



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

**Joint Finance & Audit Committee Meeting  
October 17, 2022**

**95 Perry Street  
4<sup>th</sup> Floor Conference Room  
Buffalo, New York 14203**

at 12:00 p.m.

1. Approval of Minutes – August 19, 2022 (Action) (Pages 2-4)
2. 2023 Budget Review Timeline (Information) (Page 5)
3. Draft 2023 ECIDA Operating & Capital Budget + 3 Year Forecast (Recommendation) (Pages 6-16)
4. Draft 2023 RDC Operating Budget + 3 Year Forecast (Recommendation) (Pages 17-20)
5. Draft 2023 ILDC Operating Budget + 3 Year Forecast (Recommendation) (Pages 21-24)
6. Ellicott Town Homes Bond (Recommendation) (Pages 25-59)
7. OAHS Tonawanda TC, LLC. Bond (Recommendation) (Pages 60-95)
8. New Business (Informational)
  - RFP for Banking Services
9. Adjournment

**MINUTES OF A JOINT MEETING OF THE  
FINANCE & AUDIT COMMITTEES OF THE  
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA or AGENCY)  
THE BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT  
CORPORATION (RDC) AND THE BUFFALO & ERIE COUNTY INDUSTRIAL  
LAND DEVELOPMENT CORPORATION (ILDC)**

- MEETING:** August 19, 2022
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at [www.ecidany.com](http://www.ecidany.com).
- PRESENT:** Penny Beckwith, Allison DeHoney, Hon. Glenn R. Nellis, Michael Szukala, and William Witzleben
- ABSENT:** Hon. Brian J. Kulpa
- OTHERS PRESENT:** Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer/Assistant Secretary; Atiqah Abidi, Assistant Treasurer; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications; Lynette Thompson, Receptionist; and Pietra G. Zaffram, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Kathryn Barrett on behalf of Freed Maxick; Lisa Hicks on behalf of the City of Buffalo

There being a quorum present at 2:03 p.m., the Meeting of the Members of the Joint Finance & Audit Committee of the Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation and the Buffalo and Erie County Industrial Land Development Corporation was called to order by Chair Szukala.

**MINUTES**

The April 20, 2022 minutes of the joint meeting of the Finance and Audit Committee were presented. Upon motion made by Mr. Nellis, and seconded by Ms. Beckwith, and after a vote was called for by Mr. Szukala, the April 20, 2022 minutes of the Finance and Audit Committee were unanimously approved.

## **ECIDA DRAFT 2021 SINGLE AUDIT REPORT**

Ms. Profic presented this single audit report to members. Ms. Barrett from Freed Maxick noted the different reporting required because of CARES Act funding passed through to RDC. The draft report resulted in a “clean” audit of the ECIDA. EDA would not allow funds to flow directly to the RDC, thus, the ECIDA passed funds through to the RDC as a sub-recipient.

Ms. Profic noted there was one other federal program amount reflected on the report for the CEDS update.

Upon motion made by Mr. Witzleben and seconded by Ms. Beckwith, a motion was made to forward the 2021 Single Audit Report to the Board for approval. Mr. Szukala called for the vote and the motion was unanimously approved.

## **U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL DESK REVIEW OF RDC 2021 SINGLE AUDIT REPORTING PACKAGE**

Ms. Profic reviewed a letter received from the U.S. Department of Commerce, Office of Inspector General regarding a recent desk review of the RDC’s single audit reporting package that was submitted to the Federal Audit Clearinghouse for the year ended December 31, 2021. The desk review concluded that the required Data Collection Form did not accurately reflect the notes to the Schedule of Expenditure of Federal Awards. The letter went on to state that the reporting package would be accepted on condition that the reporting requirement is met during the next single audit. Ms. Profic noted that the responding letter from Freed Maxick concurred with the results of the review.

Ms. Barrett explained that the finding constituted a minor error in data collection form. A check box was simply missed. Mr. Szukala inquired if there was a need to send this to the Board.

Ms. Profic stated it was shared with the Chair and no need for full Board and no need for corrective action.

## **2023 BUDGET REVIEW TIMELINE**

Ms. Profic reviewed the draft 2023 ECIDA Budget timeline.

## **DRAFT 2023 ECIDA OPERATING & CAPITAL BUDGET + 3 YEAR FORECAST, DRAFT 2023 RDC OPERATING BUDGET + 3 YEAR FORECAST and DRAFT 2023 ILDC OPERATING BUDGET + 3 YEAR FORECAST**

Ms. Profic presented the budgets to the Committee for review and consideration.

## **NEW BUSINESS**

### RFP for Professional Auditing Services

Ms. Profic advised that the RFP for Professional Auditing Services was sent out on July 25 and are due by August 26. Recommendations will be provided to the Committee in September.

### RFP for Banking Services

Ms. Profic advised that an RFP for banking needs to be prepared in October and reviewed in the fourth quarter.

### ECIDA Office Lease

Ms. Profic. advised that the current ESD sublease expires next September. It is anticipated the lease will take the form of a direct lease with Savarino with increase in costs in shared common areas and property taxes.

Upon motion made by Ms. Beckwith and seconded by Mr. Witzleben, and unanimously approved, the meeting was adjourned at 2:54 p.m.

Dated: August 19, 2022

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Elizabeth A. O'Keefe, Secretary

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

**2023 Budget Review Process**

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

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

# *Erie County Industrial Development Agency (ECIDA)*

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

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

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

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

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

The following significant risk factors may impact the 2023 results:

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

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

# *Erie County Industrial Development Agency (ECIDA)*

## 2023 Budget + 3 Year Forecast

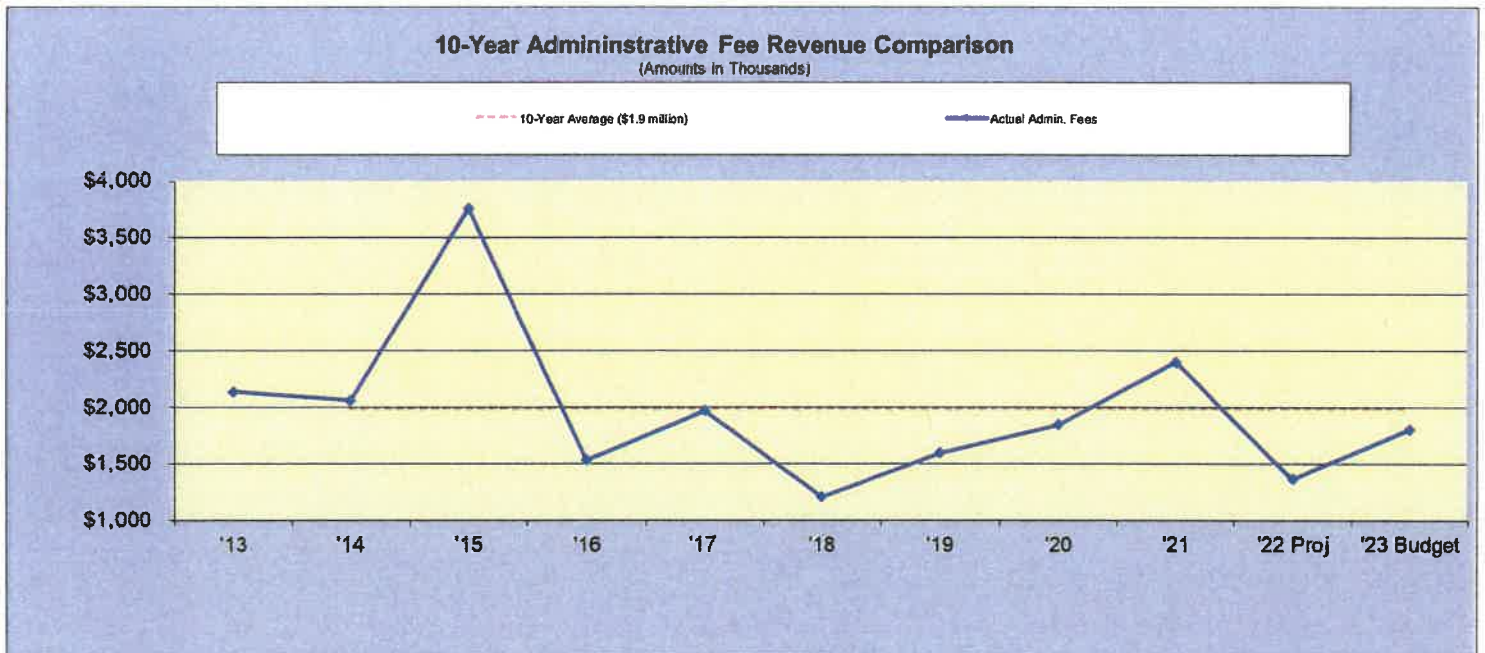
### A. Overview of Changes in 2023 Budget (continued)

#### Revenues:

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

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

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





# *Erie County Industrial Development Agency (ECIDA)*

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

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

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

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

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

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

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

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

### **Expenses:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Venture Capital Co-Investment**

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

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

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

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

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

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

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

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

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

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

**Forgivable Attraction Loan(s)**

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

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

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

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

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

**Partners** – Invest Buffalo Niagara

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

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

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

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

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

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

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

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



**Buffalo & Erie County  
Regional Development Corporation  
Proposed 2023 Budget**

# ***Regional Development Corporation (RDC)***

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

The Buffalo and Erie County Regional Development Corporation (“RDC”) operates two revolving loan funds (“RLF”) that provide loans to eligible businesses under each RLF’s lending parameters. One, the Coronavirus Aid, Release, and Economic Security (CARES) Act RLF, has federal restrictions.

### **A. Key Budget Assumptions:**

In 2023, the RDC expects to fund new loans of around \$2 million. This is expected to be offset by approximately \$870,000 in loan repayments to the RLFs. Interest income on loans is expected to be around \$630,000 for 2023, which represents a 20% increase from the \$523,000 projected for 2022. The main driver of this increase is the expiration of a one-year period of no payments for many of the loans funded with CARES Act grant funds and some larger loans closed from the RDC’s legacy RLF.

### **B. Overview of Changes in 2023 Budget:**

The following summarizes the key changes between the 2023 budget and the projected 2022 results:

- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide to the revolving loan fund, since RDC has no employees of its own. The fee is expected to increase by \$14,000 or 5% in 2023 due to anticipated increases in ECIDA staff salaries and benefits.
- The budgeted amount for the provision for loan losses is \$450,000 for 2023. The provision represents approximately 2.4% of the estimated active loan portfolio balance. The mission of the RDC is to deal primarily with businesses unable to adequately finance operations through normal commercial banking channels. Historically, the loan fund has been a working capital lender, rather than a fixed asset lender, taking junior collateral positions. The CARES Act RLF operates with a higher risk tolerance than our legacy RLF, which will likely result in higher loan losses. Currently, the charge-off rate for loans issued over the past 10 years is approximately 5.6% versus a historical portfolio charge-off rate of approximately 6%.

### **C. Summary of Risk Factors Impacting the 2023 Budget:**

The following significant risk factors may influence the 2023 budget:

1. Due to the numerous uncertainties, value of collateral, guarantees, etc., RDC’s actual loan losses may vary significantly from the loan loss amount budgeted.
2. Interest income may vary from the budgeted amount as the budget is based on an estimate of active loans. Due to economic factors and the overall business climate, loans closed could vary significantly from estimates.

**BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")**  
**Proposed Budget for 2023**

	<b>Proposed Budget 2023</b>	<b>Approved Budget 2022</b>	<b>Projected 2022</b>	<b>Actual 2021</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 630,000	\$ 565,000	\$ 522,806	\$ 447,255
Interest Income - Cash & Investments	700	500	2,376	2,585
Administrative Fees	15,000	15,000	9,500	0
Grant Income	-	103,093	193,650	5,211,029
Other Income	5,000	5,000	2,485	11,864
<b>Total Revenues</b>	<b>650,700</b>	<b>\$ 688,593</b>	<b>730,817</b>	<b>5,672,733</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 286,000	\$ 286,000	\$ 272,000	\$ 268,489
Provision for Loan Losses	450,000	250,000	100,000	429,490
Rent & Facilities Expenses	25,000	25,000	25,000	26,077
Professional Services	56,000	60,050	21,192	43,991
General Office Expenses	3,500	22,000	2,308	3,026
Other Expenses	27,475	22,275	1,656	63,774
<b>Total Expenses</b>	<b>847,975</b>	<b>665,325</b>	<b>422,155</b>	<b>834,847</b>
<b>NET INCOME/(LOSS):</b>	<b>\$ (197,275)</b>	<b>\$ 23,268</b>	<b>\$ 308,661</b>	<b>\$ 4,837,886</b>

\* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the RDC.

