



**Erie County Industrial Development Agency
Meeting of the Membership
July 26, 2023
At 12:00 p.m.**

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

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of the June 28, 2023 Meeting of the Membership (Action Item) (Pages 2-10)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 11-14)

3.2 2023 Tax Incentive Induced/Closing Schedule (Informational) (Pages 15-16)

3.3 Policy Committee Update (Informational) (Pages 17-20)

4.0 Inducement Resolutions:

ECIDA Incentives	Private Investment	Municipality
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4.1 BPS Commissary Kitchen (Pages 21-74)

\$3,212,686

\$33,067,799

Buffalo

4.2 Trautman Associates (Pages 75-121)

\$ 153,750

\$ 5,477,047

Buffalo

5.0 Management Team Reports:

5.1

6.0 Adjournment- Next Meeting August 23, 2023

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

- DATE AND PLACE:** June 28, 2023, at the Center of Excellence in Bioinformatics and Life Sciences (CBLS), 701 Ellicott Street, The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203.
- PRESENT:** Denise Abbott, Hon. Diane Benczkowski, Hon. Bryon W. Brown, Hon. Howard Johnson, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Jr., Denise McCowan, Brenda W. McDuffie, Hon. Glenn R. Nellis and Hon. Mark C. Poloncarz
- EXCUSED:** Rev. Mark E. Blue, James Doherty, Hon. Joseph Emminger, Dottie Gallagher, Michael P. Hughes, Hon. Darius G. Pridgen, Kenneth A. Schoetz and Paul Vukelic
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations/Secretary; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Accounting Manager; Gerald Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Andrew Federick, Property and Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Laurie Hendrix, Administrative Coordinator; Robbie Ann McPherson, Director of Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Alex Carducci on behalf of the City of Buffalo; Zachary Evans on behalf of Erie County; Josh Veronica on behalf of Buffalo Niagara Partnership; Quinn Bushen on behalf of Empire State Development; Dale Shoemaker on behalf of Investigative Post; Jonathan Epstein on behalf of the Buffalo News; Jacob Tierney on behalf of Business First; Rebecca Brady and William Brady on behalf of Top Seedz; David Chiazza on behalf of Iskalo Development; Chris Ahlers, Lisa Polizzi, Keith Sernick, Jill Szpylman on behalf of Stark Tech; and Greg Setter, Michael Driscoll, Randy Bernick on behalf of Rosina Roods

There being a quorum present at 12:09 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by the Chair, Ms. McDuffie.

MINUTES

The minutes of the May 31, 2023, meeting of the members were presented. Mr. Lipsitz moved, and Mr. Nellis seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the May financial reports. The balance sheet shows that the IDA finished the month with total assets of \$33.2M and net assets of \$20.8M. Assets and liabilities all remained relative flat from April to May. The monthly income statement shows a net loss of \$59,000 for May. Operating revenue of \$148,000 was below our monthly budget by \$75,000, due mainly to timing of administrative fees received during the month. Operating expenses of \$234,000 were under our monthly budget by \$5,000. Under Special Project Grants, \$50,000 of railroad fund revenue was received in May for an easement and depreciation/amortization of \$22,000. The year-to-date Income Statement shows revenues of \$1.5M, including administrative fee revenue of \$1.05M. We are at about 58% of our annual administrative fee budget through May. Expenses of \$1.1M are \$66,000 below budget. Special project grant revenue nets to \$51,000. Net income before strategic initiatives and depreciation was \$467,000. After strategic initiatives of \$151,000 and depreciation/amortization of \$111,000, there is currently net income of \$204,000 for the year. Ms. McDuffie directed that the report be received and filed.

2023 Tax Incentive Induced/Closing Schedule. Mr. Cappellino presented this report to the members. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update. Mr. Lipsitz updated members and confirmed the Rosina and Stark projects were reviewed by the committee and the committee resolved to send these two projects to the Board with unanimous recommendations for Board approval. The Iskalo project was vigorously discussed and the committee requested that the company amend its application to reflect the current number of retained and created employees, and Mr. Lipsitz also noted the Policy Committee made no determination about the project, sending the project to the Board with no recommendation. Ms. McDuffie directed that the report be received and filed.

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

INDUCEMENT RESOLUTION

Rosina Food Products Inc., 75 Empire and 130 Empire Drive, West Seneca, New York. Ms. O'Keefe reviewed this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits project involving the expansion of the pasta manufacturing plant by 12,000 sq. ft. to accommodate a new ravioli production line, the renovation of existing office space to create more welfare areas for manufacturing associates, and the renovation of a vacant building at 130 Empire Drive into an office building to accommodate pasta facility office associates displaced as a result of the expansion and improvements of the pasta manufacturing facility, consolidation of office space and to allow for future growth of administrative staff. The Project's

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

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

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$13,600,000 (which represents the product of 85% multiplied by \$16,000,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 275 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 287 FTE employees [representing the sum of (x) 275 Baseline FTE and (y) 12 FTE employees, being the product of 85% multiplied by 15 (being the 15 new FTE employee positions proposed to be created by the Company as stated in its Application)]. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Poloncarz confirmed Rosina has met all its prior ECIDA project commitments.

Ms. McDuffie asked the company to describe the proposed project to the board. Mr. Setter spoke on behalf of the company about the project.

Mr. Brown thanked Rosina for utilizing MWBE businesses and confirmed Rosina will be able to use MWBE contractors.

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

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

Stark Tech, 91 Sawyer Avenue, Tonawanda, New York. Ms. O'Keefe reviewed this proposed sales and use tax and mortgage recording tax benefits project involving the major renovation of an existing 125,000 sq. ft. facility that contains high bay ceilings and high-capacity cranes. This new production facility will allow Stark to build larger and more complex equipment at a much higher capacity rate to serve the growing Renewable Natural Gas market demand.

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

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as

described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$13,812,500 (which represents the product of 85% multiplied by \$16,250,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 50 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 156 FTE employees [representing the sum of (x) 50 Baseline FTE and (y) 106 FTE employees, being the product of 85% multiplied by 125 (being the 125 new FTE employee positions proposed to be created by the Company as stated in its Application)]. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Ahlers spoke on behalf of the company and described the proposed project.

Mr. Poloncarz spoke in favor of the project, noting the significant number of jobs to be created, bringing new total annual salaries of almost \$13,000,000 a year, and comparing that figure to the Agency's contemplated approximately \$500,000 of sales tax exemption and mortgage tax exemption benefits.

Mr. Lipsitz spoke in favor of the project.

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

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

Iskalo 101 Oak LLC, 101 Oak Street, Buffalo, New York. Ms. O'Keefe reviewed this proposed sales and use tax benefits project involving the renovation of the existing 67,385 sq. ft. facility for a new food manufacturing-based tenant which includes constructing a vault to house new transformers and new switchgear inside the building, new electric service panels and metering for each tenant space, installation of water, gas and sanitary lines to serve tenant production areas, demolition of a low bay section of the building and the addition of windows on the building exterior to provide natural light to office areas. The proposed tenant is Top Seedz which is a woman owned business and producer of seed-based crackers and other related seed-based products. The Project's cost benefit ratio was presented to and reviewed by the members present and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits were discussed and considered.

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

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$2,975,000 (which represents the

product of 85% multiplied by \$3,500,000, being the total project cost as stated in the Company's application for Financial Assistance).

- (ii) Employment Commitment – that there are at least 42 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE Employment”) and that within two (2) years of Project completion, the Company has maintained the Baseline FTE Employment at the Facility. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Chiazza spoke on behalf of the company and described the proposed project.

