy during its 3/17/21 meeting. The amended Policy was adopted by the full Board during its meeting on 3/24/21.</p> <p>vi) The ECIDA Property Disposition Guidelines were reviewed by the Governance Committee on 3/17/21 and re-adopted by the full Board during its meeting on 3/24/21.</p> <p>vii) The ECIDA Governance Committee Charter was reviewed by the Governance Committee on 3/17/21. It was re-adopted by the full Board during its meeting on 3/24/21.</p> <p>viii) At its 3/17/21 meeting the Governance Committee reviewed and recommended changes to the ECIDA Employee Compensation Program and adoption of the Agency's Sexual Harassment Policy. Both policies were adopted by the full Board during its meeting on 3/24/21.</p>

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Governance Committee:</p> <p>(i) report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board.</p> <p>(ii) report to the Board, at least annually, regarding any proposed changes to this Charter.</p> <p>(iii) provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reports its actions and recommendations to the Board following each meeting.</p> <p>i) & ii) As stated above, all policies/ guidelines referenced above were adopted or re-adopted by the Board on 3/24/21.</p> <p>iii) On 3/17/21, the Committee performed a Self-Evaluation for the calendar year 2020 and provided a status report to the Board on 3/24/21.</p>

Other Self-Evaluation Notes

- 1) In March 2021, the Governance Committee reviewed the 2020 Board Evaluation for the ECIDA, RDC, and ILDC boards. The Committee discussed the results of these evaluations during the 3/24/21 board meeting.
- 2) In addition to the above referenced policies, the Governance Committee discussed the following items during its meeting on 3/17/21: (1) 2020 Performance Measures Report & Results; (2) 2021 Mission Statement & Performance Measures; (3) 2020 PAAA Annual Report; (4) Property Acquisition Policy; (5) Defense & Indemnification Policy; (6) Board Member Compensation, Reimbursement & Attendance Policy; (7) Travel Conferences Meals & Entertainment Policy; (8) Statement of Duties & Responsibilities of the Board of Directors and (9) Statement of the Competencies & Personal Attributes Required of Board Members. The Committee did not recommend changes. The full Board approved these documents/policies during its 3/24/21 Board meeting.
- 3) The ECIDA staff provided an update on the status of the ECIDA's Public Authority Reporting Information System (PARIS) report to the Committee on 3/17/21.
- 4) During the Governance Committee meeting on 3/17/21, ECIDA staff reported that there were no violations of the Agency's Local Labor Policy in 2020.
- 5) During its 1/28/21, 2/9/21 and 3/17/21 Governance Committee meetings, the Governance Committee, ECIDA staff and counsel discussed the results of ECIDA's 2020 Performance Measures.
- 6) During its 1/28/21, 2/9/21 and 3/17/21 Governance Committee meetings, the Governance Committee, ECIDA staff and counsel discussed the ECIDA Mission Statement and 2021 Performance Measure.

2021 ECIDA Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.	10	2		
The policies, practices and decisions of the Board are always consistent with this mission.	11	1		
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	10	2		
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	11	1		
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	11	1		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	8	3	1	
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	10	2		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	10	2		
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	12			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	9	3		
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	11	1		
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	10	2		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	10	1	1	
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	12			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	10	2		
Board members demonstrate leadership and vision and work respectfully with each other.	12			

Name of Authority: Erie County Industrial Development Agency; **Date Completed:** 3/8/2022

ECIDA/RDC/ILDC Confidential Evaluation of Board Performance

Criteria	Comments
Board members have a shared understanding of the mission and purpose of the Authority.	Board orientations are held to allow each board member information on mission & purpose.
The policies, practices and decisions of the Board are always consistent with this mission.	
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	Policies are reviewed and updated as needed and at a minimum they are reinforced at meetings.
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	Great communication with Board members and staff Staff and board members have open communications that allow for timely information exchange.
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	All information and related materials are shared with the board in advance to allow time for reading and addressing any questions and/or issues.
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	At all committee meetings there is robust, thoughtful dialogue between committee members and all comments and questions by members are encouraged.

<p>Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.</p>	<p>Information is provided well in advance of meeting giving plenty of time to review and research.</p> <p>Information and materials are sent in advance for committee and board meeting so that members have opportunity to prepare, request additional information and discuss all items before voting.</p>
<p>Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.</p>	
<p>The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.</p>	
<p>The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.</p>	
<p>Board members demonstrate leadership and vision and work respectfully with each other.</p>	

This survey applies to the ECIDA and all ECIDA affiliated corporations. If your answers are different for each affiliate, please complete a separate survey for each affiliate (ECIDA/RDC/ILDC).

Date Completed: March 8, 2022

Tax Incentives Approved - 2022

Approval Date	Project Name	Project City/Town	Private Investment/Project Amount	Minimum Investment/Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Const Jobs	Spillover Jobs	Length of Term	Incentive Amount
Jan-22	791 Washington Street, LLC ¹	Buffalo	\$107,950,000	85% threshold \$91,800,000	0	0	5	0	85%-New 4 jobs	571	433	Period of PILOT 10 Years	\$3,719,000
Jan-22	Arbor Multifamily Lending, LLC	Tonawanda	\$2,100,000	85% threshold \$1,785,000	168	0	25	0	85%-New 21 jobs	0	158	project completion date + 2 yrs	\$183,750
Jan-22	Broadway Development & Management ¹	Buffalo	\$12,500,000	85% threshold \$10,625,000	2	0	8	0	85%-New 7 jobs	56	55	project completion date + 2 yrs	\$693,750
Jan-22	Lactalis American Group, Inc.	Buffalo	\$1,436,697	85% threshold \$1,221,192	334	0	27	0	85%-New 22 jobs	5	1390	project completion date + 2 yrs	\$121,441

Totals:		Private Investment/Project Amount		FT Jobs Retained		PT Jobs Retained		FT Jobs Created		PT Jobs Created		Incentive Amount	
Adaptive Reuse Subtotal	2	\$120,450,000	2	0	13	0	65	0	632	2036	\$4,412,750		
2021 Total	4	\$123,986,697	504	-	65	0	632	2036	\$4,717,941				

¹ Adaptive Reuse



Item 3.7

To: ECIDA & RDC Boards of Directors
From: Mollie Profic, CFO
Jerry Manhard, Chief Lending Officer
Re: Board Certification of Revolving Loan Fund Plan
Date: March 23, 2022

In 2020 the Erie County Industrial Development Agency (ECIDA) received an award of \$5,415,694 from the U.S. Department of Commerce, Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security (CARES) Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards. \$5 million was used to establish the CARES Act Revolving Loan Fund (RLF), with the remaining \$415,694 earmarked for administrative costs. The purpose of establishing the RLF was to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of the region served by this award.