	<u>2023 Budget</u>	<u>2022 Budget</u>
Provision for Loan Losses		
Estimated Loan Balance	\$ 18,650,000	\$ 17,108,000
Provision for Loan Losses	\$ 450,000	\$ 250,000
Percentage of Loans	2.4%	1.5%

**BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")**  
**Proposed Budget and Three Year Forecast 2024-2026**

	<b>Proposed Budget 2023</b>	<b>Forecast 2024</b>	<b>Forecast 2025</b>	<b>Forecast 2026</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 630,000	\$ 635,000	\$ 640,000	\$ 645,000
Interest Income - Cash & Investments	700	1,000	1,000	1,000
Administrative Fees	15,000	15,000	15,000	15,000
Other Income	5,000	5,000	5,000	5,000
Total Revenues	<u>650,700</u>	<u>656,000</u>	<u>661,000</u>	<u>666,000</u>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 286,000	\$ 330,000	\$ 330,000	\$ 335,000
Provision for Loan Losses	450,000	400,000	400,000	400,000
Rent & Facilities Expenses	25,000	25,000	25,000	25,000
Professional Services	56,000	60,000	60,000	60,000
General Office Expenses	3,500	3,500	3,500	3,500
Marketing & Other Expenses	27,475	5,000	5,000	5,000
Total Expenses	<u>847,975</u>	<u>823,500</u>	<u>823,500</u>	<u>828,500</u>
<b>NET INCOME/(LOSS):</b>	<u>\$ (197,275)</u>	<u>\$ (167,500)</u>	<u>\$ (162,500)</u>	<u>\$ (162,500)</u>

\* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the RDC.

**Buffalo & Erie County  
Industrial Land Development Corp  
Proposed 2023 Budget**

# *Industrial Land Development Corporation (ILDC)*

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

The Industrial Land Development Corporation (“ILDC”) consists of two sub-funds (Erie County’s Business Development Fund (“BDF”) and a general fund. The ILDC administers the BDF microloan fund on behalf of Erie County for HUD-eligible small businesses that would not otherwise be able to obtain such financing from commercial sources. The ILDC also issues tax-exempt bonds on behalf of various not-for-profit organizations in Erie County.

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

A summary of the key changes between the 2023 budget and the projected 2022 results:

- The Erie County BDF microloan fund was reprogrammed into a loan/grant program in the wake of the COVID-19 pandemic, resulting in increased budgeted loan interest income. New loans are funded with grant income from Erie County passed through the ECIDA.
- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide, since ILDC has no employees of its own. The fee is expected to increase by approximately \$4,000 due to anticipated increases in ECIDA staff salaries and benefit costs.
- Land owned by the ILDC at Renaissance Commerce Park is driving budgeted increases in proceeds from land sales. Professional services consist of legal, consulting, and auditing costs, and are budgeted to increase by about \$16,000 (33%) in 2023. This is due to the legal costs associated with land owned and environmental consulting costs anticipated in 2023. Development and marketing costs are expected to increase in 2023 as well, with the intent to sell property that is owned in both Lackawanna and Evans, NY.
- The Special Projects section of the budget relates to grants. ILDC expects to recognize \$2.6 million from Empire State Development in 2023 related to infrastructure and road work at Renaissance Commerce Park. A total of \$170,000 is budgeted to be used in 2023 for carrying costs related to owned properties, which will be granted by ECIDA’s UDAG fund. Other grant revenue consists of \$283,000 for master planning at the ILDC’s Evans property.

### **B. Summary of Risk Factors impacting the 2023 Budget:**

The following significant risk factors may influence the 2023 budget:

1. Due to numerous uncertainties, the value of collateral, guarantees, etc., the ILDC may experience loan losses that are currently not included in the budget.
2. In the past, the ILDC has generated fee income from issuing tax-exempt debt. These monies are received directly by ILDC and then paid to ECIDA. However, due to the infrequent nature of these activities, and the uncertainty as to when such transactions will occur, ILDC has not included any bond closings in the 2023 budget. It is possible a tax-exempt bond is issued within the next year and both income and expenses will be recognized, accordingly.

**BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**  
**Proposed Budget for 2023**

	<b>Proposed Budget 2023</b>	<b>Approved Budget 2022</b>	<b>Projected 2022</b>	<b>Actual 2021</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 13,000	\$ 5,800	\$ 9,815	\$ 1,861
Grant Income	140,000	-	388,352	560,000
Proceeds from Land Sales	300,000	250,000	(144,898)	(146,122)
Other Income	-	-	184,450	9,600
Interest Income - Cash & Investments	200	100	143	206
<b>Total Revenues</b>	<b>453,200</b>	<b>255,900</b>	<b>437,862</b>	<b>425,546</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	190,000	\$ 120,000	186,000	\$ 124,534
Provision for Loan Losses	15,000	-	-	74,079
Professional Services	65,000	65,000	48,937	28,953
Development & Marketing Expenses	35,000	30,000	-	6,297
Other Expenses	8,175	3,675	19,704	7,887
<b>Total Expenses</b>	<b>313,175</b>	<b>218,675</b>	<b>254,641</b>	<b>241,751</b>
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park - ESD	2,612,350	3,502,500	1,000,000	715,106
Industrial Land Park - ECIDA	70,000	100,000	19,775	187,255
Angola Ag Park - ECIDA	100,000	100,000	37,462	25,696
Other grant revenue	283,304	607,342	366,886	325,650
Industrial Land Park grant reimbursement	(150,000)	-	(103,625)	(104,500)
Industrial Land Park grant costs	(2,682,350)	(3,602,500)	20,825	(194,225)
Angola Ag Park grant costs	(100,000)	(100,000)	(8,333)	(29,681)
Other grant expenses	(297,304)	(621,342)	(49,729)	(287,686)
	<b>(164,000)</b>	<b>(14,000)</b>	<b>1,283,261</b>	<b>637,614</b>
<b>NET INCOME/(LOSS) BEFORE DEPRECIATION:</b>	<b>\$ (23,975)</b>	<b>\$ 23,225</b>	<b>\$ 1,466,482</b>	<b>\$ 821,410</b>
Depreciation	650	975	975	975
<b>NET INCOME/(LOSS):</b>	<b>\$ (24,625)</b>	<b>\$ 22,250</b>	<b>\$ 1,465,507</b>	<b>\$ 820,434</b>

\* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.

**BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")  
Proposed Budget and Three Year Forecast 2024-2026**

	<b>Proposed Budget 2023</b>	<b>Forecast 2024</b>	<b>Forecast 2025</b>	<b>Forecast 2026</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 13,000	\$ 13,000	\$ 13,650	\$ 12,968
Grant Income	140,000	-	-	-
Proceeds from Land Sales	300,000	300,000	300,000	300,000
Other Income	-	-	-	-
Interest Income - Cash & Investments	200	100	100	100
<b>Total Revenues</b>	<b>453,200</b>	<b>313,100</b>	<b>313,750</b>	<b>313,068</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	190,000	\$ 55,000	\$ 55,000	\$ 55,000
Provision for Loan Losses	15,000	15,000	15,000	15,000
Professional Services	65,000	50,000	50,000	50,000
Development & Marketing Expenses	35,000	15,000	15,000	15,000
Other Expenses	8,175	2,500	4,000	5,000
<b>Total Expenses</b>	<b>313,175</b>	<b>137,500</b>	<b>139,000</b>	<b>140,000</b>
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park - ESD	2,612,350	-	-	-
Industrial Land Park - ECIDA	70,000	-	-	-
Angola Ag Park - ECIDA	100,000	-	-	-
Other grant revenue	283,304	-	-	-
Industrial Land Park grant reimbursement	(150,000)	(150,000)	(150,000)	(150,000)
Industrial Land Park grant costs	(2,682,350)	-	-	-
Angola Ag Park grant costs	(100,000)	-	-	-
Other grant expenses	(297,304)	-	-	-
	<b>(164,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>
<b>NET INCOME/(LOSS) BEFORE DEPRECIATION:</b>	<b>\$ (23,975)</b>	<b>\$ 25,600</b>	<b>\$ 24,750</b>	<b>\$ 23,068</b>
Depreciation	650	650	650	650
<b>NET INCOME/(LOSS):</b>	<b>\$ (24,625)</b>	<b>\$ 24,950</b>	<b>\$ 24,100</b>	<b>\$ 22,418</b>

\* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.



## **Ellicott Park Townhomes Community Partners, LP**

### **Briefing Memo**

#### **ECIDA Tax-Exempt Bonding**

Community Preservation Partners (CPP) is an affordable housing rehabilitation company that believes housing is a basic human need, no matter an individual's age, race or socio-economic background. CPP partners with local developers, nonprofits, service providers and housing authorities to transform the lives of the residents who live in the communities we serve. As a result, since 2005 CPP has preserved more than 10,000 units of affordable housing in 14 states.

#### **Project:**

Ellicott Park Townhomes is a 220-unit family Section 8 (68% or 150 units) affordable housing community located in twenty-one two-story wood frame with brick façade townhouse style buildings on 2 noncontiguous parcels totaling 8.9 acres in downtown Buffalo. These Townhomes were built in 1967 and are located just a few blocks from the main business district.

Renovations will cost approximately \$ 75,000 per unit and will include ADA unit conversions, air sealing, door replacement, flooring throughout, paint throughout, kitchen upgrades (new cabinets, quartz counters, energy star appliances, plumbing fixtures), bathroom upgrades (new vanities, quartz countertops, plumbing fixtures accessories) lighting replacement. Building systems – waste line repairs/replacement, exterior window replacement brick masonry repairs, roof replacement. Site work – mill repave and restripe asphalt parking lot, new playground, new gazebo, new dog park, BBQ grills, bike racks, tree trimming, path and travel improvements. Due to the extensive scope of renovations, tenants may experience minor displacement during construction - details are currently being worked out. Tenant furniture will not need to be moved.

CPP East to acquire the property on an acquisition bridge loan in 2022 followed by a tax credit and tax-exempt bond closing in the first quarter of 2023. CPP East will submit an Option 1 Mark-Up-to-Market rent adjustment and 20-year renewal of the HAP contract from HUD and apply for as-of-right 4% LIHTC through the New York State Housing Finance Agency. CPP is pursuing a 15 Year Affordable Housing PILOT in accordance with the City and County PILOT policy.

#### **Project Financing:**

The total project refinancing is not to exceed \$33,000,000 of tax-exempt bonds issued through the Erie County Industrial Development Corporation (ECIDA).

The NYS Department of Economic Development has not announced the 2023 bond allocations (including the ECIDA allocation). The ECIDA will continue to work closely with the NYS DED to ensure sufficient ECIDA private activity bond volume cap allocation for '23 issuance of tax-exempt private activity bonds for the Ellicott Park Townhomes Project.

The bonds would not be an obligation of the ECIDA, Erie County or NYS.