Mrs. Brady then spoke on behalf of the tenant, Top Seedz, to describe the project and its operations within the facility, described its history as a start-up company including being a 43North grant award winner, its projected growth and its use of and reliance upon immigrants who currently occupy about 75% of the company's workforce.

Mr. Brown then moved to approve the Project.

Mr. Poloncarz queried as to the timing of the building's occupancy. Mr. Poloncarz noted that the Buffalo and Erie County Regional Development Corporation has recently already loaned \$750,000 to Top Seedz, and questioned the company's requests for additional incentives for a facility that it is already committed to occupy?

Mr. Chiazza confirmed there are unexpected costs associated with fitting out the facility for the food making operations.

Mr. Poloncarz stated the Agency has a rule that if a project has confirmed that it is moving forward without IDA benefits, then there is no need to provide an incentive. He also expressed concern for that standard, if this is approved, as it would set a bad precedent. Mr. Poloncarz further confirmed that there are plenty of projects that are proposed to Agency staff for initial review that are not ultimately presented to the board for consideration because of this same issue.

Mr. Lipsitz stated he cannot recall the Agency ever approving a project when an applicant stated it would move forward even without the incentives and the Policy Committee believed the issues should be fully discussed by the Board.

Mr. Kulpa queried as to when the \$750,000 RDC loan closed? Mr. Cappellino advised it closed in February of 2023.

Mr. Kulpa further queried if the company knew it needed the electric upgrades at that time?

Mr. Cappellino advised the issue was not raised at the time of the RDC loan approval. Mr. Kulpa discussed how projects typically evolve over time, so that it is not fair to give a loan to a company to buy equipment, and when it is later discovered that there is a need to improve the electric supply to operate such equipment, to then deny additional assistance for the power needs. Mr. Kulpa concluded by stating that projects evolve and it is not unusual for additional needs to arise.

Mr. Brady then spoke on behalf of Top Seedz, and confirmed that its operations are expanding and its power usage is growing beyond its original estimates.

Mr. Brown noted that Mr. Poloncarz and Mr. Kulpa are raising good issues and Top Seedz is stating it does need the incentives to move forward.

Mrs. Brady stated the company needs incentives to grow and grow faster.

Ms. McDuffie stated benefits are being claimed by the landlord.

Mr. Kulpa confirmed that the lease structure typically requires that all costs and benefits would pass through to the tenant.

Mr. Poloncarz queried if this project is not approved, as to whether it would still move forward. If the answer is yes, Mr. Poloncarz stated that the project has then failed the but-for test.

Mr. Chiazza claimed it is near impossible for Top Seedz to stop, so its compelled to proceed and this will be a hardship to Top Seedz.

Ms. McDuffie asked Mr. Murray to read the New York General Municipal Law Section provisions governing this “but-for” analysis.

Mr. Murray cited to Section 859-a(4)(d) of the New York General Municipal Law stating that the law requires the Agency’s application for assistance to contain “a statement that there is a likelihood that the project would not be undertaken but for the financial assistance provided by the agency or, if the project could be undertaken without financial assistance provided by the agency, a statement indicating why the project should be undertaken by the agency”.

Mr. Murray confirmed that this is just one piece of information, in addition to many other statutorily required pieces of information, that the board is required to consider in its determination

to provide financial assistance. Mr. Brown stated, and Mr. Murray confirmed, that this statute gives discretion to the Board.

Mr. Chiazza stated the company has provided an honest response to this question as presented on its application.

Mr. Kulpa then seconded to approve the Project. He also asked Mr. Murray if the company has met the legal standard as provided for within the statute. Mr. Murray stated this is not a legal standard, it is merely a confirmation/statement the Board must and can consider in its deliberation process as it considers providing financial assistance.

Ms. McDuffie then called for the vote and the motion failed by a vote of 8 to 3 with Mr. Lipsitz, Mr. Poloncarz, and Ms. Abbott voting against the motion, as the minimum number of 10 affirmatives votes was not obtained.

MANAGEMENT TEAM REPORTS

Mr. Cappellino provided a general report to the board members.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 1:14 p.m.

Dated: June 28, 2023

Elizabeth A. O'Keefe, Secretary

Erie County Industrial Development Agency
Financial Statements
As of June 30, 2023

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

June 30, 2023

	June 2023	May 2023	December 2022
ASSETS:			
Cash *	\$ 7,684,051	\$ 7,845,940	\$ 7,475,718
Restricted Cash & Investments *	18,257,390	18,658,165	20,449,260
Due from Affiliates	2,269,664	2,070,107	471,011
Due from Buffalo Urban Development Corp.	60,216	49,507	106,016
Other Receivables	129,463	135,578	94,679
Total Current Assets	<u>28,400,784</u>	<u>28,759,297</u>	<u>28,596,683</u>
Grants Receivable	2,347,736	2,347,736	644,183
Lease Receivable	534,050	552,363	643,927
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,032,620	1,054,910	1,166,361
Total Long-Term Assets	<u>4,421,292</u>	<u>4,461,895</u>	<u>2,961,357</u>
TOTAL ASSETS	<u>\$ 32,822,077</u>	<u>\$ 33,221,192</u>	<u>\$ 31,558,040</u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 184,495	\$ 205,687	\$ 188,859
Lease Payable	42,057	56,075	126,166
Deferred Revenues	2,256,586	2,285,624	643,647
Funds Held on Behalf of Others	9,000,393	9,279,654	9,317,525
Total Liabilities	<u>11,483,531</u>	<u>11,827,039</u>	<u>10,276,196</u>
Deferred Inflows of Resources Related to Leases	534,050	552,363	643,927
Net Assets	<u>20,804,495</u>	<u>20,841,790</u>	<u>20,637,917</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 32,822,077</u>	<u>\$ 33,221,192</u>	<u>\$ 31,558,040</u>

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

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of June 2023

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 71,349	\$ 150,000	\$ (78,651)
Management Fees - Affiliates and Others	37,008	50,392	(13,383)
Interest Income - Cash & Investments	26,744	500	26,244
Interest Income - Leases	2,704	-	2,704
Rental Income	18,274	21,467	(3,193)
Other Income	7,335	6,500	835
Total Revenues	163,415	228,858	(65,444)
EXPENSES:			
Salaries & Benefits	\$ 181,446	\$ 169,800	\$ 11,647
General Office Expenses	21,809	23,267	(1,457)
Building Operating Costs	2,025	21,170	(19,145)
Professional Services	4,278	5,833	(1,556)
Public Hearings & Marketing	59	5,417	(5,358)
Travel, Mileage & Meeting Expenses	2,575	3,083	(509)
Other Expenses	1,769	729	1,040
Total Expenses	213,962	229,299	(15,338)
SPECIAL PROJECT GRANTS:			
Revenues	\$ 97,825	\$ 48,209	\$ 49,616
Expenses	(62,283)	(42,526)	(19,757)
	35,542	5,683	29,859
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:			
	(15,005)	5,242	(20,247)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Bethlehem Steel Industrial Park Grant	-	-	-
Angola Ag Park Grant	-	(8,333)	8,333
Other Strategic Initiatives	-	-	-
	-	(8,333)	8,333
NET INCOME/(LOSS) BEFORE DEPRECIATION:			
	(15,005)	(3,091)	(11,914)
Depreciation and amortization	(22,290)	(10,000)	(12,290)
NET INCOME/(LOSS):	\$ (37,295)	\$ (13,091)	\$ (24,204)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: June 30, 2023