As part of the required reporting to the EDA in connection with the operations of the RLF administered by the Buffalo & Erie County Regional Development Corporation (RDC), the ECIDA must certify that the RLF is being operated in accordance with the policies and procedures contained in the Loan Administration Plan (LAP), also referred to as the RLF Plan. The LAP for the CARES Act RLF was approved on March 2, 2021, in connection with the grant award. Under the terms of the award conditions, the LAP will be updated and approved by EDA every five years.

The CARES Act RLF is currently in the disbursement phase of the award, with 30 loans approved. When loans are repaid, the principal and interest will be added back to the fund and begin the revolving phase.

Key components of the LAP include borrower eligibility, loan size, interest rate, and loan terms. Many of the requirements of the LAP overlap with the Federal regulations under Title 2 of the U.S. *Code of Federal Regulations* Part 200 and are tested as part of the Single Audit performed annually. The testing performed as part of the Single Audit yielded an unmodified (clean) opinion and did not yield any audit findings.

Action:

Requesting approval of the attached resolution certifying that the CARES Act Revolving Loan Fund is operating in accordance with the approved Loan Administration Plan.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CARES ACT REVOLVING LOAN FUND ANNUAL RESOLUTION

The meeting of the Erie County Industrial Development Agency was convened on March 23, 2022 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "RLF BOARD" OR "AGENCY") IN CONNECTION WITH AN ANNUAL CERTIFICATION TO BE MADE UNDER THE STANDARD TERMS AND CONDITIONS AND ADMINISTRATIVE MANUAL REQUIREMENTS OF THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION

WHEREAS, the Buffalo and Erie County Regional Development Corporation (the "RDC") was incorporated as an affiliate of the Erie County Industrial Development Agency (the "Agency") for the purpose of encouraging the retention and expansion of existing companies as well as the attraction of new companies to target areas of Erie County using the resources from various Revolving Loan Funds to make direct loans to individual companies; and

WHEREAS, the Agency received an award of \$5,415,694 from the U.S. Department of Commerce, Economic Development Administration (the "EDA") Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards (the "CARES Act Award") and related thereto, \$5,000,000 million was used to establish the CARES Act Revolving Loan Fund (the "RLF"), with the remaining \$415,694 earmarked for administrative costs; and

WHEREAS, the purpose of establishing the RLF was to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of the region served by the CARES Act Award; and

WHEREAS, as part of the required reporting to the EDA in connection with the operations of the RLF administered by the RDC, the Agency must certify that the RLF is being operated in accordance with the policies and procedures contained in the Loan Administration Plan (the "LAP"), also referred to as the RLF Plan; and

WHEREAS the LAP for the CARES Act RLF was approved on March 2, 2021, in connection with the CARES Act Award; and

WHEREAS, procedures were conducted on a sample of loans in the RLF portfolio by Freed Maxick, CPAs, P.C as part of the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit*

Requirements for Federal Awards to ensure RDC's compliance with LAP as set forth by the EDA; and

WHEREAS, the Standard Terms and Conditions and Administrative Manual Requirements of the EDA require the RLF Board to provide annual certification that the RDC and the Grant Recipient's governing body (the Agency) have reviewed the RLF and have determined that the RLF is being operated in accordance with the policies and procedures contained in the LAP, and that the loan portfolio meets the standards contained therein.

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

Section 1. To the best knowledge and belief of the members of the Agency and with the disclosures provided above, the RLF is being operated in accordance with the policies and procedures contained in the LAP, and the loan portfolio meets the standards contained therein.

Section 2. The Chair or Vice Chair, President/Chief Executive Officer, the Treasurer/Chief Financial Officer, the Vice President, and/or Assistant Treasurer of the Agency are hereby authorized to execute all necessary documents to make the required annual certification to the EDA including the notations as listed above.

Section 3. This resolution shall take effect immediately.

Approved: March 23, 2022



Item 3.8

To: ECIDA Board of Directors
From: Mollie Profic, CFO
Jerry Manhard, Chief Lending Officer
Re: Community Development Block Grant Sub-Recipient Agreement with Erie County
Date: March 23, 2022

In 2009, ECIDA entered into a contract with Erie County (the “County”) to undertake essential community development activities in the form of business assistance loan funds. This grew to be more commonly known as the Erie County Microenterprise Loan Fund (“Fund”). The original allocation that funded this program was a Community Development Block Grant (“CDBG”), and supplementary funds have been added to this program over the years. Additional agreements between ECIDA and the County for the administration of the Fund were entered into in 2010, 2011, 2012 and 2019. The current agreement in place expires March 31, 2022.

Statutory regulations do not allow the ECIDA to lend monies, so ECIDA has historically assigned (sub-granted) funds to the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) to administer the Fund.

The County has received additional federal grant funding for the 2022-2023 program year and wishes to again engage the Agency to continue administering the Fund. The agreement period will be April 1, 2022 – March 31, 2025. The project budget is \$367,387, and up to \$72,000 of administrative costs may be compensated to the administrator over the three-year period.

A summary of the terms of the First Amendatory Agreement are:

- Administration of the Fund in a manner satisfactory to the County and consistent with standards required as a condition of providing these funds.
- Funds currently held in the Micro Enterprise Loan bank account will be allocated to the Fund.
- Meet the objective of benefiting low- and moderate-income individuals by providing access to CDBG monies through loans for small scale business improvements.
- Erie County consenting to the assignment of the agreement by ECIDA to the ILDC, and the assumption by the ILDC of the duties and responsibilities of the agreement.