**Ellicott Park Townhomes Community Partners, LP**  
**\$ 54,664,295**  
**INDUCEMENT RESOLUTION / TAX EXEMPT BOND**  
**ANTICIPATED BOND AMOUNT UP TO 33,000,000**

<b>ELIGIBILITY</b>	Project Title: Ellicott Townhomes												
<ul style="list-style-type: none"> <li>• NAICS Section – 53</li> </ul>	Project Address: 10 Durham Ct (a/k/a 221 & 291 William St), Buffalo, NY 14204 (City of Buffalo School District)												
<b>COMPANY INCENTIVES</b>	<b>Agency Request</b>												
<ul style="list-style-type: none"> <li>• Anticipated Bond Amount – up to \$ 33,000,000</li> <li>• Approximately \$ 1,050,000 in sales tax savings</li> <li>• Up to 3/4 of 1% of the final mortgage amount estimated at \$230,856</li> </ul>	Issuance of a federally tax-exempt bond, a sales tax and a mortgage recording tax exemption in connection with the acquisition, renovation and upgrading of the Ellicott Park Townhomes												
<b>JOBS &amp; ANNUAL PAYROLL</b>	<b>Company Description</b>												
<ul style="list-style-type: none"> <li>• Current Jobs: 2 FT, 1 PT</li> <li>• Annual Payroll: \$ 322,000</li> <li>• Projected new jobs: 2 FT, 2 PT</li> <li>• Est. salary/yr. of FT jobs created: \$ 49,000</li> <li>• Est. salary/yr. of jobs retained: \$ 51,000</li> <li>• Total jobs after project completion: 5 FTE</li> </ul>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Building Addition</td> <td style="width: 50%; text-align: right;">\$ 15,157,500</td> </tr> <tr> <td>Reconstruction / Renovations</td> <td style="text-align: right;">\$ 24,490,336</td> </tr> <tr> <td>Soft Costs/Other</td> <td style="text-align: right;">\$ 15,016,459</td> </tr> <tr> <td><b>Total Project Cost</b></td> <td style="text-align: right;"><b>\$ 54,664,295</b></td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>85%</td> <td style="text-align: right;">\$ 46,464,650</td> </tr> </table> <p>Community Preservation Partners (CPP) is an affordable housing rehabilitation company that believes housing is a basic human need, no matter an individual's age, race or socio-economic background. CPP partners with local developers, nonprofits, service providers and housing authorities to transform the lives of the residents who live in the communities we serve. As a result, since 2005 CPP has preserved more than 10,000 units of affordable housing in 14 states.</p>	Building Addition	\$ 15,157,500	Reconstruction / Renovations	\$ 24,490,336	Soft Costs/Other	\$ 15,016,459	<b>Total Project Cost</b>	<b>\$ 54,664,295</b>	 		85%	\$ 46,464,650
Building Addition	\$ 15,157,500												
Reconstruction / Renovations	\$ 24,490,336												
Soft Costs/Other	\$ 15,016,459												
<b>Total Project Cost</b>	<b>\$ 54,664,295</b>												
85%	\$ 46,464,650												
<b>PROJECTED COMMUNITY BENEFITS*</b>	<b>Project Description</b>												
<ul style="list-style-type: none"> <li>• NET Community Benefits: \$28,814,204</li> <li>• Construction Jobs: 210</li> <li>• Spillover Jobs: 161</li> <li>• Total Payroll: \$ 27,102,625</li> </ul>	<p>Ellicott Park Townhomes is a 220-unit family Section 8 (68% or 150 units) affordable housing community located in twenty-one two-story wood frame with brick façade townhouse style buildings on 2 noncontiguous parcels totaling 8.9 acres in downtown Buffalo. These Townhomes were built in 1967 and are located just a few blocks from the main business district.</p> <p>Renovations will cost approximately \$ 75,000 per unit and will include ADA unit conversions, air sealing, door replacement, flooring throughout, paint throughout, kitchen upgrades (new cabinets, quartz counters, energy star appliances, plumbing fixtures), bathroom upgrades (new vanities, quartz countertops, plumbing fixtures accessories) lighting replacement. Building systems – waste line repairs/replacement, exterior window replacement brick masonry repairs, roof replacement. Site work – mill repave and restripe asphalt parking lot, new playground, new gazebo, new dog park, BBQ grills, bike racks, tree trimming, path and travel improvements. Due to the extensive scope of renovations, tenants may experience minor displacement during construction - details are currently being worked out. Tenant furniture will not need to be moved.</p>												
<b>INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*</b>	<b>Company Description</b>												
<p>Incentives: \$ 1,280,856</p> <p>Community Benefit: \$ 28,746,716</p> <p>Cost Benefit Ratio</p> <ul style="list-style-type: none"> <li>• 1:22</li> </ul>	<p>CPP East to acquire the property on an acquisition bridge loan in 2022 followed by a tax credit and tax-exempt bond closing in the first quarter of 2023. CPP East will submit an Option 1 Mark-Up-to-Market rent adjustment and 20-year renewal of the HAP contract from HUD and apply for as-of-right 4% LIHTC through the New York State Housing Finance Agency. CPP is pursuing a 15 Year Affordable Housing PILOT in accordance with the City and County PILOT policy.</p>												

\* Cost Benefit Analysis Tool powered by MRB Group

### Project Description (cont'd)

Unit Type	Square Footage	Rental Amount	
		HAP	LIHTC
One Bedroom (35 units)	750 sf	\$ 1,190	-
Two Bedroom (101 units)	962 sf	\$ 1,450	\$ 870
Three Bedroom (84 units)	1,200 sf	\$ 1,835	\$ 899

2 one-bedroom units being used as leasing office

HAP = Housing Assistance Payment (contract) HUD rental subsidies

LIHTC = 4% Low Income Housing Tax Credits

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

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

#### Cost: Incentives

COSTS	Tax Exemption	Amount
	Property Tax	\$0
	Sales Tax	\$ 1,050,000
	Mortgage Recording	230,856
	Total	\$ 1,280,856
	Discounted at 2%	\$ 1,280,856

#### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 25,494,952
			Payroll Permanent	\$1,607,673
		Public	Property Taxes	\$0
			Sales Taxes	\$225,291
			Other Revenue (Muni)	\$76,952
	New York State	Public	Income Taxes	\$1,219,618
			Sales Taxes	\$189,719
			Total Benefits to EC + NYS***	\$28,814,204
			Discounted at 2%	\$28,746,716

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

Discounted Cost	\$ 1,280,856
Discounted Benefit	\$ 28,746,716
Ratio	1:22

**Conclusion:** The Cost Benefit for this project is: :1. For every \$1 in costs (incentives), this project provides \$22 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$42 in benefits to the community.**

## 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 = \$54,664,295 85% = \$ 46,464,650
Employment	Coincides with Recapture Period	Maintain Base = 2 FT, 1 PT (2 FTE) Create 85% of Projected Projected = 2 FT, 2 PT (3 FTE) 85% = 2 FTE Recapture Employment = 4 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with Recapture Period	Adherence to Policy
Unpaid Tax	Coincides with Recapture Period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes  
Mortgage Recording Tax

### Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 2 FTE jobs and created 2 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

### Project ECIDA History

- 10/11/22: Public hearing held.
- 10/26/22 Type II Action not subject to SEQRA review
- 10/26/22: Inducement and Bond Sale Resolution presented to Board of Directors

# EVALUATIVE CRITERIA

## Ellicott Townhomes

Distressed Census Tract	Project is located within distressed census tract #14.03
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	Project represents renovation of an existing facility that is over 50 years old.
Structure has been vacant or underutilized for a minimum of 3 years. Project promotes the elimination of slum and blight.	Exterior renovation plans include: window replacement, brick masonry repairs, roof replacement, Site work includes repave and restriping of asphalt parking lot, new playground, gazebo & dog park. BBQ grills bile racks tree trimming & path of travel improvements.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)	N/A
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 of the Framework for Regional Growth.
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	N/A
LEED/Renewable Resources	N/A
Building or site has historic designation	N/A
Site or structure has delinquent property or other local taxes	Property taxes are current on this property.
MBE/WBE Utilization	Client Response: GC (Lecesse) is committed to providing women, minorities, MWBE businesses, disadvantaged businesses & Section 3 businesses with equal opportunities in the performance of contracts. Our in-house Diversity & Community Engagement Manager, Kathy Rooney, oversees supplier diversity management, and community development. Kathy, along with the rest of the LECESSE team, support our communities through mentoring and outreach events to ensure we are continuously creating inclusion opportunities in support of our workforce and trade partners. It is our policy to utilize and help grow M/WBE and low-income subcontractors on all private and public projects when possible in order to ensure that State and Federal participation goals are met. The team is targeting 20% of MBW and 7% of WBE involvement or greater if possible.
Transit Oriented Development	Project is accessible via various NFTA Metro routes including, but not limited to : #1 William, #2 Clinton, #4 Broadway

DATE OF INDUCEMENT: 10/26/22

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

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

**PILOT Estimate Table Worksheet-Ellicott Townhomes**

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
\$ 24,490,336	n/a	n/a	n/a	n/a

\*Apply equalization rate to value

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

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

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (4% Low Income Housing Tax Credits from NYSHFA, 15 Year Affordable Housing PILOT from City of Buffalo)
\$ 54,664,295	n/a	\$1,050,000	\$ 230,856	\$ not available

**Note: special district taxes are not subject to PILOT abatement**

**Calculate % = (Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Tot Project Costs: 2.3%**

# Erie County Industrial Development Agency

## MRB Cost Benefit Calculator



Date: September 26, 2022  
 Project Title: Ellicott Park Townhomes Community Partners, LP  
 Project Location: 10 Durham Court, Buffalo, NY 14204

### Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

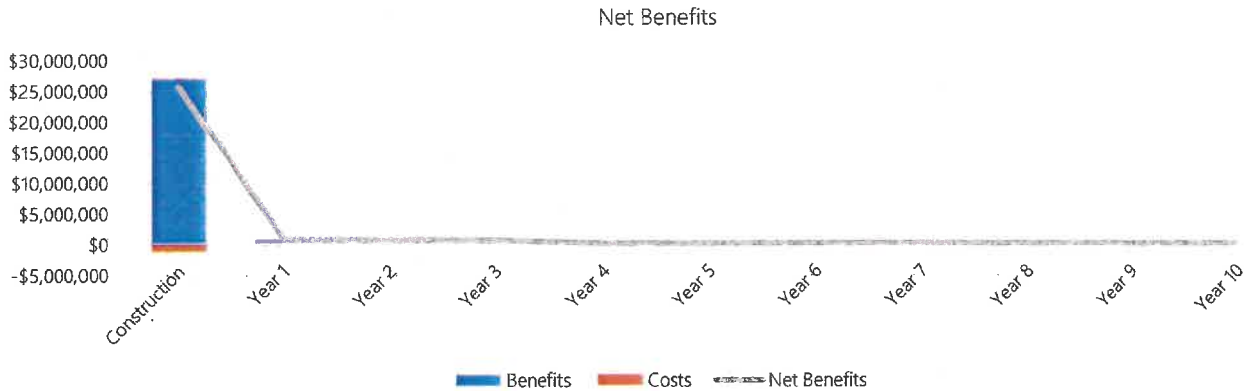
Project Total Investment  
 \$54,664,295

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	210	157	367
Earnings	\$16,495,832	\$8,999,120	\$25,494,952
Local Spend	\$39,358,292	\$27,866,034	\$67,224,327

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	5	4	9
Earnings	\$747,000	\$860,673	\$1,607,673

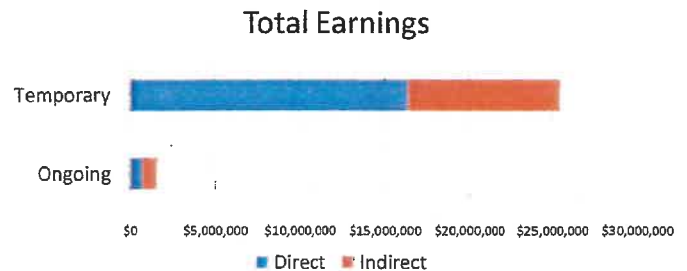
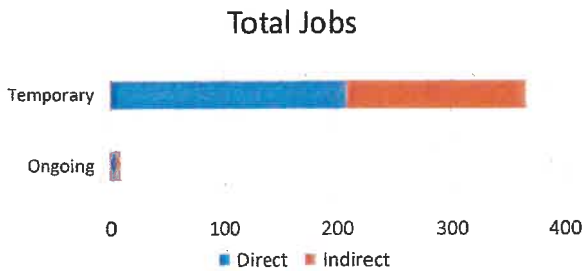
Figure 1



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

Figure 2

Figure 3



# Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

## Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$1,050,000	\$1,050,000
Local Sales Tax Exemption	\$570,000	\$570,000
State Sales Tax Exemption	\$480,000	\$480,000
Mortgage Recording Tax Exemption	\$230,856	\$230,856
Local Mortgage Recording Tax Exemption	\$76,952	\$76,952
State Mortgage Recording Tax Exemption	\$153,904	\$153,904
<b>Total Costs</b>	<b>\$1,280,856</b>	<b>\$1,280,856</b>

## State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$27,404,867</b>	<b>\$27,340,615</b>
To Private Individuals	<u>\$27,102,625</u>	<u>\$27,040,399</u>
Temporary Payroll	\$25,494,952	\$25,494,952
Ongoing Payroll	\$1,607,673	\$1,545,447
Other Payments to Private Individuals	\$0	\$0
To the Public	<u>\$302,243</u>	<u>\$300,216</u>
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$211,927	\$211,927
Ongoing Jobs - Sales Tax Revenue	\$13,364	\$12,847
Other Local Municipal Revenue	\$76,952	\$75,443
<b>State Benefits</b>	<b>\$1,409,336</b>	<b>\$1,406,101</b>
To the Public	<u>\$1,409,336</u>	<u>\$1,406,101</u>
Temporary Income Tax Revenue	\$1,147,273	\$1,147,273
Ongoing Income Tax Revenue	\$72,345	\$69,545
Temporary Jobs - Sales Tax Revenue	\$178,465	\$178,465
Ongoing Jobs - Sales Tax Revenue	\$11,254	\$10,818
<b>Total Benefits to State &amp; Region</b>	<b>\$28,814,204</b>	<b>\$28,746,716</b>

## Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$27,340,615	\$646,952	42:1
State	\$1,406,101	\$633,904	2:1
<b>Grand Total</b>	<b>\$28,746,716</b>	<b>\$1,280,856</b>	<b>22:1</b>

\*Discounted at 2%

## Additional Comments from IDA

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



## PUBLIC HEARING SCRIPT

### Ellicott Park Townhomes Project

Public Hearing to be held on October 11, 2022 at 1:00 p.m.  
at the offices of the Erie County Industrial Development Agency located at  
95 Perry Street – Suite 403 in the City of Buffalo, Erie County, New York

#### ATTENDANCE

David Brown – Community Preservation Partners  
Beth O’Keefe – ECIDA  
Carrie Hocienec – 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 1:00 p.m. My name is Grant Lesswing. I am the Director of Business Development of the Erie County Industrial Development Agency (the “Agency”), and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency’s website at [www.ecidany.com](http://www.ecidany.com).