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 1,126,262	\$ 900,000	\$ 226,262	\$ 1,126,262	\$ 678,574	\$ 447,688
Affiliate Management Fees	245,150	302,350	(57,200)	245,150	270,350	(25,200)
Interest Income - Cash & Investments	167,571	3,000	164,571	167,571	1,789	165,782
Interest Income - Leases	16,225	-	16,225	16,225	-	16,225
Rental Income	111,694	128,800	(17,106)	111,694	117,812	(6,117)
Other Income	21,349	20,000	1,349	21,349	14,783	6,566
Total Revenues	1,688,251	1,354,150	334,101	1,688,251	1,083,307	604,944
EXPENSES:						
Salaries & Benefits	1,029,432	1,018,798	10,634	1,029,432	1,034,801	(5,369)
General Office Expenses	151,894	139,600	12,294	151,894	148,758	3,137
Building Operating Costs	17,950	127,023	(109,073)	17,950	105,247	(87,297)
Professional Services	60,255	64,000	(3,745)	60,255	116,839	(56,584)
Public Hearings & Marketing	19,553	32,500	(12,947)	19,553	36,175	(16,621)
Travel, Mileage & Meeting Expenses	12,345	18,500	(6,155)	12,345	11,546	799
Other Expenses	31,606	4,375	27,231	31,606	4,533	27,074
Total Expenses	1,323,037	1,404,796	(81,759)	1,323,037	1,457,898	(134,861)
SPECIAL PROJECT GRANTS:						
Revenues	310,387	289,254	21,132	310,387	590,947	(280,560)
Expenses	(223,977)	(255,154)	31,177	(223,977)	(263,641)	39,664
	86,410	34,100	52,310	86,410	327,306	(240,896)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ 451,624	\$ (16,546)	\$ 468,169	\$ 451,624	\$ (47,285)	\$ 498,909
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (312,958)	\$ 312,958	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	(79,328)	-	(79,328)	(79,328)	(8,055)	(71,273)
Angola Ag Park Grant	(43,001)	(100,000)	56,999	(43,001)	(49,183)	6,182
Bethlehem Steel Industrial Park Grant Reimb	-	150,000	(150,000)	-	-	-
Buffalo Urban Development Corporation	-	(100,000)	100,000	-	-	-
Other Strategic Initiatives	(28,975)	(125,000)	96,025	(28,975)	-	(28,975)
	(151,304)	(487,958)	336,654	(151,304)	(57,238)	(94,066)
NET INCOME/(LOSS) BEFORE DEPRECIATION:						
	300,320	(504,504)	804,824	300,320	(104,523)	404,842
Depreciation and amortization	(133,741)	(60,000)	(73,741)	(133,741)	(60,000)	(73,741)
NET INCOME/(LOSS):						
	\$ 166,579	\$ (564,504)	\$ 731,083	\$ 166,579	\$ (164,523)	\$ 331,101

Tax Incentives Approved - 2023

Approval Date	Project Name	Project City/Town	Private Investment/Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Const Jobs	Spillover Jobs	Length of Term	Incentive Amount	Cost Benefit Ratio
Feb-23	356 Hertel Ave, LLC ¹	Buffalo	\$32,067,800	85% threshold \$27,257,630	0	0	42	0	85% - New 35 Jobs	212	150	project completion date + 2 yrs	\$612,500	1:47
Feb-23	Commitment 2000	Buffalo	\$8,623,800	85% threshold \$7,330,230	74	2	10	2	85% - New 35 Jobs	38	38	Period of PILOT 7 Years	\$420,215	1:89
Mar-23	Moog, Inc.	Elma	\$76,750,800	85% threshold \$65,237,500	180	0	0	0	0	335	320	Period of PILOT 10 Years	\$2,900,920	1:97
Apr-23	Wood and Brooks Properties, LLC ¹	Town of Tonawanda	\$23,127,638	85% threshold \$19,658,492	0	0	1	2	85% - New 1 Job	161	92	project completion date + 2 yrs	\$1,164,447	1:14
May-23	TM Montante/50 Gates Circle ¹	Buffalo	\$3,465,838	85% threshold \$2,945,962	4	0	0	0	0	14	14	project completion date + 2 yrs	\$108,500	1:29
Jun-23	Rosina Food Products, Inc.	West Seneca	\$16,000,000	85% threshold \$13,600,000	274	2	15	0	85% - New 15 Jobs	70	536	Period of PILOT 10 Years	\$919,525	1:446
Jun-23	Stark Real Estate Holdings	Tonawanda	\$16,250,000	85% threshold 2,945,962	50	0	120	10	85% - New 106 Jobs	43	257	project completion date + 2 yrs	\$454,375	1:854

Totals:	Totals:	Private Investment/Project Amount	FT Jobs Retained	PT Jobs Retained	FT Jobs Created	PT Jobs Created	Const Jobs	Spillover Jobs	Incentive Amount
Adaptive Reuse Subtotal	3	\$58,661,276	4	0	43	2	387	256	\$1,885,447
2023 Total	7	\$176,285,876	582	4	188	14	873	1407	\$6,580,482

¹ Adaptive Reuse

Tax Incentives Closed - 2023

Closing Date	Project Name	Project City/Town	Project Amount at Closing	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Inducement Date	Est. Project Completion Date
2/17/2023	Warehouse #2 @132 Dingens	Buffalo	\$8,951,635	0	0	18	0	12/21/2022	4/30/2023
3/28/2023	BLD VII, LLC/Reniassance 8, LLC	Lackawanna	\$14,570,786	0	0	41	0	4/28/2021	10/31/2023
4/12/2023	Perry's Ice Cream Alden NY Shop/Highway Rehab	Akron	\$18,000,000	363	0	14	0	7/27/2022	12/31/2023
6/2/2023	Corporation	Alden	\$5,225,000	67	0	15	0	12/21/2022	12/31/2023
6/16/2023	950 Broadway	Buffalo	\$11,653,862	0	0	34	4	9/28/2022	9/16/2023

Totals: **Total # of Projects Closed** **Project Amount at closing** **FT Jobs Retained** **PT Jobs Retained** **FT Jobs Created** **PT Jobs Created**

	5	\$58,401,283	430	-	122	4
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**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

DATE AND PLACE: July 13, 2023 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott; Hon. A.J. Baynes; Rev. Mark E. Blue; Zachary Evans; Richard Lipsitz, Jr.; Dr. Susan McCartney; Brenda W. McDuffie¹; Hon. Glenn R. Nellis; Laura Smith, David J. State; Lavon Stephens; Hon. John Tobia and Paul Vukelic

EXCUSED: April Baskin and Hon. Bryon W. Brown

OTHERS PRESENT: John Cappellino, President and Chief Executive Officer; Beth O’Keefe, Vice President of Operations; Grant Lesswing, Director of Business Development; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; and Robert G. Murray, General Counsel/Harris Beach PLLC

GUESTS: Enrico D’Abate, David Van Deran on behalf of McGuire Development; Matt Quinn, Bridget O’Brien-Wood, Ruth Connor, Mel Alston on behalf of Buffalo Public Schools; Marc Romanowski on behalf of Rupp Pfalzgraf, LLC; John Daly and Mark Daly on behalf of Trautman Associations; Alex Carducci on behalf of the City of Buffalo; and Josh Veronica on behalf of Buffalo Niagara Partnership

There being a quorum present at 9:02 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the June 1, 2023 Policy Committee meeting were presented. Upon motion made by Ms. McCartney to approve of the minutes, and seconded by Ms. Smith, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

¹ Ms. McDuffie participated via video conference, and counted for quorum purposes, pursuant to Section 103-A of the New York State Public Officer’s Law and the Agency’s Videoconferencing Participation Policy.