Action:

Requesting approval of the attached resolution to allow the Agency to (1) enter into the First Amendatory Agreement to the January 2, 2019 CDBG Sub-recipient Agreement with Erie County and (2) negotiate and execute, as appropriate, the CDBG Funds sub-subgrant agreement with the ILDC for the purposes of granting the CDBG Funds to the ILDC and permitting the ILDC to administer the Microenterprise Loan Fund.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION

*(Agreement to Authorize Execution and Delivery of Community Development Block Grant
Sub-Recipient Agreement with the County of Erie)*

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, March 23, 2022, at 12:00 p.m.

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

RESOLUTION AUTHORIZING (i) THE ADOPTION, NEGOTIATION AND EXECUTION OF A SUB-RECIPIENT AGREEMENT BETWEEN THE COUNTY OF ERIE AND THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY RELATIVE TO THE CONTINUED RECEIPT AND ADMINISTRATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS (“CDBG FUNDS”); (ii) AUTHORIZING THE ALLOCATION OF \$367,387 OF SUCH CDBG FUNDS TOWARDS THE AGENCY’S MICROENTERPRISE LOAN FUND; and (iii) AUTHORIZING THE SUB-SUBGRANT OF THE CDBG FUNDS TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (“ILDC”) FOR ADMINISTRATION OF SAME IN A MANNER CONSISTENT WITH THE MICROENTERPRISE LOAN FUND

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

WHEREAS, the County of Erie (“County”) has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the County and the Agency have previously entered into contracts for grant administration and funding dated October 16, 2009, October 8, 2010, October 20, 2011, October 12, 2012, and January 2, 2019 for the purpose of undertaking essential community development activities in the form of business assistance loan funds; and

WHEREAS, the County wishes to engage the Agency to assist the County in utilizing such funds; and

WHEREAS, the County and the Agency desire to negotiate and execute an agreement to authorize the receipt and allocation of \$367,387 of Community Development Block Grant funds (the “CDBG Funds”) received by the County and sub-granted to the Agency towards the Agency’s Microenterprise Loan Fund (“CDBG Sub-Recipient Agreement”) and to continue to capitalize the Microenterprise Loan Fund to be utilized in a manner consistent with the County’s Microenterprise Loan Fund Loan Administration Plan; and

WHEREAS, upon receipt of the CDBG Funds as so described herein, the Agency desires to sub-subgrant the CDBG Funds to its affiliate, the ILDC, for purposes of administering the Microenterprise Loan Fund in a manner consistent with the County's Microenterprise Loan Fund Loan Administration Plan.

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

Section 1. The Agency hereby determines that the execution and adoption of the CDBG Sub-Recipient Agreement and funding of the Microenterprise Loan Fund will facilitate economic development and job creation/retention for the benefit of the economy and people of Erie County.

Section 2. The Agency is authorized to (i) adopt, negotiate and execute the CDBG Sub-Recipient Agreement and/or a First Amendatory Agreement to the January 2, 2019 CDBG Sub-Recipient Agreement relative to the funding of the Microenterprise Loan Fund; (ii) allocate up to \$367,387 of the funds associated with the CDBG Sub-Recipient Agreement towards the Microenterprise Loan Fund, and (iii) sub-subgrant \$367,387 of CDBG Funds to the ILDC for purposes of administrating the Microenterprise Loan Fund.

Section 3. In accordance with the Agency's goals and purposes set forth above, and subject to the terms of this Resolution, and to appropriate terms and conditions as determined by the Chair, the Vice Chair, the President/Chief Executive Officer, the Treasurer/Chief Financial, and/or the Assistant Treasurer (collectively, the "Authorized Officers"), are hereby authorized, on behalf of the Agency (i) to negotiate, execute and deliver the CDBG Sub-Recipient Agreement, and/or a First Amendatory Agreement to the January 2, 2019 CDBG Sub-Recipient Agreement, (ii) to negotiate and execute, as appropriate, the CDBG Funds sub-subgrant agreement with the ILDC for purposes of granting the CDBG Funds to the ILDC for purposes of permitting the ILDC to administer the Microenterprise Loan Fund, and (iii) any of the Authorized Officers are further authorized to negotiate and execute any and all documents reasonably contemplated by these resolutions.

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

Section 5. These Resolutions shall take effect immediately.

Dated: March 23, 2022



CleanFiber Lake Ave, LLC
250 Lake Avenue,
Blasdell, NY 14219

March 14, 2022

Erie County Industrial Development Authority
C/O Robert G. Murray, Esq.
Harris Beach PLLC
726 Exchange Street, Suite 1000
Buffalo, New York 14210

RE: CONSENT TO ASSIGNMENT OF START-UP NY BENEFITS

Dear ECIDA:

CleanFiber is an approved START-UP NY business under University at Buffalo Sponsorship. The designated on-campus Tax Free Area (TFA) where CleanFiber operates has gone through a change in ownership, and CleanFiber is requesting ECIDA support and approval to assign the "THREE PARTY START-UP NY AFFILIATION AGREEMENT" and any other agreements to CleanFiber Lake Ave, LLC to allow CleanFiber to continue to enjoy START-UP NY tax benefits in the TFA.

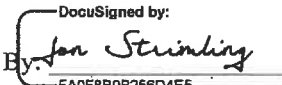
Queen City Encore, LLC ("Queen City") formerly owned the real property commonly known as 250 Lake Avenue, Blasdell, New York 14219, SBL 150.16-1-2.11 (the "Property"). Pursuant to the THREE PARTY START-UP NY AFFILIATION AGREEMENT between and among the State University of New York ("SUNY"), the Erie County Industrial Development Agency ("ECIDA"), and Queen City, the Property is subject to certain START-UP NY benefits (the "Benefits"). As part of this agreement, Queen City licensed the Property to ECIDA, who sublicensed the Property back to Queen City. In turn, Queen City sub-sublicensed the Property to CleanFiber. CleanFiber purchased the Property from Queen City and the Property is now owned by CleanFiber Lake Ave, LLC, a wholly owned subsidiary of CleanFiber, LLC. To be clear, CleanFiber Lake Ave, LLC will replace Queen City as landowner.