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

Hearing Officer: Pursuant to and in accordance with Section 859-a and 859-b of the General Municipal Law of the State of New York, as amended, the Agency is conducting this public hearing in connection with a certain proposed project, as more fully described below (the “Project”), to be undertaken by the Agency for the benefit of Ellicott Park Townhomes Community Partners, LP, a New York limited partnership, on behalf of itself and/or an entity or entities formed or to be formed on behalf of the foregoing (collectively, the “Company”).

The Agency published a Notice of Public Hearing with respect to the Project in The Buffalo News on September 30, 2022.

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

Hearing Officer: The Project shall consist of the following to be undertaken by the Agency for the benefit of the Company: (A) (1) the acquisition of an interest in a portion of approximately 8.9 acres of land located at 221 William Street in the City of Buffalo, Erie County, New York and 291 William Street in the City of Buffalo, Erie County, New York, respectively (collectively, the “Land”), (2) the acquisition, reconstruction and renovation of twenty-one (21) two-story existing townhouse style buildings consisting of 220 apartment units and containing approximately 271,902 square feet in the aggregate known as the Ellicott Park Townhomes located on the Land (the “Facility”) and (3) the acquisition and

installation therein and thereon of related fixtures, machinery, equipment and other personal property (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to hereinafter as the "Project Facility"), all of the foregoing to constitute a low-income housing facility to be operated by the Company and leased to residential tenants, and any other directly and indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, in an aggregate principal amount not to exceed \$33,000,000 (the "Obligations"); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes and mortgage recording taxes (collectively with the Obligations, the "Financial Assistance"); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

The Agency is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations and (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith.

If the Agency determines to proceed with the Project and the issuance of the Obligations, (A) the Facility will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to an installment sale agreement, as amended (the "Agreement") requiring that the Company or its designee make payments equal to debt service on the Obligations and make certain other payments and (B) the Obligations will be a special obligation of the Agency payable solely out of certain of the proceeds of the Agreement and certain other assets of the Agency pledged to the repayment of the Obligations. THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ERIE COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ERIE COUNTY, NEW YORK SHALL BE LIABLE THEREON.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on the location and nature of the Facility or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the board of directors of the Agency.

It is anticipated that the members of the board of the Agency will approve of the issuance of the Obligations at its meeting on October 26, 2022.

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

Hearing Officer: If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes at 4:00 p.m. on October 25, 2022. There are no limitations on written statements or comments.

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

Hearing Officer: Those interested in making a statement or comment will be called upon in the order that they registered for this meeting. Please begin by stating your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to no more than 5 minutes, and if possible, 3 minutes.

My name is David Brown, Community Preservation Partners. I just have a few bullet points to talk about our company, myself our experience and the project. The story of Community Preservation Partners begins with our parent company WNC & Associates which is a second-generation family-owned business founded in 1971. WNC is a national investor in affordable housing and has invested in more than \$10 Billion in affordable housing in more than 1,400 properties in 45 states. Community Preservation Partners was founded in 2004 focusing on acquisition rehab development. We have preserved more than 13,000 units of affordable housing across the country. CPP is missioned based and takes a people-first view of service to our residents and our communities. We believe that housing is a basic human need, no matter an individual's age, race, or socioeconomic background. Housing is where stability starts and where communities are built and strengthened. We have the opportunity to preserve, protect, and extend the affordability of this community while making meaningful capital improvements that enhance the resident's lives and preserve the community for the long term. We have assembled a very capable team for the project that has the experience necessary to drive it forward. Lecessee Corporation is acting as our General Contractor. Inglese & Associates will be our Architects and Clifford & Company will be our construction manager.

A little bit about myself. I joined the company recently and prior to CPP I worked for 3-years at Volunteers of America which is obviously a national non-profit doing affordable housing and prior to that I spent 2-years working in DC Housing Authority working with very low-income communities, so I think I have a good understanding of some of the challenges and obstacles that the people in this community's face. With regards to the timing of the project, as I said previously, we are in the process of acquiring the property right now. We are looking at a closing in November of 2022 that will be followed by tax credit and tax-exempt bond closing in the 1<sup>st</sup> quarter of 2023. We already started a dialog with HUD preparing them for exactly what our intensions are, and they are obviously very familiar with our activities across the country.

Just a couple of points on the rehab itself. We are doing a pretty deep rehab. It's about \$75,000 per unit. In the units we are doing door replacements, flooring, painting throughout, dry wall replacement. On the kitchens and bathrooms, we're doing a near-gut rehab. In the Kitchens we are doing new cabinets, quartz countertops, energy star appliances, plumbing and fixtures. The bathrooms include new vanities, quartz countertops, plumbing, fixtures, accessories, etc. Building systems, we are replacing the existing waste lines. We are also doing gas water heater replacements. On the exterior we are doing window replacements, brick masonry repairs and badly needed roof repairs. On the actual site itself we are milling, repaving and restriping the parking lot, inserting a playground, a gazebo, a dog park, BBQ grills, and bike racks and some tree trimming. I think we are going to be able to give the folks who live there a very comfortable place to live for a very long time and we are excited to do it.

**6. ADJOURNMENT.**

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 1:11 p.m.

**SIGN IN SHEET FOR PUBLIC HEARING**

Public Hearing to be held on October 11, 2022 at 1:00 p.m.  
at the offices of the Erie County Industrial Development Agency  
located at 95 Perry Street – Suite 403 in the City of Buffalo, Erie County, New York

**Ellicott Park Townhomes Project**

<b>Name</b>	<b>Company and/or Address</b>	<b>X box to speak/ comment</b>
David Brown	Community Preservation Partners 17782 Sky Park Circle Irvine, California 92614	X
Beth O'Keefe	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**FINANCE & AUDIT COMMITTEE**

**RESOLUTION**

A Meeting of the Erie County Industrial Development Agency Finance & Audit Committee was convened on October 17, 2022, at 12:00 p.m.

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

**RESOLUTION OF THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“ECIDA” OR “ISSUER”) FINANCE & AUDIT COMMITTEE RECOMMENDING THAT THE ECIDA FINANCE CERTAIN COSTS RELATING TO, AND APPROVING THE UNDERTAKING OF A CERTAIN PROJECT DESCRIBED BELOW AT THE REQUEST OF ELLICOTT PARK TOWNHOMES COMMUNITY PARTNERS, LP, AND THE GRANTING OF CERTAIN FINANCIAL ASSISTANCE IN CONNECTION THEREWITH, INCLUDING THE ISSUANCE OF THE ISSUER'S TAX-EXEMPT BONDS OR INCIDENTAL TAXABLE BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$30,000,000 FOR THE PURPOSES OF UNDERTAKING THE PROJECT AND FUNDING THE COSTS OF SUCH ISSUANCE**

WHEREAS, the Finance & Audit Committee (the "Committee") has reviewed the application submitted by Ellicott Park Townhomes Community Partners, LP (the "Company") requesting that the ECIDA consider undertaking a project (the "Project") consisting of (i) the acquisition of an interest in a portion of approximately 8.9 acres of land located at 221 William Street in the City of Buffalo, Erie County, New York and 291 William Street in the City of Buffalo, Erie County, New York, respectively (collectively, the "Land"), (ii) the acquisition, reconstruction and renovation of twenty-one (21) two-story existing townhouse style buildings consisting of 220 apartment units and containing approximately 271,902 square feet in the aggregate known as the Ellicott Park Townhomes located on the Land (the "Facility") and (iii) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to hereinafter as the "Project Facility"), all of the foregoing to constitute a low-income housing facility to be operated by the Company and leased to residential tenants, and any other directly and indirectly related activities; (iv) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, in an aggregate principal amount not to exceed \$30,000,000 (the "Obligations"); (v) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (vi) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes and mortgage recording taxes (collectively with the Obligations, the "Financial Assistance"); and (vii) the lease (with an obligation to purchase) or sale of the Project Facility to

the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

WHEREAS, the Public Authorities Accountability Act of 2005 (the "PAAA"), which was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005, was enacted by the New York State (the "State") Legislature to insure greater accountability and openness of public authorities throughout the State; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law ("PAL") of the State, the provisions of the PAAA apply to certain defined "local authorities," including the ECIDA; and

WHEREAS, pursuant to Section 2824(8) of the PAL, it shall be the responsibility of the members of the Finance & Audit Committee to review proposals for the issuance of debt by the ECIDA and make recommendations related thereto; and

WHEREAS, Under Article IV(E) of the Committee's Charter, the "Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance"; and

WHEREAS, the Committee understands that the Bonds will be special limited obligations of the ECIDA payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds and purchased by a qualified institutional buyer or an accredited investor (a "Purchaser"); and

WHEREAS, the Committee further understands that Purchaser has or will have investigated independently the circumstances surrounding the issuance of the Bonds and the security and sources of payment for the Bonds; and

WHEREAS, the Committee has reviewed information relating to the proposed issuance of the Bonds and recommends that the ECIDA undertake the Project and proceed with the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE FINANCE & AUDIT COMMITTEE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

1. That it is in the best interest of economic development in Erie County for the ECIDA to provide the financial assistance to the Company as described herein provided (a) that the Bonds shall never be a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon, and (b) that the Bonds shall be limited obligations of the ECIDA payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds.

2. This resolution shall take effect immediately.

Dated: October 17, 2022



### Tax Exempt Bond Issuance

Instructions and Insurance Requirements Document

#### Section I: Applicant Background Information

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

#### Applicant Information - Company Receiving Benefit

<b>Project Name</b>	Ellicott Townhomes
<b>Project Summary</b>	Ellicott Park Townhomes is a 220 unit family Section-8 (68% or 150 units) affordable housing community located in twenty-one (21) two-story wood frame with brick façade townhouse style buildings on two non-contiguous parcels totaling 8.9 acres in downtown Buffalo. 10 Durham Court (also known as 221 & 291 William St), Buffalo, NY 14204 (Erie County). Located in Downtown Buffalo, Ellicott Park Townhomes was originally constructed in 1967 under the HUD 221d3 BMIR mortgage program. The property consists of twenty-one two-story buildings on 2 non-contiguous parcels (located on the same block). The property is in the Downtown neighborhood and located just a few blocks from the main business district. The property is also centrally located within CPP East's growing portfolio in the region. Methodist Towers in Erie, PA, Winton Gardens and Keeler Park in Rochester, NY are located about 1.5 hours from Buffalo. The planned execution is for CPP East to acquire the property on an acquisition bridge loan by Oct 31, 2022 followed by a tax credit and tax-exempt bond closing in the first quarter of 2023. For the tax credit and bond closing, CPP East will submit an Option 1 Mark-Up-to-Market rent adjustment and 20 year renewal of the HAP contract from HUD, apply for a tax-exempt bond issuance through the Erie County Industrial Development Agency (ECIDA) and apply for as-of-right 4% LIHTC through the New York State Housing Finance Agency (NYSHFA). Preliminary Rehab Scope of Work CPP's typical specifications planned which total \$75,000 per unit. Unit Renovations - ADA unit conversions, air sealing; door replacement (entry, interior, sliders onto balcony); flooring throughout; paint throughout; kitchen upgrades (new cabinets, quartz counters, energy star appliances, plumbing fixtures; bathroom upgrades (new vanities, quartz countertops, plumbing fixtures, accessories); lighting replacement. Building systems - waste line repairs/replacement; Exterior - window replacement, brick masonry repairs, roof replacement, Site work - mill, repave and restripe asphalt parking lot; new playground; new gazebo, new dog park, BBQ grills, bike racks, tree trimming, path of travel improvements.
<b>Applicant Name</b>	Ellicott Park Townhomes Community Partners, LP
<b>Applicant Address</b>	17782 SKY PARK CIR
<b>Applicant Address 2</b>	
<b>Applicant City</b>	IRVINE
<b>Applicant State</b>	California
<b>Applicant Zip</b>	92614
<b>Phone</b>	(771) 210-6178
<b>Fax</b>	
<b>E-mail</b>	dbrown@cpp-housing.com
<b>Website</b>	<a href="https://www.cpp-housing.com/">https://www.cpp-housing.com/</a>