PROJECT PRESENTATION

1016 East Delavan, LLC (BPS Commissary Kitchen), 1016-1044 East Delavan Avenue, Buffalo, New York 14215. Ms. O’Keefe presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a 67,000 sq. ft. single story commissary kitchen for the sole use of the Buffalo Public Schools (BPS) to prepare and distribute school meals to all schools in the district using locally grown products, creating fresh and high-quality meal options for students. The new building will include office space for administration, a test kitchen that will serve as a conference room/community space available for local community meetings and training for food service employees.

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

Ms. O’Keefe confirmed that 1016 East Delavan, LLC is seeking approximately \$4,212,686 in assistance including sales tax exemption, mortgage tax exemption and real property tax exemption. Total payroll is projected at \$57,525,129 which includes the direct and indirect jobs for both the temporary and ongoing positions over the life of the PILOT. Created jobs include 151 construction jobs. The resulting cost benefit is 15:1 so for every \$1 of incentives the community benefit is \$15 in payroll & tax revenue. Erie County: for every \$1 of incentives the community benefit is \$17 in benefits to the community.

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

Draft Recapture Material Terms

Condition .	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$33,067,799 85% = \$28,107,629
Employment	Coincides with 10-year PILOT	Maintain Base = 16 FTE, 35 PTE Create 85% of Projected Projected = 15 PTE 85% = 12 PTE Recapture Employment = 16 FTE, 47 PTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy

Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property tax
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Mr. Evans expressed his strong support for the project and also noted that if BPS undertook the construction project directly, it would be tax exempt in any event.

General discussion ensued. Mr. Lipsitz asked for confirmation of wages for the PTE positions. Ms. O’Brien-Wood spoke on behalf of BPS and confirmed wages were \$30,000 with no benefits.

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

130 Pearl LLC (Trautman Associates), 130-132 Pearl Street, Buffalo, New York 14202. Ms. O’Keefe presented this proposed sales tax and mortgage recording tax benefits project involving the redevelopment of the 21,000 sq. ft. 3-story Underwood Building to include 18 apartments with a mix of one- and two-bedroom units. Commercial/retail space will occupy the remaining 3,200 sq. ft.

Ms. O’Keefe confirmed that 130 Pearl LLC is seeking approximately \$153,750 in assistance including sales tax exemption and mortgage recording tax exemption. As depicted within the materials presented to the committee, the resulting cost benefit is 1:21 so for every \$1 of incentives the community benefit is \$21 in payroll & tax revenue and for Erie County, for every \$1 of incentives the community benefit is \$39 in benefits to the community.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$5,477,047 85% = \$4,655,489
Employment	Coincides with recapture period	Maintain Base = 0 Create 85% of Projected Projected = 2 PT (1 FTE) 85% = 0 Recapture Employment = N/A
Local Labor	Construction Period	Adherence to policy including quarterly reporting

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

Mr. Nellis queried as to differences between affordable and workforce housing.

Mr. Cappellino provided general background noting that certain state programs specifically define low or affordable housing thresholds based on certain income levels of the intended occupants and then fixing rent and the number of residents/units that must be provided or otherwise made available to those persons for the particular project.

Ms. McCarthy spoke in favor of the project.

General discussion ensued. Mr. Baynes then moved and Ms. McCartney seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

Mr. Cappellino confirmed that soon, this committee will be discussing housing needs and work from home issues.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:35 a.m.

Dated: July 13, 2023

Elizabeth A. O'Keefe, Secretary

1016 East Delavan, LLC
\$ 33,067,799

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: BPS Commissary Kitchen												
<ul style="list-style-type: none"> • NAICS Section – 236220 													
COMPANY INCENTIVES	Project Address 1016-1044 East Delavan Ave, Buffalo, NY 14215												
<ul style="list-style-type: none"> • Approximately \$2,859,900 in real property tax savings • Up to \$1,177,537 in sales tax savings • 3/4 of 1% of the final mortgage amount up to \$ 175,249 	<p align="center">Agency Request</p> <p>A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of a nearly 67,000 sq ft light industrial building that will serve as the new commissary kitchen for the Buffalo Public Schools.</p>												
JOBS & ANNUAL PAYROLL													
<ul style="list-style-type: none"> • Current Jobs: 16 FT, 35 PT • Annual Payroll: \$ 2,393,000 • Projected new jobs: 15 PT • Est. salary/yr. of PT jobs created: \$ 30,000 • Projected retained jobs: 16 FT, 35 PT • Est. salary/yr. of FT jobs retained: \$ 59,600. • Total jobs after project completion: 16 FT, 50 PT • Construction Jobs: 151 	<table border="0"> <tr> <td>Land / Building Acquisition</td> <td>\$ 1,250,000</td> </tr> <tr> <td>New Building Construction</td> <td>\$22,267,479</td> </tr> <tr> <td>Non- Manufacturing Equipment</td> <td>\$ 3,921,995</td> </tr> <tr> <td>Soft Costs/Other</td> <td>\$ 5,628,325</td> </tr> <tr> <td>Total Project Cost</td> <td>\$33,067,799</td> </tr> <tr> <td> 85%</td> <td> \$ 28,107,629</td> </tr> </table> <p align="center">Company Description</p> <p>The property and new commissary will be solely and wholly owned by 1016 East Delavan, LLC, a limited liability company. 1016 East Delavan, LLC was created for the purpose of providing a new commissary kitchen for Buffalo Public Schools and is an arm of McGuire Development Company. McGuire Development Company was founded in 1960 and has a diverse portfolio and proven track record of producing high quality development projects for municipalities. Recent projects include the redevelopment of 75 West Huron into the Buffalo School of Culinary Arts and Hospitality Management.</p>	Land / Building Acquisition	\$ 1,250,000	New Building Construction	\$22,267,479	Non- Manufacturing Equipment	\$ 3,921,995	Soft Costs/Other	\$ 5,628,325	Total Project Cost	\$33,067,799	 85%	 \$ 28,107,629
Land / Building Acquisition	\$ 1,250,000												
New Building Construction	\$22,267,479												
Non- Manufacturing Equipment	\$ 3,921,995												
Soft Costs/Other	\$ 5,628,325												
Total Project Cost	\$33,067,799												
 85%	 \$ 28,107,629												
PROJECTED COMMUNITY BENEFITS*													
<ul style="list-style-type: none"> • Term: 10 YEARS • NET Community Benefits: \$61,768,005 • Spillover Jobs: 137 <p>Total Payroll: \$57,525,129</p>	<p align="center">Project Description</p> <p>The project consists of the construction of a 67,000 sq ft single story commissary kitchen for the sole use of the Buffalo Public Schools (BPS) to prepare and distribute school meals to all schools in the district. The existing facility could not meet the needs of the new programming requirements of the student meal plan created by the BPS. As part of this initiative the facility will cook onsite, using locally grown products, creating fresh and high-quality meal options for students. The new building will include office space for administration and a test kitchen that will serve as a conference room / community space available for local community meetings and training for food service employees. The BPS needed a facility that can function at a higher level and promote healthier meals for students and promote a safe environment for its staff. The facility will distribute over 27,000 meals per day during the school year and 10,000 meals during the school's summer program.</p>												
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*													
<p>Incentives: \$3,937,286</p> <p>Community Benefit: \$57,562,203</p> <p>Cost: Benefit Ratio</p> <ul style="list-style-type: none"> • 1:15 													