The StartUp NY program has been extremely valuable in hiring and retention of employees, in fact we highlight the tax free benefit to all candidates in our earliest discussions in the hiring process. This benefit has become extremely important in the tight Covid job market that we are all aware of and gives CleanFiber a competitive edge over other employers. Since receiving the StartUp NY benefit, CleanFiber has grown from a five person company to over 70 people today, so we have delivered on the job development that this is meant to support. Losing the tax benefit would be a setback for the business and the progress we have made.

We respectfully request that ECIDA assign the Benefits from Queen City to CleanFiber Lake Ave, LLC effective February 28, 2022 and hereby consent to same.

Very Truly Yours,

CleanFiber, LLC

DocuSigned by:

FA0F8B9B256D4E5...

Name: Jonathan Strimling

Its: Chief Executive Officer

{8798565: }

www.cleanfiber.com

Queen City Encore, LLC
PO Box 171
North Boston, NY 14110

March 15, 2022

Erie County Industrial Development Authority
C/O Robert G. Murray, Esq.
Harris Beach PLLC
726 Exchange Street, Suite 1000
Buffalo, New York 14210

RE: CONSENT TO ASSIGNMENT OF START UP NY BENEFITS

Dear ECIDA:

Queen City Encore, LLC (Queen City") formerly owned the real property commonly known as 250 Lake Avenue, Blasdell, New York 14219, SBL 150.16-1-2.11 (the "Property"). The Property is subject to certain Start Up New York benefits (the "Benefits") by agreement between CleanFiber Buffalo, LLC, successor in interest to UltraCell Buffalo LLC ("CleanFiber"), Queen City, and the ECIDA. The Property is now owned by CleanFiber Lake Ave, LLC. Queen City was formerly the real property holding company and lessor for the Property. CleanFiber is the operating company and employer.

We request that the ECIDA assign the Benefits to CleanFiber Lake Ave, LLC effective February 28, 2022 and hereby consent to same.

Very Truly Yours,

Queen City Encore, LLC

By: 

Name: Laura St. Pierre Smith

Its: Member

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, March 23, 2022, at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY CONSENTING TO AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE ASSIGNMENT AND ASSUMPTION OF THE QUEEN CITY ENCORE LLC START-UP NY PROGRAM PROJECT

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 State University of New York, acting on behalf of The University at Buffalo, State University of New York (the "University") as part of the "Start-Up NY program" (the "Start-Up NY Program"), created under Chapter 68 of the Laws of 2013 (as amended from time to time, the "Start-Up NY Act"), is sponsoring Tax-Free NY areas to, among other things, foster job creation by permitting certain designated businesses to operate within such Tax-Free NY areas completely tax-free, including no income tax for employees and no sales, property or business tax, while partnering with higher education institutions, for up to ten years (the "Tax Benefit Period"); and

WHEREAS, Queen City Encore LLC ("Queen City") originally owned certain real property and improvements located at 250 Lake Avenue, Village of Blasdell, Town of Hamburg, Erie County, New York, which the College and Queen City desired to be designated as a Tax-Free NY Area under the Start-Up NY Program (the "Project Facility"); and

WHEREAS, CleanFiber Buffalo, LLC (the "Company), a Buffalo-based company engaged in the business of converting recycled cardboard into high performance building insulation, has been approved by the University to participate in the Start-Up NY Program through the Tax Benefit Period expiring on January 14, 2027, and as such, the Company occupies the Project Facility as the tenant of Queen City; and

WHEREAS, Queen City and the University desired to establish the Queen City Project Facility as a designated Tax-Free NY Area for purposes of the Start-Up NY Program (the "Start-Up NY Project Facility") for purposes of allowing the Company to occupy and undertake its

operations within the Start-Up NY Project Facility so that the Company can obtain the benefits of the Start-Up NY Program; and

WHEREAS, the regulations associated with Start-UP NY Program permit the University to establish the Queen City Project Facility as a Start-UP NY Facility for the benefit of the Company; and

WHEREAS, to establish the Queen City Project Facility as a Start-UP NY Project Facility for the benefit of the Company, the College, Queen City, and the Agency are required to, in this instance, enter into an affiliation agreement by which the College confirms its affiliation with the Agency under the regulations interpreting the Start-Up NY Program (the "Affiliation Agreement") and Queen City must then license the Facility to the Agency, and the Agency must thereafter sub-license the Facility to Queen City, and thereafter, Queen City must sub-sublicense the Start-UP NY Project Facility to the Company; and

WHEREAS, the Agency desired to encourage Queen City and the Company in their efforts to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Erie County, New York by facilitating the establishment of the Start-UP NY Project Facility and believed and continues to believe that the Affiliation Agreement and related Start-UP NY Project Facility license transactions will help to achieve such goals; and

WHEREAS, effective as of December 19, 2018, the College, Queen City, and the Agency entered into the required Affiliation Agreement and related thereto, effective as of December 19, 2018, the Queen City licensed the Project Facility to the Agency pursuant to that certain License Agreement to Agency (the "License Agreement to Agency"), and thereafter, also dated effective as of December 19, 2018, the Agency sub-licensed the Project Facility to Queen City pursuant to that certain Sub-License Agreement to Queen City (the "Sub-License Agreement"), and also dated as of December 19, 2018, Queen City sub-sublicensed the Project Facility to the Company; and

WHEREAS, no "financial assistance" within the meaning of the Act is being granted by the Agency to Queen City or to the Company pursuant to the Affiliation Agreement or pursuant to the related license agreement transactions; and

WHEREAS, Queen City, on March 12, 2022, and on March 15, 2022, provided written notice to the Agency (i) confirming that Queen City has sold the Project Facility to CleanFiber Lake Ave, LLC (hereinafter, the "Assignee"), (ii) confirming that the Assignee is a wholly owned subsidiary of the Company, (iii) requesting that the Agency either assign the Affiliation Agreement, or enter into a new, as appropriate, Affiliation Agreement as so herein described, and (iv) requesting that the License Agreement to Agency and the related Sub-License Agreement, collectively, be assigned to the Assignee, all in an effort to continue to allow the Company to continue to benefit from the Start-Up NY Program; and

WHEREAS, the action contemplated herein is a "Type II" action under Article 8 of the New York Environmental Conservation Law and Regulations adopted pursuant thereto by the

Department of Environmental Conservation of the State (collectively, "SEQR") and therefore no further action is required under SEQR.