**NAICS Code**

Business Organization

<b>Type of Business</b>	Partnership
<b>Year Established</b>	2022
<b>State in which Organization is established</b>	New York

Individual Completing Application

<b>Name</b>	David Harris Brown
<b>Title</b>	Senior Development Manager
<b>Address</b>	11921 Freedom Drive
<b>Address 2</b>	Suite 860
<b>City</b>	Reston
<b>State</b>	Virginia
<b>Zip</b>	20190
<b>Phone</b>	(771) 210-6178
<b>Fax</b>	
<b>E-Mail</b>	dbrown@cpp-housing.com

Company Contact - Authorized Signer for Applicant

<b>Contact is same as individual completing application</b>	No
<b>Name</b>	Seth Gellis
<b>Title</b>	Senior Vice President, Development
<b>Address</b>	11921 Freedom Drive
<b>Address 2</b>	Suite 860
<b>City</b>	Reston
<b>State</b>	Virginia
<b>Zip</b>	20190
<b>Phone</b>	(714) 662-5565
<b>Fax</b>	
<b>E-Mail</b>	sgellis@cpp-housing.com

Company Counsel

<b>Name of Attorney</b>	Matthew V. Carrigg
<b>Firm Name</b>	Nixon Peabody LLP
<b>Address</b>	1300 Clinton Square
<b>Address 2</b>	
<b>City</b>	Rochester
<b>State</b>	New York
<b>Zip</b>	14604-1792
<b>Phone</b>	(607) 349-4429

Fax

E-Mail mcarrigg@nixonpeabody.com

Benefits Requested (select all that apply).

<b>Exemption from Sales Tax</b>	Yes
<b>Exemption from Mortgage Tax</b>	Yes
<b>Exemption from Real Property Tax</b>	No
<b>Tax Exempt Financing*</b>	Yes

\* (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%.**

CPP is an affordable housing rehabilitation company that believes housing is a basic human need, no matter an individual's age, race, or socio-economic background. Housing is where stability starts, where communities are built and strengthened, where friendships start, where our elders receive care later in life, and where opportunity can replace crime for our youth. Preserving existing housing is more efficient and less costly than the creation of new housing; therefore, it's vitally important to keep and protect the communities that exist. To achieve this mission, CPP partners with local developers, nonprofits, service providers and housing authorities to transform the lives of the residents who live in the communities we serve. As a result, since 2005, CPP has preserved more than 10,000 units of needed affordable housing in fourteen states. Attached to this application is the org chart for this development project.

<b>Estimated % of sales within Erie County</b>	75 %
<b>Estimated % of sales outside Erie County but within New York State</b>	25 %
<b>Estimated % of sales outside New York State but within the U.S.</b>	0 %
<b>Estimated % of sales outside the U.S.</b>	0 %

(\*Percentage to equal 100%)

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

98

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

Community Preservation Partners is currently working with our general contractor to identify qualified subcontractors within Erie County to perform the work on Ellicott Townhomes. Hard costs are estimated to be approximately nearly \$20 mm, half of which will be in labor costs. We are planning on sources as many local contractors as possible.

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

### Project Location

**Address of Proposed Project Facility**

10 Durham Court (221 & 291 William St)

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

Buffalo

**School District of Project Site**

Buffalo City School District

**Current Address (if different)**

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

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

111.14-2-1, 111.4-2-3

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

146,186

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

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

Yes

**If no please explain**

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

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

Yes

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

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

Yes

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

Built in 1967, Ellicott Park Townhomes is a 220 unit family Section-8 (68% or 150 units) affordable housing community located in twenty-one (21) two-story wood frame with brick façade townhouse style buildings on two non-contiguous parcels totaling 8.9 acres in downtown Buffalo. 10 Durham Court, (221 & 229 William St) Buffalo, NY 14024 (Erie County). The unit mix is 35 one-beds (750SF), 101 two-beds (962SF), 84 three-beds (1,200SF) - (2 one-beds being used as leasing office). The Units have full-basements with laundry hook-ups

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

The property is badly in need of repair and received a 65 (out of a 100) on its last HUD property inspection. Community Preservation Partners development plan will completely upgrade the property and ensure that it will continue to serve Erie County's low income community well into the future. Our plan includes site work, exterior upgrades, unit renovations, and system replacement. Each of the 220 units will undergo a deep rehab resulting in cost per unit of approx \$75,000. Preliminary Rehab Scope of Work: CPP's typical specifications planned which total \$75,000 per unit. Unit Renovations - ADA unit conversions, air sealing; door replacement (entry, interior, sliders onto balcony); flooring throughout; paint throughout; kitchen upgrades (new cabinets, quartz counters, energy star appliances, plumbing fixtures; bathroom upgrades (new vanities, quartz countertops, plumbing fixtures, accessories); lighting replacement. Building systems - waste line repairs/replacement; Exterior - window replacement, brick masonry repairs, roof replacement, Site work - mill, repave and restripe asphalt parking lot; new playground; new gazebo, new dog park, BBQ grills, bike racks, tree trimming, path of travel improvements

**Municipality or Municipalities of current operations**

Buffalo

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

Yes

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

No

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

No

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

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

Yes

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

The property is badly in need of a rehabilitation. If its needs are not addressed, it could become condemned. Condemning an affordable housing property probably will not cause residents to leave the county, but rather become homeless within it. An increasing homeless population is obviously monetarily draining on local jurisdictions but can also drive away other business and residents.

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

No

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

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

This project can't be undertaken without the financing and tax relief requested here.

**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)**

Without an issuance of tax-exempt bond from ECIDA, the property would not be able to get as-of-right 4% Low Income Housing Tax Credits from NYSHFA and would therefore be financially infeasible. Furthermore, without a sales tax exemption on construction materials as well as the mortgage recording tax exemption, there would be substantially more development expenses which would likewise make the project infeasible. The real property tax abatement is also critical as the amount of supportable debt proceeds would be greatly diminished if the project were not able to secure an abatement which would also make it financially infeasible.

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

Yes

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

If financial assistance is not obtained, CPP will not be able to go forward with the project but no others players will be able to as the project will not longer make economic sense.

**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)**

Ellicott Townhomes is located between Williams St. and Clinton st., both of which are primary traffic arteries in and out of Buffalo and contain bus routes.

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

No

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

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

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

Yes

**Describe the present zoning/land use**

The Subject sites are zoned D-R, Residential Campus. This addresses residential campuses, sometimes comprised of garden apartments or towers in a park, and organized as a large-scale, integrated development. Per the D-R zone there are no density requirements. The proposed project will be compliance with zoning ordinances.

**Describe required zoning/land use, if different**

NA

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

No zoning change will be required for this project.

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

No

**If yes, please explain**

Please see the attached Phase 1.

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes

**If yes, describe the efficiencies achieved**

We will compliant with all energy efficient requirements from either ECIDA or NYSHFA. You may also attach additional information about the machinery and equipment at the end of the application.

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

No

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

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

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

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

Retail Sales No Services No

Please check any and all end uses as identified below.

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

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

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

Table with 5 columns: Use, Unit, Cost, % of Total Cost. Rows include Manufacturing/Processing, Warehouse, Research & Development, Commercial, Retail, Office, and Specify Other (271,902 square feet, \$ 54,664,295, 100%).

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

Yes

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

Standard

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

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities

1/1/2023

End date : Estimated completion date of project

10/31/2023



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

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

**If Yes, describe particulars:**

Sources of Funds for Project Costs:

**Equity (excluding equity that is attributed to grants/tax credits):** \$ 21,134,577  
     **Bank Financing:** \$ 0  
     **Tax Exempt Bond Issuance (if applicable):** \$ 28,102,000  
     **Taxable Bond Issuance (if applicable):** \$ 0  
**Public Sources (Include sum total of all state and federal grants and tax credits):** \$ 0  
     **Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)** 0  
**Total Sources of Funds for Project Costs:** \$49,236,577  
**Have you secured financing for the project?** Yes

Mortgage Recording Tax Exemption Benefit:

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

**Mortgage Amount (include sum total of construction/permanent/bridge financing).** 30,780,827  
     **Lender Name, if Known**  
**Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):** \$230,856

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):** CPP has applied for a PILOT from the City of Buffalo.

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

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

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

Lecesse, the general contractor on this project, is committed to providing women, minorities, women and minority-owned businesses, disadvantaged businesses and Section 3 businesses with equal opportunities in the performance of contracts. Our in-house Diversity & Community Engagement Manager, Kathy Rooney, oversees supplier diversity management, and community development. Kathy, along with the rest of the LECESSE team, support our communities through mentoring and outreach events to ensure we are continuously creating inclusion opportunities in support of our workforce and trade partners. It is our policy to utilize and help grow M/WBE and low-income subcontractors on all private and public projects when possible in order to ensure that State and Federal participation goals are met. The team is targeting 20% of MBW and 7% of WBE involvement or greater if possible.

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



Yes

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

Yes

**Will project include leasing any equipment?**

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	2	2	2	4
Part time	1	1	2	3
<b>Total</b>	<b>3</b>	<b>3</b>	<b>4</b>	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	2	\$ 49,000	\$ 0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 22,880	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 2,800	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	2	\$ 22,000	\$ 0	\$ 0	\$ 0

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

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Payroll Information

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

322,000

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

51,000

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

21,000

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

49,000

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

21,000

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

<b>From (Full Time)</b>	45,000	<b>To (Full Time)</b>	52,000
<b>From (Part Time)</b>	20,000	<b>To (Part Time)</b>	22,000

### **Section III: Environmental Questionnaire**

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

#### General Background Information

##### **Address of Premises**

221 William Street (Site 1) 291 William Street (Site 2) Buffalo, New York 14204

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

Morgan Ellicott Apartments LLC 2 Symphony Circle Buffalo NY 14201 Attn: Timothy Lebouef

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

The site contains 10.99 acres or 478,919 square feet. The premises is fully developed with asphalt, cement, and landscaped areas contains 20 2 story buildings and has streams or wetlands.

##### **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 Subject consists of a total of 20, one to two-story residential buildings containing 220 one, two, and three bedroom units on two sites. One-bedroom units are of flat design and two and three-bedroom units are of townhome design. All units have a basement that is mainly a storage area with washer/dryer hook-ups. The buildings are wood frame with brick siding and flat roofs; the property was built in 1967 and has received ongoing maintenance.

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

From approximately the late 1800's until 1967 the property had a number of commercial uses. In 1967, the property was redeveloped into its current design of residential units.

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

Yes

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

The property consists of 220 1, 2, and 3 bedroom apartments. Occupancy is above 90%.

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

Yes

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

The Property, 221 William Street / Apartment Complex, is listed on the NY SPILLS database for Spill Number: 1107201 reported to NYSDEC on September 8, 2011. This issue did obtain regulatory closure. There is no active release.

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

No

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

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

No

##### **If yes, describe in full detail**

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

**If yes, please provide copies of the permits.**

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

NA

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

NA

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

No

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

Discharge Into Waterbodies

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

NA

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

CPP has no knowledge of stormwater or wastewater discharges. Waste water removal is through city / county infrastructure and is only related to domestic waste water. There is no generation of hazardous water or materials.

**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

There is no visual evidence of storage 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?

Yes

If yes, please identify the materials

Minimal asbestos has been found on the property during a full screen. An O and M plan is in place to manage these areas.