* 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	\$2,859,900
	Sales	\$1,177,537
	Mortgage Recording	\$175,249
	Total	\$4,212,686
	Discounted at 2%	\$3,937,286

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$20,546,960
			Payroll Permanent	\$36,978,169
		Public	Property Taxes	\$714,975
			Sales Taxes	\$478,178
			Other Muni Revenue (NFTA)	\$58,417
	New York State	Public	Income Taxes	\$2,588,631
			Sales Taxes	\$402,676
			Total Benefits to EC + NYS***	\$61,768,005
			Discounted at 2%	\$57,562,203

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

Discounted Cost \$3,937,286
 Discounted Benefit \$57,562,203
 Ratio 1:15

Conclusion: The Cost Benefit for this project is: 15:1. For every \$1 in costs (incentives), this project provides \$15 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$17 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 3,186	\$ 14.7 M	\$152,788	\$ 562,187	\$ 360,673
Combined Tax Rate: \$ 24.31888				

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 = \$33,067,799 85% = \$ 28,107,629
Employment	Coincides with 10-year PILOT	Maintain Base = 16 FT, 35 PT Create 85% of Projected Projected = 15 PT 85% = 12 PT Recapture Employment = 16 FT, 47 PT
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 16 FT, 35 PT jobs and created 12 PT jobs (85% of projected), 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

- 6/27/23: Public hearing held.
- 7/26/23: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 7/26/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

EVALUATIVE CRITERIA
 BACK OFFICE/DATA/CALL CENTERS
 BPS Commissary Kitchen

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Average wage for FT = \$59,600. Average wage for PT = \$30,000
Regional Wealth Creation (% sales/customers outside area)	81% of sales are within Erie County.
In Region Purchases (% of overall purchases)	100% of total supplies, raw materials and vendor services will be purchased from firms in Erie County.
Supports Local Business or Cluster	N/A
Retention/Flight Risk	N/A
LEED/Renewable Resources	N/A
MBE/WBE Utilization	See attached.
Workforce Access – Proximity to Public Transportation	Site is located on the NFTA 26 Delavan bus line. Approx 50% of employees of this project rely on public transportation.

DATE OF INDUCEMENT: July 26, 2023

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-1016 East Delavan / BPS Commissary

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (City & School)/1000
\$22.3 M	\$14.7 M	5.19688	19.122

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$3,820	\$14,055	\$17,874	\$357,488	\$339,613
2	0.1	\$7,639	\$28,109	\$35,749	\$357,488	\$321,739
3	0.15	\$11,459	\$42,164	\$53,623	\$357,488	\$303,864
4	0.15	\$11,459	\$42,164	\$53,623	\$357,488	\$303,864
5	0.2	\$15,279	\$56,219	\$71,498	\$357,488	\$285,990
6	0.2	\$15,279	\$56,219	\$71,498	\$357,488	\$285,990
7	0.25	\$19,099	\$70,273	\$89,372	\$357,488	\$268,116
8	0.25	\$19,099	\$70,273	\$89,372	\$357,488	\$268,116
9	0.3	\$22,918	\$84,328	\$107,246	\$357,488	\$250,241
10	0.35	\$26,738	\$98,383	\$125,121	\$357,488	\$232,367
TOTAL		\$152,788	\$562,187	\$714,975	\$3,574,875	\$2,859,900

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$ 33,067,799	\$2,859,900	\$1,177,537	\$175,249	\$0

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mtg Tax+ Other)/Total Project Costs: 12.7%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: July 5, 2023
 Project Title: 1016 East Delevan, LLC
 Project Location: 1016-1044 East Delevan Ave, Buffalo, NY 14215

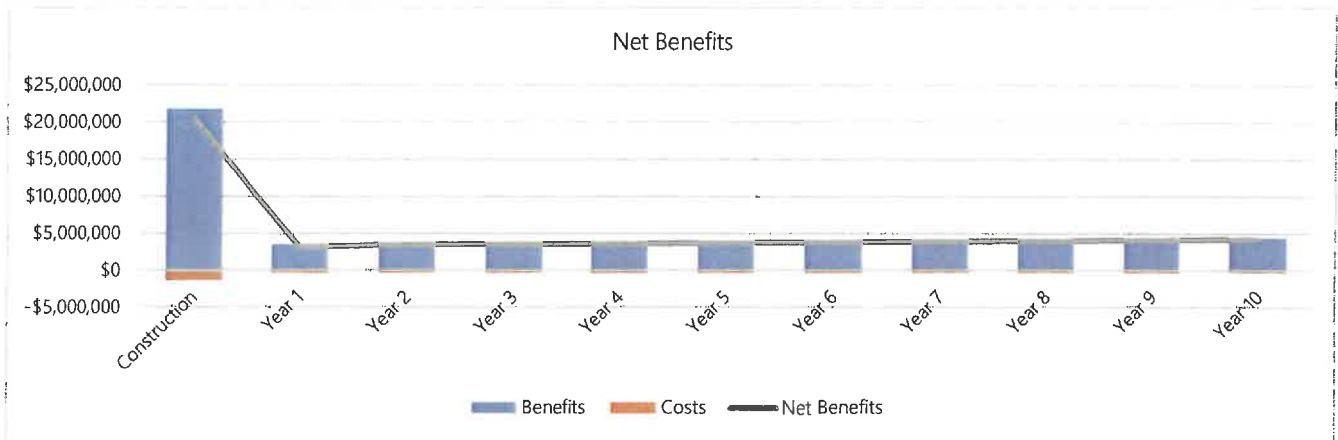
Economic Impacts

Summary of Economic Impacts over the Life of the PILOT
 Project Total Investment
 \$33,067,799

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	151	127	278
Earnings	\$13,289,083	\$7,257,877	\$20,546,960
Local Spend	\$31,745,087	\$22,476,674	\$54,221,761

Ongoing (Operations) Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	40	10	50
Earnings	\$22,827,007	\$14,151,162	\$36,978,169

Figure 1



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

Figure 2

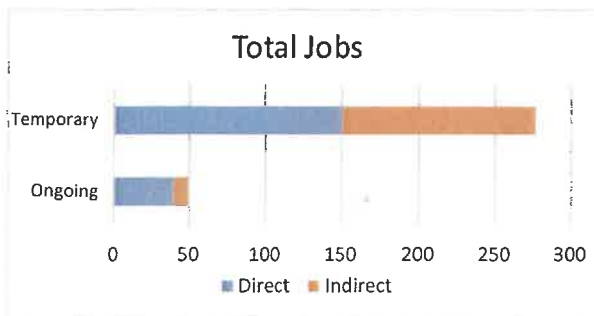
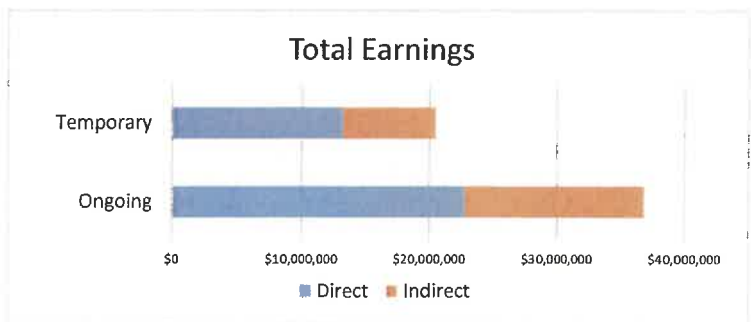