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

Section 1. The Agency hereby approves of and consent to the assignment of the Affiliation Agreement to the Assignee, with such revisions and amendments as may be required and as so approved by the President/Chief Executive Officer in consultation with the Agency's general counsel, and/or to enter into a new Affiliation Agreement with, amongst others, the Assignee, as may so be required by the parties hereto, and as so approved by the President/Chief Executive Officer in consultation with the Agency's general counsel provided that the Start-UP NY Project Facility is only sub-sublicensed to the Company as contemplated herein.

Section 2. The Agency hereby consents to, and otherwise approves of, the assignment of the License Agreement to Agency and the related Sub-License Agreement, collectively, to the Assignee, with such revisions and amendments, as may be required and as so approved by the President/Chief Executive Officer in consultation with the Agency's general counsel.

Section 3. The Chair, the Vice Chair, the President/Chief Executive Officer, the Treasurer/Chief Financial and/or the Assistant Treasurer, are hereby authorized, in consultation with Agency Counsel, to negotiate and execute the form and substance of the assignment of the Affiliation Agreement and or a new Affiliation Agreement, and to negotiate and execute the assignment of the License Agreement to Agency and the related Sub-License Agreement, collectively, to the Assignee, and any related agreements or documents necessary and incidental thereto.

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

Section 5. These Resolutions shall take effect immediately.

Dated: March 23, 2002



MEMORANDUM
March 23, 2022

To: Board of Directors of the Erie County Industrial Development Agency
Re: Buffalo Niagara Partnership Diversity Equity and Inclusion Study
Funding Request

Background:

In 2020 the Buffalo Niagara Partnership with the support of over 20 economic development organizations throughout the region surveyed businesses and produced a report that assessed the equity practices of the business community. The report serves as a benchmark for the community as we work to address inclusion issues and set goals to help address diversity, equity, and inclusion. The 2020 study provided projectable results to gain an initial assessment and to help guide efforts to build more inclusive workplaces in Erie County and the region. The intent was to repeat the original benchmark study every two years to track efforts and the status of diversity, equity, and inclusion.

Information and data from the assessment has been helpful in the agency's efforts to develop a MWBE PILOT program and a continuing assessment will serve as a valuable resource to shape future policy initiatives of the agency.

Requested Action:

Seeking approval to enter into an agreement with the Buffalo Niagara Partnership to provide funding of up to \$15,000 to support the 2022 update of the Western New York Diversity & Inclusion Business Community Assessment.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**BUFFALO NIAGARA PARTNERSHIP
Diversity Equity and Inclusion Study**

A regular meeting of the Erie County Industrial Development Agency was convened on March 23, 2022 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“AGENCY”) TO ENTER INTO A FUNDING AGREEMENT FOR ECONOMIC DEVELOPMENT PURPOSES WITH THE BUFFALO NIAGARA PARTNERSHIP (“BNP”) IN THE AMOUNT OF \$15,000 TO SUPPORT THE BNP’S 2022 BNP DIVERSITY EQUITY AND INCLUSION STUDY

WHEREAS, the Agency has received a request from the BNP to provide \$15,000 in funding to permit the BNP to update its 2020 “*Employing Diversity, Equity & Inclusion in WNY*” study (the “BNP DEI Study”) that facilitates the BNP’s efforts in assisting employers looking to build a more inclusive workplace culture; and

WHEREAS, the BNP DEI Study calls for its benchmark survey to be repeated once every two years; and

WHEREAS, the Agency is in the process of revising its minority and women owned business enterprises (“MWBE”) practices and believes that its continued support of the BNP and the BNP DEI Study, including required bi-annual benchmark updates, will enable the BNP to continue to assist employers looking to build a more inclusive workplace culture and will also permit the Agency to better obtain its MWBE goals and objectives for the benefit of the residents of Erie County; and

WHEREAS, the Agency desires to support the BNP DEI Study.

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

Section 1. The Agency hereby approves and authorizes the requested BNP funding to update the BNP DEI Study and its related benchmarking component, as described herein, in an amount not to exceed \$15,000.

Section 2. The Chair, the Vice Chair, the President/Chief Executive Officer, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver the appropriate funding assistance agreement and any related documents and 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 as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution.

Section 3. This resolution shall take effect immediately.

Dated: March 23, 2022

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

- DATE:** March 3, 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 E. Blue; Johanna Coleman; Colleen DiPirro; Hon. William Krebs; Richard Lipsitz, Jr.; Brenda W. McDuffie; Hon. Glenn R. Nellis; Laura Smith; Lavon Stephens; Paul Vukelic and Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown and David J. State
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Sean Fallon, Project Manager; Robbie Ann McPherson, Director, Marketing & Communications; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Pat Smith, Senior Bookkeeper and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Lisa Hicks on behalf of the City of Buffalo; Seth Piccirillo on behalf of the BNP and Matt Connors on behalf of Sinatra & Company and 471 Elmwood Avenue, LLC

There being a quorum present at 9:04 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the February 3, 2022 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Ms. Abbott, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT PRESENTATIONS

471 Elmwood Group, LLC, 471 Elmwood Avenue, Buffalo, New York 14222. Ms. O'Keefe presented this proposed sales tax only benefit project involving the adaptive reuse of this historic 2-story brick building within the Elmwood Village. The project will offer 5,500 sq.

ft. of first floor commercial/retail space and 5,500 sq. ft. of second floor residential units with parking in the rear of the building.

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

Ms. O’Keefe confirmed that 471 Elmwood Group, LLC is seeking \$122,500 in incentives including sales tax exemption benefits. Total payroll is projected at \$1.7M for the direct and indirect jobs created including 20 construction jobs. The resulting cost benefit is 1:15 so for every \$1 of incentives the community benefit is \$15 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$26 in community benefits.

General discussion ensued. Mr. Krebs and Ms. Smith expressed their support for the project.

Ms. O’Keefe 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 = \$3,590,000 85% = \$3,051,500
Employment	Coincides with recapture period	Create 85% of Projected Jobs Projected = 1 FTE 85% = 1 FTE Recapture Employment = 0
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

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

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s 2022 Tax Incentives Project Matrix.

At this point in time, Ms. Whyte left the meeting.