**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**

**Have any tenant leases been entered into for this project?**

Yes

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

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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\*fill out table for each tenant and known future tenants

## **Section VI: Retail Determination**

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

Please answer the following:

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

No

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

## **Section VII: Adaptive Reuse Projects**

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

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

No



## Section VIII: Inter-Municipal Move Determination

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

### Current Address

221 William Street (Site 1) and 291 William Street (Site 2) Buffalo, New York 14204

### City/Town

Buffalo

### State

New York

### Zip Code

14204

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

No

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

No

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

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

**Within New York State**

No

**Within Erie County**

No

**If Yes to either question, please, explain**

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

No

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

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

NA

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

No

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

NA

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

NA

**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.**

NA

## **Section IX: Senior Housing**

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

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

No

## **OAHS Tonawanda TC LLC / Tonawanda Towers**

### **Briefing Memo**

#### **ECIDA Tax-Exempt Bonding**

Orbach Affordable Housing Solutions ("OAHS") was established in June 2016 to build and preserve affordable housing throughout the United States through the use of tax-exempt debt, low-income housing tax credits and other financial vehicles. OAHS is a wholly owned subsidiary of the Orbach Group which is owned and managed by Meyer Orbach. The OAHS team is comprised of industry professionals who are experienced in leasing, building management, operations, tenant services, compliance, and supervision. OAHS provides approximately 3,100 families with affordable housing through its ownership of HUD buildings across four states. No individual owns more than 20% of the applicant entity, OAHS Tonawanda TC, LLC.

#### **Project:**

Tonawanda Towers is a 100% affordable housing facility consisting of 100 units (plus one super's unit) targeting senior households earning 60% AMI or less. The project consists of the acquisition and renovation of the building. The extensive rehabilitation includes: renovating the interiors of all units and the common areas, upgrading all electrical equipment to energy efficient equipment, updating the building envelope, and improving various site features. The upgrades to the units will be done as "rehab in place" with efforts made to minimize tenant impact during renovations. All units are one bedroom with rent ranges = \$ 1,205 - \$1,230.

The building also has an existing Housing Assistance Payments (HAP) contract for 100% of the units, which will be extended for another 20 years. The applicant is currently working with the City of Tonawanda on a PILOT for the property.

#### **Project Financing:**

The total project refinancing is not to exceed \$13,000,000 of tax-exempt bonds issued through the Erie County Industrial Development Corporation (ECIDA).

The NYS Department of Economic Development, pursuant to Section 12 of the Private Activity Bond Allocation Act of 2022, notified the ECIDA that its initial private activity bond volume cap allocation has been adjusted, effective September 15, 2022, to permit it to retain **\$13,000,000** of its initial allocation to be used to issue tax-exempt private activity bonds for the **Tonawanda Towers Project**, with an anticipated closing date in 2022.

The bonds will be a direct placement – purchased by Mizuho Capital Markets LLC. The bonds would not be an obligation of the ECIDA, the County or NYS.

**OAHS Tonawanda TC LLC / Tonawanda Towers**  
**\$ 25,040,720**  
**INDUCEMENT RESOLUTION/TAX EXEMPT BOND**  
**ANTICIPATED BOND AMOUNT UP TO \$ 13,000,000**

**ELIGIBILITY**

- NAICS Section – 53

**COMPANY INCENTIVES**

- Anticipated Bond Amount – up to \$13,000,000
- Up to 3/4 of 1% of the final mortgage amount estimated at \$89,003

**JOBS & ANNUAL PAYROLL**

- Current Jobs: 3 FT, 1 PT
- Annual Payroll: \$ 180,000
- Projected new jobs: 1 PT
- Est. salary/yr. of jobs created: \$20,000 (PT)
- Est. salary/yr. of jobs retained: \$46,000 (FT)
- Total jobs after project completion: 3 FTE
- Construction Jobs: 59

**PROJECTED COMMUNITY BENEFITS\***

- Term: 2 years after project completion
- NET Community Benefits: \$ 8,751,828
- Spillover Jobs: 47
- Total Payroll: \$ 8,226,028

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

- Incentives: \$ 89,003
- Community Benefit: \$ 8,704,549
- Cost: Benefit Ratio
  - 1:98

Project Title: Tonawanda Towers  
 Project Address: 5 Main St. Tonawanda, NY 14150  
 City of Tonawanda School District

**Agency Request**

Issuance of a federally tax-exempt bond and a mortgage recording tax exemption in connection with the acquisition, renovation and upgrading of the Tonawanda Towers.

Building Acquisition	\$ 14,000,000
Renovation	\$ 6,332,700
Soft Costs	\$ 2,282,351
Other	\$ 2,425,669
<b>Total Project Cost</b>	<b>\$ 25,040,720</b>
 85%	 \$ 21,284,612

**Company Description**

Orbach Affordable Housing Solutions ("OAHS") was established in June 2016 to build and preserve affordable housing throughout the United States through the use of tax-exempt debt, low income housing tax credits and other financial vehicles. OAHS is a wholly owned subsidiary of the Orbach Group which is owned and managed by Meyer Orbach. The OAHS team is comprised of industry professionals who are experienced in leasing, building management, operations, tenant services, compliance and supervision. OAHS provides approximately 3,100 families with affordable housing through its ownership of HUD buildings across four states. No individual owns more than 20% of the applicant entity, OAHS Tonawanda TC, LLC.

**Project Description**

Tonawanda Towers is a 100% affordable housing facility consisting of 100 units (plus one super's unit) targeting senior households earning 60% AMI or less. The project consists of the acquisition and renovation of the building. The extensive rehabilitation includes: renovating the interiors of all units and the common areas, upgrading all electrical equipment to energy efficient equipment, updating the building envelope and improving various site features. The upgrades to the units will be done as "rehab in place" with efforts made to minimize tenant impact during renovations. All units are one bedroom with rent ranges = \$ 1,205 - \$1,230.

The building also has an existing Housing Assistance Payments (HAP) contract for 100% of the units, which will be extended for another 20 years. The applicant is currently working with the City of Tonawanda on a PILOT for the property.

\* Cost Benefit Analysis Tool powered by MRB Group

## Economic Impact: Inform Analytics Cost-Benefit Analysis

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

### Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$0
	Sales	\$0
	Mortgage Recording	\$ 89,003
	Total	\$ 89,003
	Discounted at 2%	\$ 89,003

### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$7,137,029
			Payroll Permanent	\$1,089,000
		Public	Property Taxes	\$0
			Sales Taxes	\$ 68,379
			Other Revenue (muni)	\$ 29,668
	New York State	Public	Income Taxes	\$ 370,171
			Sales Taxes	\$ 57,582
			Total Benefits to EC + NYS***	\$ 8,751,828
			Discounted at 2%	\$8,704,549

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

Discounted Cost	\$ 89,003
Discounted Benefit	\$ 8,704,549
Ratio	1:98

**Conclusion:** The Cost Benefit for this project is: 1:98. For every \$1 in costs (incentives), this project provides \$ 98 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 279 in benefits to the community.**

**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 = \$ 25,040,720 85% = \$ 21,284,612
Employment	Same as recapture period	Maintain Base = 3 FT, 1 PT Create 85% of Projected Projected = 1 PT 85% = 0 Recapture Employment = 3 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of Mortgage recording tax

Recapture applies to:

Mortgage Recording Tax

**Recapture**

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 3 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

**Project ECIDA History**

- 10/13/22 Public hearing held.
- 10/26/22 – Type 2 Action not subject to SEQRA review
- 10/26/22: Inducement and Bond Sale Resolution presented to the Board of Directors

# EVALUATIVE CRITERIA

## Tonawanda Towers

Distressed Census Tract	Project is located in census tract 72 which is <u>not</u> a distressed census tract.
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	Tonawanda Tower Apartments have been in existence for about 40 years.
Structure has been vacant or underutilized for a minimum of 3 years. Project promotes the elimination of slum and blight.	N/A
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)	N/A
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	N/A
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	This project represents a significant upgrade to the facility with renovations planned for both the interior and exterior.
LEED/Renewable Resources	N/A
Building or site has historic designation	N/A
Site or structure has delinquent property or other local taxes	Property taxes are current on this property.
MBE/WBE Utilization	See attached MWBE Utilization form.
Transit Oriented Development	Site is accessible by bus numbers 25 B and 25 D.

DATE OF INDUCEMENT: 10/26/22



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

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

**PILOT Estimate Table Worksheet- Tonawanda Towers**

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
\$ 6,332,700	n/a	n/a	n/a	n/a

\*Apply equalization rate to value

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

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

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives
\$ 25,040,720	n/a	n/a	\$ 89,003	\$ 8,154,911

**Note: special district taxes are not subject to PILOT abatement**

**Calculate % = (Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Tot Project Costs: 33%**

# Erie County Industrial Development Agency

## MRB Cost Benefit Calculator



Date: September 26, 2022  
 Project Title: OAHS Tonawanda TC LLC / Tonawanda Towers  
 Project Location: 5 Main St., Tonawanda, NY 14150

### Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment  
 \$25,040,720

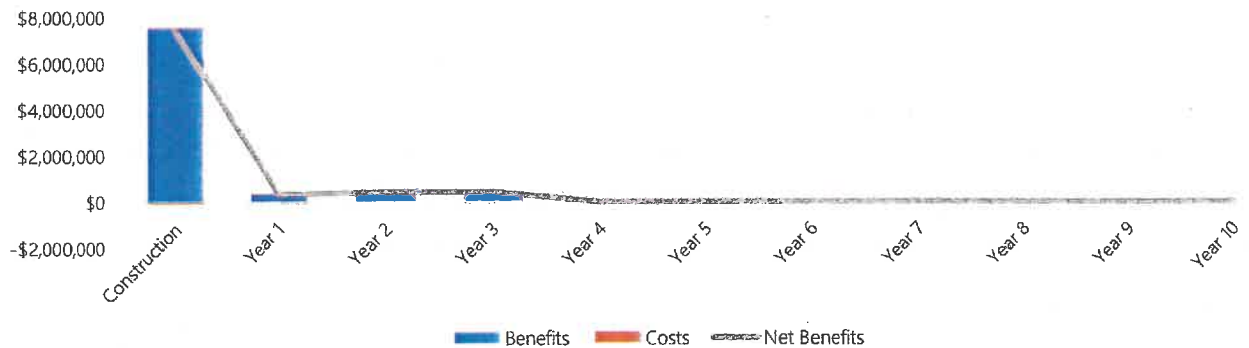
	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	59	44	103
Earnings	\$4,617,825	\$2,519,204	\$7,137,029
Local Spend	\$11,017,917	\$7,800,787	\$18,818,704

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	4	3	7
Earnings	\$506,000	\$583,000	\$1,089,000

Figure 1

Net Benefits

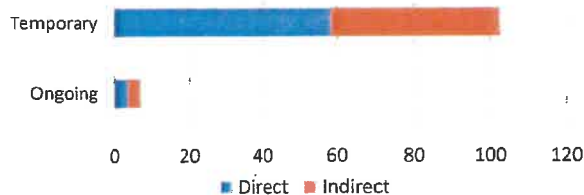


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

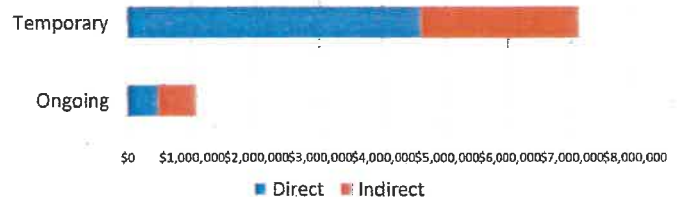
Figure 2

Figure 3

Total Jobs



Total Earnings



# Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

## Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$0	\$0
Local Sales Tax Exemption	\$0	\$0
State Sales Tax Exemption	\$0	\$0
Mortgage Recording Tax Exemption	\$89,003	\$89,003
Local Mortgage Recording Tax Exemption	\$29,668	\$29,668
State Mortgage Recording Tax Exemption	\$59,335	\$59,335
<b>Total Costs</b>	<b>\$89,003</b>	<b>\$89,003</b>

## State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$8,324,075</b>	<b>\$8,279,086</b>
<b>To Private Individuals</b>	<b>\$8,226,028</b>	<b>\$8,181,987</b>
Temporary Payroll	\$7,137,029	\$7,137,029
Ongoing Payroll	\$1,089,000	\$1,044,959
Other Payments to Private Individuals	\$0	\$0
<b>To the Public</b>	<b>\$98,047</b>	<b>\$97,099</b>
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$59,327	\$59,327
Ongoing Jobs - Sales Tax Revenue	\$9,052	\$8,686
Other Local Municipal Revenue	\$29,668	\$29,086
<b>State Benefits</b>	<b>\$427,753</b>	<b>\$425,463</b>
<b>To the Public</b>	<b>\$427,753</b>	<b>\$425,463</b>
Temporary Income Tax Revenue	\$321,166	\$321,166
Ongoing Income Tax Revenue	\$49,005	\$47,023
Temporary Jobs - Sales Tax Revenue	\$49,959	\$49,959
Ongoing Jobs - Sales Tax Revenue	\$7,623	\$7,315
<b>Total Benefits to State &amp; Region</b>	<b>\$8,751,828</b>	<b>\$8,704,549</b>

## Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$8,279,086	\$29,668	279:1
State	\$425,463	\$59,335	7:1
<b>Grand Total</b>	<b>\$8,704,549</b>	<b>\$89,003</b>	<b>98:1</b>

\*Discounted at 2%

## Additional Comments from IDA

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

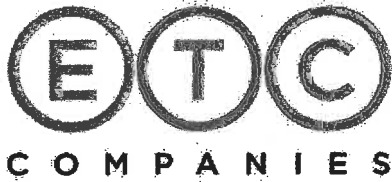
# MBE/WBE Utilization



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

*OAHS has always been dedicated to supporting MBE/WBE contractors and working with these contractors on various projects. OAHS will continue its practice of hiring and supporting MBE/WBE contractors as part of the Tonawanda Towers project.*

*MWBE General Contractor statement attached.*



September 30, 2022

Beth O'Keefe  
Erie County Industrial Development Agency  
95 Perry Street, Suite 403  
Buffalo, NY 14203

**Proposed MBE/WBE Procedures  
Tonwanda Towers**

**Contracting Considerations:**

**1) *MBE/WBE***

- A) Pyramid ETC Companies, LLC (the "Company") shall during the Construction Period make a good faith effort to contract with minority and woman business enterprises ("MBE/WBE"). For avoidance of doubt, this shall include both contractors and material vendors. The Company shall during the Construction Period maintain monthly reporting of its efforts to contact and meet with MBE/WBE contractors and provide to the Erie County Industrial Development Agency (the "Agency") upon request. As it relates to the solicitation of MBE/WBE contractors, the reporting shall at minimum contain the MBE/WBE business name, address and contact information. It shall also contain details as to the dates contacted, whether or not a bid was submitted, and if so, noting whether or not the MBE/WBE received that contract award. If not, the reason for not selecting the MBE/WBE is to be included.
- B) The Company shall, prior to the commencement of Work, in an effort to contract with MBE/WBE enterprises, place an advertisement for the services required in a newspaper or other publication which is regularly published in the City and surrounding areas. A copy of this advertisement shall be furnished to the Agency upon request.
- C) The Company shall utilize and make available to subcontractors the following links to certified MBE and WBE's in NYS and Erie County.

<https://ny.newnycontracts.com/>

<https://www3.erie.gov/eo/mbe-wbe-resource-list>

D) The order of preference with regard to MBE/WBE contractors and vendors shall be as follows:

- i.) Local MBE/WBE contractors and/or vendors (City of Buffalo and neighboring towns)
- ii.) New York based MBE/WBE contractors and/or vendors
- iii.) Northeast, US based MBE/WBE contractors and/or vendors

**Employment Considerations:**

***2) Minority and Women Resident Hiring***

- A) The Company shall during the Construction Period and upon request, make an effort to hire minority and women employment candidates (“Candidates”), with preference first given to those who reside in Buffalo, NY and the neighboring towns, unless qualified labor is clearly not available. Preference will then be given to minority and women candidates located in the state of New York, followed by minority and women candidates located in the Northeast, US. In pursuit of this goal, the Company shall make every reasonable effort to achieve the hiring of Candidates, including the following:
- (i) Actively and affirmatively making solicitations to Candidates, including placing an advertisement both in a local newspaper or publication, while also posting flyers in or near the job site location. A copy of this advertisement and flyer shall be furnished to the Agency.
  - (ii) Announcing opportunities for hiring to Candidates with sufficient time for review and application by Candidates
  - (iii) Promptly responding to employment applications from Candidates
  - (iv) Where economically and technically feasible, hiring in positions that will enhance participation by Candidates
  - (v) Maintaining a listing of all applicants for potential future employment
- B) The Company shall during the Construction Period provide the Agency with a monthly report of its efforts to hire Candidates. As it relates to the solicitation of Candidates, this report shall at a minimum contain the name, address and contact information for each Candidate solicited for employment. It shall also contain details as to the dates contacted, whether or not the Candidate was hired, and if so, noting the hours worked by the Candidate. If not, the reason for not hiring the Candidate is to be included.
- C) The Company shall include these employment considerations with each subcontract agreement issued.
- D) In an effort to induce potential candidates to apply for employment consideration, the Company will offer to host a training class (i.e. OSHA 10 training, or computer skills) for a set number of Candidates, on a first come, first serve basis.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**FINANCE & AUDIT COMMITTEE**

**RESOLUTION**

A Meeting of the Erie County Industrial Development Agency Finance & Audit Committee was convened on October 17, 2022, at 12:00 p.m.

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

**RESOLUTION OF THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“ECIDA” OR “ISSUER”) FINANCE & AUDIT COMMITTEE RECOMMENDING THAT THE ECIDA FINANCE CERTAIN COSTS RELATING TO, AND APPROVING THE UNDERTAKING OF A CERTAIN PROJECT DESCRIBED BELOW AT THE REQUEST OF OAHs TONAWANDA TC LLC, AND THE GRANTING OF CERTAIN FINANCIAL ASSISTANCE IN CONNECTION THEREWITH, INCLUDING THE ISSUANCE OF THE ISSUER’S TAX-EXEMPT BONDS OR INCIDENTAL TAXABLE BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$13,000,000 FOR THE PURPOSES OF UNDERTAKING THE PROJECT AND FUNDING THE COSTS OF SUCH ISSUANCE**

WHEREAS, the Finance & Audit Committee (the "Committee") has reviewed the application submitted by OAHs Tonawanda TC LLC (the "Company") requesting that the ECIDA consider undertaking a project (the "Project") consisting of (i) the acquisition of an interest in a portion of approximately 0.39 acres of land located at 5 Main Street in the City of Tonawanda, Erie County, New York (the "Land"), (ii) the acquisition, reconstruction and renovation of an existing 11-story tower consisting of 100 apartment units and containing approximately 81,224 square feet in the aggregate known as the Tonawanda Tower Apartments located on the Land (the "Facility") and (iii) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to hereinafter as the "Project Facility"), all of the foregoing to constitute a low-income housing facility to be operated by the Company and leased to residential tenants, and any other directly and indirectly related activities; (iv) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, in an aggregate principal amount not to exceed \$13,000,000 (the "Obligations"); (v) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (vi) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes and mortgage recording taxes (collectively with the Obligations, the "Financial Assistance"); and (vii) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

WHEREAS, the Public Authorities Accountability Act of 2005 (the "PAAA"), which was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005, was enacted by the New York State (the "State") Legislature to insure greater accountability and openness of public authorities throughout the State; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law ("PAL") of the State, the provisions of the PAAA apply to certain defined "local authorities," including the ECIDA; and

WHEREAS, pursuant to Section 2824(8) of the PAL, it shall be the responsibility of the members of the Finance & Audit Committee to review proposals for the issuance of debt by the ECIDA and make recommendations related thereto; and

WHEREAS, Under Article IV(E) of the Committee's Charter, the "Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance"; and

WHEREAS, the Committee understands that the Bonds will be special limited obligations of the ECIDA payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds and purchased by a qualified institutional buyer or an accredited investor (a "Purchaser"); and

WHEREAS, the Committee further understands that Purchaser has or will have investigated independently the circumstances surrounding the issuance of the Bonds and the security and sources of payment for the Bonds; and

WHEREAS, the Committee has reviewed information relating to the proposed issuance of the Bonds and recommends that the ECIDA undertake the Project and proceed with the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE FINANCE & AUDIT COMMITTEE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

1. That it is in the best interest of economic development in Erie County for the ECIDA to provide the financial assistance to the Company as described herein provided (a) that the Bonds shall never be a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon, and (b) that the Bonds shall be limited obligations of the ECIDA payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds.

2. This resolution shall take effect immediately.

Dated: October 17, 2022



## PUBLIC HEARING SCRIPT

### Tonawanda Tower Project

Public Hearing to be held on October 13, 2022 at 9:00 a.m.  
in the Community Room at Tonawanda City Hall located at 200 Niagara Street  
in the City of Tonawanda, Erie County, New York

### ATTENDANCE

Stephen Yonaty – Cannon Heyman & Weiss, LLP

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

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

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

Hearing Officer: Pursuant to and in accordance with Section 859-a and 859-b of the General Municipal Law of the State of New York, as amended, the Agency is conducting this public hearing in connection with a certain proposed project, as more fully described below (the “Project”), to be undertaken by the Agency for the benefit of OAHS Tonawanda TC LLC, a New York limited liability company, on behalf of itself and/or an entity or entities formed or to be formed on behalf of the foregoing (collectively, the “Company”).

The Agency published a Notice of Public Hearing with respect to the Project in The Buffalo News on September 30, 2022.

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

Hearing Officer: The Project shall consist of the following to be undertaken by the Agency for the benefit of the Company: (A) (1) the acquisition of an interest in a portion of approximately 0.39 acres of land located at 5 Main Street in the City of Tonawanda, Erie County, New York (the “Land”), (2) the acquisition, reconstruction and renovation of an existing 11-story tower consisting of 100 apartment units and containing approximately 81,224 square feet in the aggregate known as the Tonawanda Tower Apartments located on the Land (the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to hereinafter as the “Project Facility”), all of the foregoing to constitute a low-income housing facility to be operated by the Company and leased to residential tenants, and any other directly and indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt

revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, in an aggregate principal amount not to exceed \$13,000,000 (the "Obligations"); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes and mortgage recording taxes (collectively with the Obligations, the "Financial Assistance"); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

The Agency is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations and (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith.

If the Agency determines to proceed with the Project and the issuance of the Obligations, (A) the Facility will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to an installment sale agreement, as amended (the "Agreement") requiring that the Company or its designee make payments equal to debt service on the Obligations and make certain other payments and (B) the Obligations will be a special obligation of the Agency payable solely out of certain of the proceeds of the Agreement and certain other assets of the Agency pledged to the repayment of the Obligations. THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ERIE COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ERIE COUNTY, NEW YORK SHALL BE LIABLE THEREON.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on the location and nature of the Facility or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the board of directors of the Agency.

It is anticipated that the members of the board of the Agency will approve of the issuance of the Obligations at its meeting on October 26, 2022.

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

Hearing Officer: If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes at 4:00 p.m. on October 25, 2022. There are no limitations on written statements or comments.

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

Hearing Officer: Those interested in making a statement or comment will be called upon in the order that they registered for this meeting. Please begin by stating your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to no more than 5 minutes, and if possible, 3 minutes.

Stephen Yonaty, Attorney – Cannon Heyman & Weiss, LLP. We represent Orbach Affordable Housing Solutions the sponsor/developer of the project. We appreciate the opportunity to redevelop this project on Main Street in the City of Tonawanda. The building has been in service for quite a few years and our client took control of it about 2-years ago. Our aim is to do a complete renovation of the project both interior and exterior for the benefit of the residents and the City of Tonawanda. It's an affordable housing project. It will be committed and regulated as an affordable housing project for at least 30 years to come. We believe it will be a benefit to the City of Tonawanda and its residents and we appreciate the support of the City of Tonawanda and the Erie County Industrial Development Agency.

**6. ADJOURNMENT.**

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:08 a.m.

**SIGN IN SHEET FOR PUBLIC HEARING**

Public Hearing to be held on October 13, 2022 at 9:00 a.m.  
in the Community Room at Tonawanda City Hall located at 200 Niagara Street  
in the City of Tonawanda, Erie County, New York

**Tonawanda Tower Project**

<b>Name</b>	<b>Company and/or Address</b>	<b>X box to speak/ comment</b>
Stephen Yonaty	Cannon Heyman & Weiss, LLP 726 Exchange Street, Suite 500 Buffalo, New York 14210	X



## Tonawanda Towers

### Instructions and Insurance Requirements Document

#### **Section I: Applicant Background Information**

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

#### Applicant Information - Company Receiving Benefit

<b>Project Name</b>	Tonawanda Towers
<b>Project Summary</b>	Rehab of an 81,000 square foot 100% affordable, 100 unit building for seniors earning 60% AMI or less
<b>Applicant Name</b>	OAHSA Tonawanda TC LLC
<b>Applicant Address</b>	980 Sylvan Avenue
<b>Applicant Address 2</b>	
<b>Applicant City</b>	Englewood Cliffs
<b>Applicant State</b>	New Jersey
<b>Applicant Zip</b>	07632
<b>Phone</b>	(201) 793-3121
<b>Fax</b>	
<b>E-mail</b>	jay@oahsaffordable.com
<b>Website</b>	
<b>NAICS Code</b>	531110

#### Business Organization

<b>Type of Business</b>	Limited Liability Company
<b>Year Established</b>	2022
<b>State in which Organization is established</b>	New York

#### Individual Completing Application

<b>Name</b>	Strada Ventures LLC / Colleen Patterson
<b>Title</b>	Assistant Project Manager
<b>Address</b>	661 St. Johns Place
<b>Address 2</b>	
<b>City</b>	Brooklyn
<b>State</b>	New York
<b>Zip</b>	11216

**Phone** (646) 339-8744  
**Fax**  
**E-Mail** colleen@stradanyc.com

Company Contact - Authorized Signer for Applicant

**Contact is same as individual completing application** No

**Name** Orbach Affordable Housing Solutions, LLC / Jay Reinhard  
**Title** President  
**Address** 980 Sylvan Avenue  
**Address 2**  
**City** Englewood Cliffs  
**State** New Jersey  
**Zip** 07632  
**Phone** (201) 793-3121  
**Fax**  
**E-Mail** jay@oahsaffordable.com

Company Counsel:

**Name of Attorney** Stephen L. Yonaty (IDA Counsel)  
**Firm Name** Cannon Heyman & Weiss LLP  
**Address** 726 Exchange Street, Suite 500  
**Address 2**  
**City** Buffalo  
**State** New York  
**Zip** 14210  
**Phone** (716) 856-1700  
**Fax**  
**E-Mail** syonaty@chwattys.com

Benefits Requested (select all that apply).