Figure 3



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

Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$2,859,900	\$2,584,500
Sales Tax Exemption	\$1,177,537	\$1,177,537
Local Sales Tax Exemption	\$639,234	\$639,234
State Sales Tax Exemption	\$538,303	\$538,303
Mortgage Recording Tax Exemption	\$175,249	\$175,249
Local Mortgage Recording Tax Exemption	\$58,416	\$58,416
State Mortgage Recording Tax Exemption	\$116,833	\$116,833
Total Costs	\$4,212,686	\$3,937,286

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$58,776,698	\$54,772,771
To Private Individuals	\$57,525,129	\$53,642,930
Temporary Payroll	\$20,546,960	\$20,546,960
Ongoing Payroll	\$36,978,169	\$33,095,970
Other Payments to Private Individuals	\$0	\$0
To the Public	\$1,251,569	\$1,129,841
Increase in Property Tax Revenue	\$714,975	\$626,662
Temporary Jobs - Sales Tax Revenue	\$170,797	\$170,797
Ongoing Jobs - Sales Tax Revenue	\$307,381	\$275,110
Other Local Municipal Revenue	\$58,417	\$57,271
State Benefits	\$2,991,307	\$2,789,432
To the Public	\$2,991,307	\$2,789,432
Temporary Income Tax Revenue	\$924,613	\$924,613
Ongoing Income Tax Revenue	\$1,664,018	\$1,489,319
Temporary Jobs - Sales Tax Revenue	\$143,829	\$143,829
Ongoing Jobs - Sales Tax Revenue	\$258,847	\$231,672
Total Benefits to State & Region	\$61,768,005	\$57,562,203

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$54,772,771	\$3,282,150	17:1
State	\$2,789,432	\$655,135	4:1
Grand Total	\$57,562,203	\$3,937,286	15:1

*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:

With consideration to the neighborhood and community for which this new project will be constructed, we fully support and strive to create healthy community involvement in all aspects of development and construction of this new commissary building. We are committed to successfully implementing a plan to ensure that certified minority and women-owned businesses (MWBEs) are encouraged to participate in this exciting project. Through comprehensive monitoring and training, coupled with active community outreach, our team and those we work with continue to service the MWBE business community on all of our projects.

We are proud to utilize a strategy that has a proven track record in achieving diversity in our business relationships, for which our utilization goals of 25% MBE and 10% WBE contractor involvement are consistently attainable. Not just our team, but those we work with, such as BCC, have always met or exceeded MWBE requirements for their projects across Western New York. Additionally, Buffalo Public Schools and the City of Buffalo Board of Education have a diverse pool of employees, with active racial and gender recruitment. At the current Commissary, the employee pool is 78% women and 83% minority.

BPS Commissary Kitchen: Listing of MBE WBE Vendors

Company Name

34 Group
A I Developers
A Vaillancourt LLC
A&K Forming, Inc.
AAA Reinforcing, LLC
ABC Technology Services
ACIA Construction LLC
Acme Stage and Sports
Adonis Construction LLC
A-Kleen Windows
Alesia's Cleaning & Construction Services
Aleut Electric, LLC
Alice J Perkins, DBA A&F Trucking
All Around Excavating
Allied Electric
A-M Electric Inc.
AmBuild Supply, LLC
American Auger & Ditching Co.
American Environmental & Remediation, Corp.
American Rated Cable and Communications, Inc.
Amyco Construction LLC
Anadine Design & Development Corp
Andujar Asbestos & Lead Abatement
Architectural Sheet Metal Specialties
ArchWood, Inc
ARD Construction Co., Inc.
Armor Fence Company of W.N.Y., Inc.
Arrow Sheet Metal Works, Inc.
Art Hill Excavating, Inc.
Asa Contractors, Inc.
ASI Signage Innovations
ASR Systems Group, Inc.
Aurora Window Systems & Contracting, Inc.
B. Pariso Transport, Inc.
Besroi Construction Corp
Bills Topsoil
Bison Contracting & Builders Supply
Black Horse Group, LLC
Bluestar Ventures
Brongo Supply, Inc.
Bronz Contracting, LLC
Brooks Brothers Painting of Rochester Inc.
Brown Electric Inc.
Buffalo Concrete Accessories, Inc.
C&A Pavement Marking, Inc
C Bell Trucking LLC
Captial Concrete
Caysea Contracting Corp
CF Wolcott General Contracting Inc.
Chief Diversified Construction, Inc.
Citygate Electric
Clean Water Mechanical and Construction, LLC
CleanMD Commercial Cleaning
Color Tech Painting Contractors, Inc.
Commercial Material Service, Inc.
Concrete Slipform, Inc.
Cooper Neon Sign Company

BPS Commissary Kitchen: Listing of MBE WBE Vendors

County Line Supply, LLC
Creekside Boundary
Critical Clean, Inc.
Cruz Painting & Design
Cummings Construction, LLC.
CVF, Inc. Concrete Construction
CW Piping LLC
D & N Improvements LLC
Dakota Environmental Services, LLC
Daniel J. Lynch, Inc.
Datz Dat Construction
DC Hauling Excavating & Snow Plowing, Inc.
DCB Elevator Co., Inc.
Decorator's Choice of Hornell, Inc.
Design Specialists, Inc.
Dig it of New York LLC
DMYLES, Inc.
Door 2 Door Inc.
Doran Trucking Company & Site Development Inc.
DV Enterprises WNY, LLC
Dyno Group Inc.
E & M Star Painting Inc.
E Contracting, Inc.
E Plumbing & Piping, Inc.
E. J. Militello Concrete, Inc.
E.M. Pfaff & Son, Inc.
Eastwood Industries, Inc.
Eaton Associates Inc.
EC Home Renovations Exteriors
EFFICIENT TECHNOLOGIES, INC.
EJ Construction Group Inc.
Ekstrom Painting
Elk Specialty Flooring
Empire Wrecking Co., Inc.
ESSI Inc
Exclusive Improvements LLC
Field Tech Systems
Finger Lakes Industrial
FSR Contracting Inc.
G Bichler Enterprises, LLC
G&J Contracting, Inc.
Gateway III Construction Group
George Pearson Co.
GM Mechanical HVAC LLC 1
Gomez Comfort systems,Llc
Goodwin Electric Corporation
GoTToGo Electric
Great Panes
Greenfield Flooring
H. Miles Enterprises Inc.
Hamburg Overhead Door, Inc.
Hanna Construction Inc.
Hayes Construction Services
Healthy Glass, LLC
Healthy Home Insulation Systems
Heaster Building Restoration, Inc.
Heat & Cool by Domes
Heat and Cool Solutions, LLC