Mr. Lipsitz directed that the report be received and filed.

MWBE UPDATE

Mr. Cappellino provided an update on the draft MWBE Policy to the Committee members.

At this point in time, Mr. Vukelic joined the meeting.

UNIFORM TAX EXEMPT POLICY AMENDMENT

Mr. Cappellino noted the Amended and Restated Countywide Uniform Tax Exemption Policy (“UTEP”) was approved by the ECIDA Board at the February 2022 meeting and advised that the Amherst IDA Board had also approved the amended UTEP as well. The Hamburg, Lancaster and Clarence IDAs will be approving the amended UTEP at their respective March, 2022, IDA Board meetings.

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

Dated: March 3, 2022

Gerald Manhard, Assistant Secretary

471 Elmwood Group, LLC
\$ 3,590,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION(

ELIGIBILITY

- NAICS Section – 531390

COMPANY INCENTIVES

- Approximately \$ 122,500 in sales tax savings:

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs: 0 FTE
- Est. salary/yr. of jobs retained: \$0
- Current Annual Payroll: \$ 0
- Projected new jobs: 1 FTE
- Est. salary/yr. of jobs created: \$55,000
- Total jobs after project completion: 1 FTE
- Construction Jobs: 20

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
- NET Community Benefits: \$ 1,791,697
- Spillover Jobs: 10
- Total Payroll: \$ 1,701,206

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

Incentives: \$122,500
 Community Benefit: \$1,791,697
 Cost: Benefit Ratio
 • 1: 15

Project Title: 471 Elmwood Avenue Mixed Use
 Project Address: 471 Elmwood Ave. Buffalo. NY 14222
 (Buffalo City School District)

Agency Request

A sales tax exemption in connection with the adaptive reuse of a 11,000 +/- sq ft historic building for future commercial and residential use within the Elmwood Village.

Building Acquisition	\$ 1,250,000
Building Renovation	\$ 2,100,000
Infrastructure	\$ 75,000
Non- Manufacturing Equipment	\$ 65,000
Soft Costs/Other	\$ 100,000
Total Project Cost	\$ 3,590,000
 85%	 \$ 3,051,500

Company Description

471 Elmwood Group, LLC (the applicant) is a subsidiary of Sinatra and Company Real Estate, a full-service real estate firm with over 5,500 multi-family units across 5 states. The group is the largest apartment owner in WNY and operates all properties through leasing, property management development and commercial brokerage.

Project Description

Built in 1910, 471 Elmwood Ave is a historical 2-story brick building within the Elmwood Village. While the building has been vacant for 8 years, its most recent use was as a restaurant (Casa di Pizza) and previously is believed to have been the site of a dry cleaners.

The project was originally slated for demolition however a decision was made to save the structure with current attempts underway to winterize the building through various joist replacements thus preventing further damage. This project would not be financially feasible without assistance due to the excess of structural repair work not part of the project's original scope of work. Upon completion, the project will offer 5,500 sq ft of 1st floor commercial/retail space and 5,500 sq ft of 2nd floor residential units – 1 being offered at 80% of AMI. Parking will be in the rear of the building.

# of Units	Sq Ft Range	Rent Range
3 one-bedroom	645 - 755	\$1,105 -\$1,650
2 two-bedroom	932 - 970	\$1,850 - \$2,200

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	122,500
	Mortgage Recording	
	Total	122,500
	Discounted at 2%	122,500

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Construction	1,464,467
			Payroll Permanent	236,739
		Public	Property Taxes	
			Sales Taxes	14,141
			Other - NFTA	
	New York State	Public	Income Taxes	76,554
			Sales Taxes	11,908
				Total Benefits to EC + NYS***
			Discounted at 2%	1,791,697

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

Discounted Cost \$ 122,500
 Discounted Benefit \$ 1,791,697
 Ratio 1: 15

Conclusion: The Cost Benefit for this project is: 1:15. For every \$1 in costs (incentives), this project provides \$15 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$26 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
\$16,688	\$1,750,000	\$ 60,480	\$34,418	\$ 38,938
Combined Tax Rate: \$ 22.25				

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Residential	5,500	\$1,600,000	76%
Commercial / Retail	5,500	\$ 500,000	24%
	11,000	\$ 2,100,000	100%

The retail component of the project is less than 33% 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: \$ 3,590,000, 85%: \$3,051,500
Employment	Coincides with recapture period	Projected employment = 1 FTE Create 85% of Projected = 1 FTE Recapture Employment = 0
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 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; 3,051,500 ii) company has created jobs (1 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

- 2/22/22: Public hearing held.
- Minor Site Plan Review City of Buffalo Planning Board Approval – No SEQRA compliance required.
- 3/23/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

471 Elmwood Avenue

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	Structure was built in 1910 and is over 110 years old.
Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes the elimination of slum and blight.	Structure has been vacant for 8 years.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)	This building has no rental income and is vacant.
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	This project complies with the investment and growth criteria for the Framework for Regional Growth
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)	Financial obstacles due to structural damage have added significant costs to this project. The cash flow projections supplied by the applicant and reviewed internally by the ECIDA indicates a below average return on investment @ 6.7%
Demonstrated support of local government entities	Letter of support from Councilmember David Rivera
LEED/Renewable Resources	N/A
Building or site has historic designation	Project is seeking historic tax credits for this historic structure.
Site or structure has delinquent property or other local taxes	Taxes are current.
MBE/WBE Utilization	The development team has a goal to hire at least 25% MWBE contractors across all development projects. Sinatra & Co has also hosted 4 MWBE hiring events and open

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA
471 Elmwood Avenue

	house to attract and encourage contractors to discuss all projects. In the current climate it has been more challenging to hire labor and contractors but remain fully committed to this goal as they continue development in Buffalo.
Transit Oriented Development	Accessible by Metro Bus Route 20 and Metro Rail (Summer-Best)

OTHER FACTORS TO CONSIDER:	
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	Structure has been vacant for nearly a decade contributing to blight and safety hazards for the neighborhood. Significant structural issues and a need to winterize the building may also lead to public safety concerns.
Site or structure is located in a distressed census tract	The property is located within distressed census tract 67.02
Structure presents significant costs associated w/ building code compliance.	Structural issues present – significant costs noted within application.