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

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

Applicant Business Description

**Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.**

The Sponsor is Orbach Affordable Housing Solutions ("OAHS"), a wholly owned subsidiary of The Orbach Group ("Orbach"), which is owned and managed by Meyer Orbach. OAHS was established in June 2016 to build and preserve affordable housing throughout the United States through the use of tax-exempt debt, low income housing tax credits and other financial vehicles. The OAHS team is comprised of industry professionals with over 150 employees specializing in all aspects of affordable and market real property management and redevelopment. They are experienced in leasing, building management, operations, tenant services, compliance and supervision. OAHS provides approximately 3,100 families with affordable housing through its ownership of HUD buildings across four states. The Orbach Group's portfolio currently consists of over 5,000 units, approximately 60% of which are covered by project-based HAP contracts. No individual owns more than 20% of the applicant entity, OAHS Tonawanda TC, LLC.

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

(\*Percentage to equal 100%)

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

12

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

Lawn maintenance, concrete leveling

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

Project Location

**Address of Proposed Project Facility**

5 Main Street

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

Tonawanda

**School District of Project Site**

City of Tonawanda

**Current Address (if different)**

N/A

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

N/A

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

39.45-2-1.1

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

\$4,695 for 2021 taxes, per PILOT agreement.

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

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

Yes

**If no please explain**

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

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

Yes

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

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

Yes

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

The Property is currently designed and used as senior residence apartments operating under the name Tonawanda Towers Apartments, which contains a reported total of 100 apartment units, plus one super's unit. Onsite amenities include a leasing office, a community room, a fitness room, a laundry room, and a salon. The Property is occupied exclusively by residential tenants.

**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)**

This is a 100% affordable housing project consisting of 100 units (plus one super's unit) targeting senior households earning 60% AMI or less. The project will undergo extensive rehabilitation including renovating the interiors of all units and the common areas, upgrading all electrical equipment to energy efficient equipment, updating the building envelope and improving various site features. The building also has an existing HAP contract for 100% of the units, which will be extended for another 20 years.

**Municipality or Municipalities of current operations**



City of Tonawanda

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

Yes

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

No

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

No

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

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

No

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

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

No

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

The project is applying for NY state 4% LIHTC equity in an amount of approximately \$7.9M. Additionally, the project is expecting to receive approximately \$265k in NYSEERDA energy-retrofit funding.

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

N/A

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

The tax-exempt bond is a significant portion (over 50%) of the sources of financing and is essential to acquiring and renovating the project. Without the tax-exempt bond the project would not be feasible.

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

Yes

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

If the project does not receive tax-exempt bonds and an extension of the PILOT, it will not be possible to move forward with the necessary rehab of the building. This will impact the livability of the building for tenants, as well as the energy efficiency of the building, which impacts greenhouse gas emissions in Erie County.

**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)**

Site is accessible by bus numbers 25B and 25D.

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

No

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

applicable.

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

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

Yes

Describe the present zoning/land use

C-2

Describe required zoning/land use, if different

N/A

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

N/A

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

No

If yes, describe the efficiencies achieved

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

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

No

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

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

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

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

Retail Sales No

Services No

Please check any and all end uses as identified below.

- No Acquisition of Existing Facility    No Assisted Living    No Back Office
- No Civic Facility (not for profit)    No Commercial    No Equipment Purchase
- No Facility for the Aging    No Industrial    No Life Care Facility (CCRC)

**No Market Rate Housing**      **No Mixed Use**      **No Multi-Tenant**  
**No Retail**      **Yes 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.

			<b>Cost</b>	<b>% of Total Cost</b>
<b>Manufacturing/Processing</b>	square feet	\$	0	0%
<b>Warehouse</b>	square feet	\$	0	0%
<b>Research &amp; Development</b>	square feet	\$	0	0%
<b>Commercial</b>	square feet	\$	0	0%
<b>Retail</b>	square feet	\$	0	0%
<b>Office</b>	square feet	\$	0	0%
<b>Specify Other</b>	81,224 square feet	\$	25,040,720	100%

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

No

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

<BLANK>

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

**Will project result in significant utility infrastructure cost or uses**      No

What is the estimated project timetable (provide dates).

**Start date : acquisition of equipment or construction of facilities**

12/1/2022

**End date : Estimated completion date of project**

12/1/2023

**Project occupancy : estimated starting date of occupancy**

12/1/2023

Capital Project Plan / Budget

**Estimated costs in connection with Project**

**1.) Land and/or Building Acquisition**

\$ 14,000,000      square feet      17,145 acres

**2.) New Building Construction**

\$ 0      square feet

**3.) New Building addition(s)**

\$ 0      square feet

**4.) Reconstruction/Renovation**

\$ 6,332,700

square feet

**5.) Manufacturing Equipment**

\$ 0

**6.) Infrastructure Work**

\$ 0

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

\$ 0

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

\$ 2,282,351

**9.) Other Cost**

\$ 2,425,669

<b>Explain Other Costs</b>	Developer Fee
<b>Total Cost</b>	\$ 25,040,720

Construction Cost Breakdown:

<b>Total Cost of Construction</b>	\$ 6,332,700 (sum of 2, 3, 4 and 6 in Project Information, above)
<b>Cost of materials</b>	\$ 2,000,000
<b>% sourced in Erie County</b>	12%

Sales and Use Tax:

<b>Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit</b>	\$ 0
<b>Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):</b>	\$ 0

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

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

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

**If Yes, describe particulars:**

Sources of Funds for Project Costs:

<b>Equity (excluding equity that is attributed to grants/tax credits):</b>	\$ 4,568,658
<b>Bank Financing:</b>	\$ 0
<b>Tax Exempt Bond Issuance (if applicable):</b>	\$ 12,317,151
<b>Taxable Bond Issuance (if applicable):</b>	\$ 0
<b>Public Sources (Include sum total of all state and federal grants and tax credits):</b>	\$ 8,154,911
<b>Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)</b>	0

**Total Sources of Funds for Project Costs:** \$25,040,720

**Have you secured financing for the project?** Yes

Mortgage Recording Tax Exemption Benefit:

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

**Mortgage Amount (include sum total of construction/permanent/bridge financing).** 11,867,151

**Lender Name, if Known**

**Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):** \$89,003

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):** N/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**

OAHS has always been dedicated to supporting MBE/WBE contractors and working with these contractors on various projects. OAHS will continue its practice of hiring and supporting MBE/WBE contractors as part of the Tonawanda Towers project.

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

Yes

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

Yes

**Will project include leasing any equipment?**

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2
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				years) after project completion **
Full time	3	3	0	0
Part time	1	1	1	1
Total	4	4	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	3	\$ 47,000	\$ 0	\$ 20,000	\$ 2,800
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	1	\$ 41,600	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	1	\$ 0	\$ 0	\$ 20,000	\$ 8,400

\*\* 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	N/A		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

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

180,000

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

46,000

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

20,000

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

0

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

20,000

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

From (Full Time)	0	To (Full Time)	0
From (Part Time)	20,000	To (Part Time)	20,000

## **Section III: Environmental Questionnaire**

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

### General Background Information

#### **Address of Premises**

5 Main Street, Tonawanda, New York, 14150

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

Orbach Affordable Housing Solutions, 980 Sylvan Avenue, Englewood Cliffs, New Jersey 07632

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

The Property consists of a single tract irregular-shaped parcel that is approximately 0.3936 acres in size. Limited concrete-paved surface parking is located on the eastern-central portion of the Property. Additionally, asphalt-paved surface parking for the Property is located adjacent east across an alleyway. Grass and landscaping are located along Property building perimeters, as well as isolated islands on the northeastern portion of the Property. There are no water bodies observed within the limits of the Property and/or in close proximity.

#### **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 is designed and used as senior residence apartments. Currently, the Property is improved with one, 11-story building offering 100 residential units, plus one super's unit that was developed in 1982 with renovations in 2007. Onsite amenities include a leasing office, a community room, a fitness room, a laundry room, and a salon.

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

1886-1889: Developed with several commercial structures along Young Street with support structures on the southeastern portion of the Property. 1889-1910: Developed with several commercial structures along Young Street which include a grocery store, a furniture supply store, and a jewelry store. Structures on the southern portion of the Property include a horse shed and two other support structures. 1910-1925: Developed with several commercial structures along Young Street including a furniture store, an office, and a drug store. Structures on the southern portion include an icehouse and a storage room. 1925- 1982: Developed with several commercial structures along Young Street and Main Street. Based on review of city directories, tenants included the following: beauty shops/barbers, markets, furniture stores, hardware stores, clothing stores, dentists, optometrists, coffee shops, and watch/jewelry stores with no tenants of potential environmental concern. 1982-Present: Developed with the existing Tonawanda Towers Apartments.

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

No

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

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

Yes

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

Spill No 0750716 was reported on the roadside on August 16, 2007 for an unreported quantity of compressor oil and freon released (source not identified). The New York State Department of Environmental Conservation (NYDEC) determined that no further remedial action was warranted and the incident was closed on August 17, 2007. Information is included in the attached Phase I report.

#### **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**

Solid household refuse is collected in one municipal waste container situated along the east-central perimeter of the Property building as well as hydraulic trash compactor located in the mechanical room. Solid waste is collected on a regular basis by a third-party contractor (Modern Disposal Services). There is no potentially hazardous substances or petroleum products disposed as part of this waste.

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

No

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

### Discharge Into Waterbodies

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

N/A

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

The sewage disposal system is provided and maintained by the Erie County Water Authority municipal service district. Stormwater is discharged to the City of Tonawanda stormwater system via underground conduits from drains located on the roof of the property building. Additionally, storm water curb inlets on Young Street receive surface runoff via sheet flow from impervious areas at the Property. There is also direct percolation to the ground in landscaped areas at the Property.

**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?**

<BLANK>

**If yes, attach a copy of each permit.**

Storage Tanks

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

N/A

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

No

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

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

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

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

No

**If yes, relate all the circumstances**

**Do the Premises have any asbestos containing materials?**

Yes

**If yes, please identify the materials**

The following building materials were identified to contain asbestos: bathroom wall and floor grout, floor tile and mastic, and cementitious panel. The following materials are presumed to contain asbestos: popcorn finishes and roof materials.

**Section IV: Facility Type - Single or Multi Tenant**

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

Single Use Facility

For Single Use Facility

**Occupant Name** OAHS Tonawanda TC LLC  
**Address** 980 Sylvan Avenue  
**Contact Person** Jay Reinhard  
**Phone** (201) 793-3121  
**Fax**  
**E-Mail** jay@oahsaffordable.com  
**Federal ID #** 88-1770198  
**SIC/NAICS Code** 531110

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## **Section VI: Retail Determination**

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

Please answer the following:

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

No

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

## **Section VII: Adaptive Reuse Projects**

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

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

No

## Section VIII: Inter-Municipal Move Determination

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

### Current Address

5 Main Street

### City/Town

Tonawanda

### State

New York

### Zip Code

14150

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

No

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

No

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

N/A

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

**Within New York State**

No

**Within Erie County**

No

**If Yes to either question, please, explain**

N/A

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

No

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

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

N/A

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

<BLANK>

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

N/A

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

N/A

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

N/A

## **Section IX: Senior Housing**

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

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

No