BPS Commissary Kitchen: Listing of MBE WBE Vendors

Heatwave, Inc.
Henry Isaacs Quality Home Remodeling
Henry McConnell Concrete Floors Inc.
HH Rauh Contracting
Holland Property Management
Home Guard Environmental Services Inc
Huber Electric Inc.
Hybrid Building Solutions, LLC
I.C. Construction Services, Inc.
Id Sign Systems Inc.
Ideal Concrete, Inc.
Illuminating Expressions Distribution
Integrated Power Supplies International, Inc.
Interstate Reinforcing Inc.
Iroquois Bar Corp.
Jamieson Drywall Services Inc.
Jaus Trucking, Inc.
JBS Dirt, Inc
JDS ELECTRICAL INC
Jeanine Walker Enterprises, Inc.
JHP Industrial Supply Co. Inc.
JJ Contracting Corp
Joe the Painter, Inc.
Jos. A. Sanders & Sons Inc.
JPC Company (Professional Duct Cleaning)
JPW Supply LLC
Kelly Contracting, Inc.
Keystone Security Systems
Kham Enterprises LLC
KHEOPS Architecture, Engineering & Survey DPC
Kingsley Quality Woodworking Inc
Kittredge Equipment Company, Inc.
Kraftwerks
KSP Painting
KTG Services LLC
L. M. Sessler Excavating & Wrecking, Inc.(Sessler Wrecking)
LaCur Enterprises
Land Pro Landscape Construction
Laubacker Enterprises, Inc.
Lewis Smith Construction
Lindsays Painting & Wallpapering, LLC
Linita Design & Manufacturing
Lovett Mechanical Contractors, Inc
Loyal Nine Development
Lupini Construction Inc.
M&S Fire Protection, LLC
M.A.C. Construction Corporation (Omega QSE Inc.)
M.G. Industrial Painting Co. Inc.
M.W. Controls Service, Inc.
Magic Seal LLC
MALLARE TRUCKING
Maracle Builders LLC
Markis Inc DBA Landmark Enterprise (Still Meadow Nursery)
Marshall's Master Cleaning Plus
Mattessich Iron, LLC
McAllister Sign, Inc.
McClain Associates Inc
McClendon Asphalt Paving

BPS Commissary Kitchen: Listing of MBE WBE Vendors

MCM Natural Stone, Inc
MEC Electric, Inc.
MERK BLASTING SERVICES INC
MGM Insulations
Michael McConnell Concrete, Inc.
Micron Management
MIDA HEATING & AIR CONDITIONING INC
Millennium Construction, Inc.
Minority Material Haulers, Inc
Mohawk Valley Materials
Montanosa Restoration LLC
MRBS Inc.
Murtaugh Restorations, Inc.
Napier and Sons, Inc.
NJ Jones Plumbing LLC
Northern Dreams Construction, Inc.
Northern Glass Co. Inc.
Northern Scapes
Nowak Industrial LLC
Nurah, LLC
NW Contracting
O. H. Striping, Inc
OBrien's Septic
OCM Construction, Inc.
Ocuto Blacktop Paving / Alliance Paving Material
Oddo Construction Services, LLC
OGGI Concrete Forms & Accessories
Ojibway Construction Corp
Oneida Sales and Service
Onyx Administrative Services of Buffalo New York LLC dba
Ortiz Engineered Products Inc.
OSO Inc.
Paul James Olszewski, PLS, PLLC
Pavilion Drainage Supply Co., inc
PDS Construction, Inc.
Pipitone Enterprises, LLC
Platinum Professional Cleaning
Potter Heating & AC - Perrone Plumbing
Precise Carpentry
Precision Concrete & Masonry, Inc.
Premier Cabling Solutions, Inc.
Prentice Office Environments
Pro Carpet Inc.
Pulver Roofing Co., Inc.
Pyramid Masonry LLC
R.G.L., Inc.
R.H.Fire,LLC
Rand & Jones Enterprises Co. Inc.
Ravi Engineering & Land Surveying
Renewal Property Maintenance Services, LLC
Rexis Technology Services, LLC
Riccelli Trucking Inc
Robert F. Hyland & Sons Inc.
Rochester Rigging & Erectors, Inc.
Rochester Specialty Contractor's Inc.
Rodriguez Construction Group Inc
Rommel Fence, LLC
Rosecroft Property Maintenance LLC

BPS Commissary Kitchen: Listing of MBE WBE Vendors

RP Mechanical
Rucker Lumber Inc.
S & S Environmental
S.E.G Construction Inc.
Safety Zone Ventures, LLC
Saybrook Paints
Scott Lawn yard, Inc.
Seneca Steel Erectors, Inc.
Serviam Construction
Shades of Color Painting
Shell Fab & Design Inc.
Sienna Environmental Technologies
SLR Contracting & Service Company, Inc.
Smith Design & Build
Solvay Electric Supply & Lighting
Spectrum Windows & Walls, LLC
Steel Sales Inc.
Steel Tech Fabricators Inc
Steve General Contractors
Superior Construction of Niagara, Inc.
Susquehanna Sheet Metal
SUTTLES ELECTRICAL CONSTRUCTION CORP
Syracuse Scenery & Stage Light
T&T Materials, Inc
Tactical Construction, Inc
Technical Systems Group Inc
TFJ Enterprises LLC
the coker corporation
Tiede-Zoeller Tile
Titan Roofing Co., Inc.
TK Flooring Inc.
TKTD General Contracting Inc.
Tracey Trucking, Inc.
TREK Industries of WNY, LLC
Triple P Painting
UNIFIED ELECTRIC
Unified Mechanical Contractors, Inc.
UniquelImpact Inc.
United Mechanical Contracting, Inc.
United Thermal Systems
Upstate Paving
Upstate Rebar
US Ceiling Corp
US Innovative Construction, LLC
Vaughan Door Center, Inc.
Veteran Electrical Services
W&W Paint and Glass LLC
W.C. Roberson Plumbing & Construction Corp.
Wayne Dalton of Syracuse
Wayside Nursery, Inc.
WBE Walls and Ceilings
Weydman Electric, Inc.
WILLCORE CONTRACTING INC
Williams Doors & Hardware Inc.
WNY Exteriors LLC
WYCO Mechanical, LLC

PUBLIC HEARING SCRIPT

**1016 East Delavan, LLC and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on Tuesday, June 27, 2023, at 9:00 a.m.
at the Erie County Industrial Development Agency's offices located at
95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Marc Romanowski – Rupp Pfalzgraf LLC
Eric Ekman – McGuire Development
David Von Deran – McGuire Development
Enrico D'Abate – McGuire Development
Carrie Hocieniec – ECIDA
Brian Krygier- ECIDA

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

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

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 1016 East Delavan, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Tuesday, June 13, 2023.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 1016-1044 East Delavan Avenue, City of Buffalo, Erie County, New York, and all other lands in the City of Buffalo where, by license or easement or other agreement, the Company or its designees are making improvements that

benefit the Project (the “Land”); (ii) the construction on the Land of an approximately 67,000+/- square-foot, single-story commissary kitchen for the sole use of the Buffalo Public Schools to prepare and distribute school meals to all schools in the district. The facility will cook onsite, using locally grown products, creating fresh and high-quality meal options for students. The new facility will include two industrial kitchens with large meal preparation tables and large, commercial ovens as well as office spaces for administration and a "test kitchen" that will serve as a conference room/community space that will be available for local community meetings and training for food service employees (the “Improvements”); and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”).

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

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

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

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on July 25, 2023. There are no limitations on written statements or comments.