DATE OF INDUCEMENT: 3/23/2022

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

471 Elmwood Avenue

Return on Investment – 471 Elmwood Ave

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 \$122,500
- Mortgage Tax Savings in the estimated amount of \$0

ROI

471 Elmwood, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 6.7%

Stated ROI for the project without ECIDA assistance is 5.9%

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

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

PILOT Estimate Table Worksheet-471 Elmwood Group, LLC

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
2,175,000	1,175,000	5.04	17.21	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.)
3,590,000	n/a	122,250	n/a	\$560,000 Historic Tax \$172,100 485a (estimate)

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 24 %



Common Council

DAVID A. RIVERA

**NIAGARA DISTRICT COUNCIL MEMBER
MAJORITY LEADER**

65 NIAGARA SQUARE, 1504 City Hall
BUFFALO, NY 14202-3318

PHONE: (716) 851-5125 • FAX: (716) 851-4970

E-mail: darivera@city-buffalo.com

COMMITTEES

CLAIMS
CIVIL SERVICE
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SPECIAL COMMITTEES

RULES
MBEC
POLICE OVERSIGHT, CHAIRMAN

LEGISLATIVE STAFF

VALERIE MALIA
NOEMI SANTIAGO

February 7, 2022

ECIDA

95 Perry Street, Suite 403
Buffalo, NY 14203

Re: 471 Elmwood Avenue | Adaptive Reuse Application | Letter of Support

To Whom it May Concern:

Please allow this letter to evidence my support for the historic adaptive reuse for 471 Elmwood Avenue. The proposed project features 5 apartments, one of which will be affordable (20%), as well as approximately 5,500 SF of commercial space on the ground floor. I appreciate your courtesies in this matter. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "David A. Rivera".

David A. Rivera
Niagara District Councilmember
Majority Leader

DAR/vmm

PUBLIC HEARING SCRIPT

**471 Elmwood 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 February 22, 2022 at 9:00 a.m.,
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Matt Connors – Sinatra & Company
Beth O'Keefe – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:02 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this 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 Tuesday, February 8 2022.

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

Hearing Officer: The proposed Adaptive Reuse project (the "Project") consists of: (i) the renovation on the Land of an approximately 11,000 sq. ft. historic facility to be utilized with five apartments units and approximately 5,500 sq. ft. of retail space catered to a restaurant operator (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 collectively with the Improvements, the "Facility").

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 March 22, 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.

Matt Connors – Vice President of Development, Sinatra & Company Real Estate and also representing 471 Elmwood Group, LLC. We will be doing 5 units, 1 being offered at 80% of AMI. We are also targeting a restaurant user for the ground level space for 5,500 sq. ft.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:05 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

February 22, 2022 at 9:00 a.m.
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203
regarding:

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

Project Location: 471 Elmwood Avenue, Buffalo, New York 14222

Name	Company and/or Address	X box to speak/ comment
Matt Connors	Sinatra & Company 617 Main Street Buffalo, New York 14203	X
Beth O'Keefe	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**471 ELMWOOD 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, March 23, 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 471 ELMWOOD 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 SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (vi) 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, 471 ELMWOOD GROUP, LLC or on behalf of an affiliated entity formed or to be formed (the "Company") has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") located at 471 Elmwood Avenue, City of Buffalo, Erie County, New York consisting of: (i) the renovation on the Land of an approximately 11,000 sq. ft. historic facility to be utilized with five apartments units and approximately 5,500 sq. ft. of retail space catered to a restaurant operator (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 collectively with the Improvements, the “Facility”); 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 (“Financial Assistance”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on February 22, 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, 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 March 23, 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 temporary construction jobs and approximately one (1) full-time job 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 110 years old and functional issues related to its age present challenges to its reuse;
- (ii) the building has been underutilized for 8 years;
- (iii) the building is 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 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; and
- (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.

(L) The project is located in a highly distressed area as defined in the New York General Municipal Law.

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 \$1,400,000, 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 \$122,500, 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.

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 \$3,051,500 (which represents the product of 85% multiplied by \$3,590,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there is at least 1 existing full time equivalent (“FTE”) employee 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.
- (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 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: March 23, 2022



471 Elmwood Avenue

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	471 Elmwood Avenue Mixed-Use
Project Summary	Adaptive reuse of historic structure that has been vacant since 2015. The former Casa Di Pizza site on Elmwood Avenue will be converted into 5 apartments and approximately 5,500 Square Feet of Commercial Space on the ground floor targeted to a restaurant operator. The development team initially feared losing the building to significant structural damage from the basement to the second floor. After working with structural engineers, the initial plan to raze the building has been scrapped, allowing the team to save the building through Historic Tax Credits and hopefully, the ECIDA.
Applicant Name	471 Elmwood Group, LLC
Applicant Address	617 Main Street Suite 300
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14203
Phone	(716) 866-9717
Fax	
E-mail	matt@sinatraandcompany.com
Website	www.sinatraandcompany.com
NAICS Code	531390

Business Organization

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

Individual Completing Application

Name	Matt Connors
Title	
Address	617 Main Street Suite 300
Address 2	

City Buffalo
State New York
Zip 14203
Phone (716) 866-9717
Fax
E-Mail matt@sinatraandcompany.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 Mark Longo
Firm Name Block Longo Lamarca & Brzezinski P.C.
Address One Niagara Square
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 854-4080
Fax
E-Mail mlongo@blockandlongo.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%.

Sinatra and Company Real Estate, LLC; ownership greater than 20%. Sinatra and Company Real Estate, LLC is a full-service real estate firm with over 5,500 units across 5 states. The group is the largest apartment owner in WNY and operates all properties through leasing, property management, development and commercial brokerage.

Estimated % of sales within Erie County	100 %
Estimated % of sales outside Erie County but within New York State	0 %
Estimated % of sales outside New York State but within the U.S.	0 %
Estimated % of sales outside the U.S.	0 %

(*Percentage to equal 100%)

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

100

Describe vendors within Erie County for major purchases

Frey Electric, Danforth Company, M/E Mechanical, Big L Windows

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

471 Elmwood 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

100.46-1-57

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

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

Land

\$ 125,000

Building(s)

\$ 1,175,000

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

Yes

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

The project site is an existing vacant building with parking in the rear. The building is currently undergoing emergency structural repairs that was discovered during architecture walkthroughs.

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)

471 Elmwood is a historic renovation to add residential density to the commercial/restaurant district of Elmwood Avenue and our Elmwood Crossing project. The approximately 11,000 SF structure will feature 5 apartments (Three 1-bedroom, 1 of which will be offered at 80% ami, Two, 2-bedroom) units and approximately 5,500 SF of commercial space catered to a restaurant operator. The project is seeking historic tax credits and was originally slated for demolition due to significant structural concerns. The group decided to save the structure but is attempting to "winterize" the building through various joist replacement to prevent further damage. The occupancy within the Elmwood Village remains strong and this project will cater to young professionals that work in close proximity to the site thus creating an even more walkable area.

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?

Yes

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

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

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available**Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?**

Yes

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

State Historic Preservation Office and National Park Service.

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)**

The development team uncovered significant structural damage to each floor and is currently trying to repair load-bearing joists and i-beams to ensure the structure will be saved. This comes at a significant cost added to the project. In addition, the market is still seeing increased construction costs due to COVID-19 that generally has raised construction costs approximately 25% to the entire budget. Between the structural damage, lead times/costs for mechanical and structural timber, the project budget has only seen increases in material costs despite only having 5 units and ground-floor commercial.

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?

The project would not be feasible due to the excess of structural repair work not on the original scope of work for the project.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics**Is your project located near public transportation?**

Yes

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

Elmwood Avenue bus line #20 directly out front of the property.

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

N-2C

Describe required zoning/land use, if different

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

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

Yes

If yes, please explain

The project as identified in the Phase 1 has some contaminants that will be undisturbed since no excavation will occur on the site.

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?

<BLANK>

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Energy efficient appliances and HVAC/Electrical that is energy-star rated (above 93% efficiency)

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

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

No

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

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

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

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

Retail Sales Yes Services Yes

Please check any and all end uses as identified below.

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

No Renewable Energy

No Other

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

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

			Cost	% of Total Cost
Manufacturing/Processing	square feet	\$	0	0%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	5,500 square feet	\$	500,000	24%
Office	square feet	\$	0	0%
Specify Other	5,500 square feet	\$	1,600,000	76%

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

2/20/2022

End date : Estimated completion date of project

12/31/2022

Project occupancy : estimated starting date of occupancy

3/1/2023

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 1,250,000 10,000 square feet 0 acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 2,100,000 10,000 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 75,000

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

\$ 65,000

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

\$ 100,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 3,590,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 2,175,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 1,400,000
% sourced in Erie County	100%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 1,400,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 122,500

** 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: Structural support for the building, architect fees, legal fees related to closing costs, historic preservation consultant.

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 and tax credits):	\$ 560,000
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:	\$560,000

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): 485-a

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

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

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

The development team has a goal to hire at least 25% MWBE contractors across all development projects. Sinatra and Company has also hosted 4 M/WBE hiring events and open houses to attract and encourage contractors to discuss all projects. In the current climate, it has been more challenging to hire labor and contractors but we remained fully-committed to this goal as we continue development in Buffalo.

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

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	1		1
Part time	0	0	0		0
Total	0	0	1		

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	\$ 0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	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.

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

Payroll Information

Annual Payroll at Proposed Project Site upon completion

55,000

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)

1

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

0

Estimated salary range of jobs to be created

From (Full Time)	55,000	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

471 Elmwood Avenue, Buffalo NY 14222

Name and Address of Owner of Premises

471 Elmwood Group, LLC; 617 Main Street Suite 300, Buffalo NY 14203

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

2-story brick structure with wood framing; small parking lot in rear.

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 property was constructed in 1910, believed to have been a dry cleaner but without confirmation. Significant alterations/improvements occurred in 1980 for the restaurant operator known as, "Casa di Pizza."

Describe all known former uses of the Premises

Restaurant confirmed; possibility of a dry cleaners but no substantial evidence of operations.

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

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

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

Given the success of recent market-rate housing in the Elmwood Village and the development group's vision of Elmwood Crossing, this project will support a mixed-use bookend to the former Women and Children's Hospital of Buffalo.

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.
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*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?

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?

24 %

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)? 122

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

<BLANK>

If vacant, number of years vacant.

8

If underutilized, number of years underutilized.

0

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

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

No

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

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

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	3	645 - 755	\$1,105 - \$1,650
2 Bedroom	2	932 - 970	\$1,850 - \$2,200
3 Bedroom	-	-	\$ - \$
Other	-	-	\$ - \$

Does the site have historical significance?

Yes

If yes, please indicate historical designation

The building has been identified as contributing to the Elmwood Village Historic District.

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

Yes

If yes, provide estimated value of tax credits

600,000

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 development team uncovered significant structural damage to each floor and is currently trying to repair load-bearing joists and i-beams to ensure the structure will be saved. This comes at a significant cost added to the project. In addition, the market is still seeing increased construction costs due to COVID-19 that generally has raised construction costs approximately 25% to the entire budget. Between the structural damage, lead times/costs for mechanical and structural timber, the project budget has only seen increases in material costs despite only having 5 units and ground-floor commercial.

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

We have full support from Councilman David Rivera's office for the 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

Again, the structure has been uncovered during previous remediation to have almost no load-bearing support on the second floor and roof. The team even considered demolition in the initial stages; however, chose to rehabilitate the building utilizing historic tax credits. The issue lies with increased timber costs to salvage the structural support thus bringing an application for the IDA's consideration.

Indicate census tract of project location

67

Indicate how project will eliminate slum and blight

The historic building will inject life back into this corner after years (pre-ownership) of neglect on both interior and exterior. Once restored, the original storefront will span the entire ground-floor and will help activate this corner with commercial and residential density.

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

Section VIII: Inter-Municipal Move Determination

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

Current Address

471 Elmwood Avenue

City/Town

Buffalo

State

New York

Zip Code

14222

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?

Yes

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

We are in current negotiations with a restaurant who is being evicted for the building owner's redevelopment plans at another site.

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

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

<BLANK>

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

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

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

Section IX: Senior Housing

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

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

<BLANK>