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

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

Eric Ekman - Vice President of Development & Acquisitions, McGuire Development. Thank you very much for having us here today. So, about a year ago we responded to an RFP put out by the Buffalo Public Schools for developing a new central commissary. Their existing commissary is undersized, they have essentially grown out of it and there are some safety concerns, and they are also looking to expand their operations & efficiency to accommodate their production, particularly scratch cooking. Cooking from scratch that is, as well as incorporating fresh produce into their production. We responded with a site directly across the street from

their existing commissary at 1016-1044 East Delevan. We were awarded the project in October of last year and we immediately launched a process to better define their program requirements, commenced design work, and commenced pricing activities. In our RFP response we proposed a rent for the school district to lease the commissary space and we have been working very hard to stay within those budget parameters. There's been pressure on the project with respect to defining their program more clearly and that has created some additional scope as well as construction pricing challenges on the project. We would very much appreciate utilizing incentives that the ECIDA can offer. The sales tax exemption, the mortgage tax exemption as well as a PILOT which will be necessary incentives to control the cost of this project and keep the districts rent close to where it was originally proposed. This is a very exciting project for us that will transform an underutilized vacant lot in the east side of Buffalo and provide a brand-new facility that successfully addresses the streetscape along East Delavan and incorporates a community space as well. It has the opportunity to provide additional jobs for the community. 15 additional jobs as the commissary grows into the new facility. Thank you very much.

6. ADJOURNMENT:

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

**SIGN IN SHEET
PUBLIC HEARING**

Tuesday, June 27, 2023, at 9:00 a.m.
at the the Erie County Industrial Development Agency's offices located at
95 Perry Street, Suite 403, Buffalo, NY 14203, regarding:

**1016 East Delavan, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 1016-1044 East Delavan Avenue, City of Buffalo, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Marc Romanowski	Rupp Pfalzgraf LLC 1600 Liberty Building Buffalo, New York 14203	
Eric Ekman	McGuire Development 455 Cayuga Road, Suite 100 Buffalo, New York 14225	X
David Von Deran	McGuire Development 455 Cayuga Road, Suite 100 Buffalo, New York 14225	
Enrico D'Abate	McGuire Development 455 Cayuga Road, Suite 100 Buffalo, New York 14225	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	



Buffalo Public Schools Central Commissary

1

OUR TEAM



McGUIRE
DEVELOPMENT
COMPANY



BUFFALO
CONSTRUCTION
CONSULTANTS



KIDENEY
ARCHITECTS



BUFFALO
PUBLIC
SCHOOLS



2

LIMITATIONS AT CURRENT FACILITY

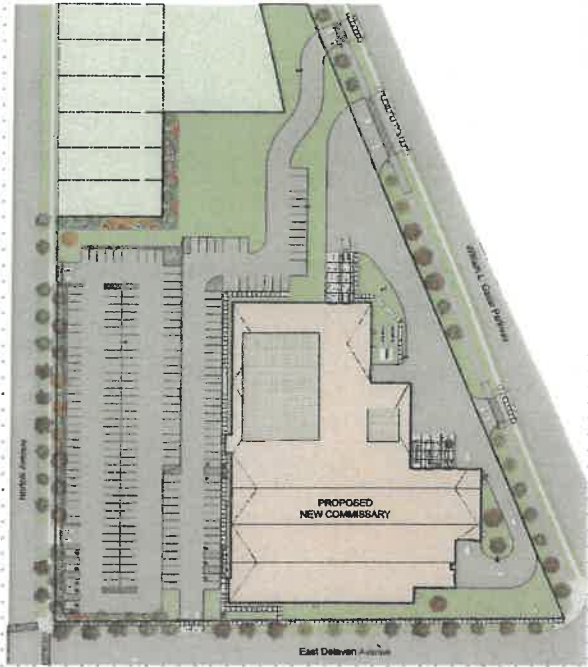
- UNSAFE CONDITIONS
- LIMITED CAPACITY TO PROCESS FRESH INGREDIENTS
- INADEQUATE SPACE
- LIMITED VARIETY OF MEAL CHOICES

3

BPS CHILD NUTRITION PROGRAM	Annual total meals comparison	
	2019-20 School Year	2021-22 School Year
Number of students served	39,080	38,654
Breakfast	3,738,750	2,989,900
Lunch	4,567,265	4,417,714
Fresh Fruit and Vegetable Program	1,034,554	1,236,870
After School Supper Program	134,905	280,935
Summer Program		
Breakfast	94,049	602,724
Lunch	216,177	687,499
TOTALS	9,824,780	10,254,296

4

SITE PLAN



5

FLOOR PLAN



McGuire
Development Co

KidneyArchitects **K**

6

NEW PROGRAM

- SCRATCH COOKING
- SAFER LAYOUT FOR STAFF
- EFFICIENT CIRCULATION
- INCREASED DIVERSITY IN MEAL OPTIONS
- UTILIZATION OF LOCALLY GROWN INGREDIENTS



COOKING



TEST KITCHEN

7

COMMISSARY STAFFING FACTS

- 16 FULL-TIME EMPLOYEES
- 35 PART-TIME EMPLOYEES
- 15 NEW PART-TIME JOBS CREATED
 - AVERAGE SALARY: \$30,000/YEAR
- ~99% OF THE STAFF LIVES IN THE CITY OF BUFFALO
- ~50% OF STAFF UTILIZES PUBLIC TRANSPORTATION
- DIVERSITY IN COMMISSARY STAFF:
 - 78% WOMEN
 - 83% MINORITY

8

PROJECT TIMELINE

Negative Declaration from Planning Board – *July 17, 2023*

Zoning Board Process Completion – *July 19, 2023*

Planning Board Process Completion – *July 31, 2023*

Closings/Construction Start – *September 29, 2023*

Construction Completion / Turnover to BPS – *March 31, 2025*

9



10

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**1016 EAST DELAVAN, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR
TO BE FORMED ON ITS BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, July 26, 2023 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 1061 EAST DELAVAN, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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

WHEREAS, 1016 EAST DELAVAN, LLC or on behalf of an affiliated entity formed or to be formed (the “Company”) has submitted an application to the Agency (the “Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the

acquisition by the Agency of a leasehold interest in certain property located on 1016-1044 East Delavan Avenue, City of Buffalo, Erie County, New York, and all other lands in the City of Buffalo where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"); (ii) the construction on the Land of an approximately 67,000+/- square-foot, single-story commissary kitchen for the sole use of the Buffalo Public Schools to prepare and distribute school meals to all schools in the district. The facility will cook onsite, using locally grown products, creating fresh and high-quality meal options for students. The new facility will include two industrial kitchens with large meal preparation tables and large, commercial ovens as well as office spaces for administration and a "test kitchen" that will serve as a conference room/community space that will be available for local community meetings and training for food service employees (the "Improvements"); and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility"). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on June 27, 2023, at 9:00 a.m., at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement") and related leaseback agreement (the "Leaseback Agreement") with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, (b) a mortgage recording tax exemption benefit for the financing related to the Project, and (c) a partial abatement from real property taxes benefit through a ten (10) year "payment in lieu of tax agreement" (the "PILOT Agreement") with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

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

WHEREAS, the City of Buffalo Planning Board (the "Planning Board") in accordance with Article 8 of the New York Environmental Conservation Law and the regulations

promulgated thereto in 6 N.Y.C.R.R. Part 617 (collectively referred to as the “State Environmental Quality Review Act” and/or “SEQR”), undertook coordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, determined that the Project was a Type I Action, and issued a negative declaration (“Negative Declaration”) under SEQR on July 17, 2023 with respect to the Project; and

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

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its July 13, 2023 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project’s cost benefit ratio, the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project’s contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

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

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

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

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

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the “State”) to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company’s application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the

State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

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

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

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

(I) Based upon a thorough and complete review of the Application and its accompanying materials and information, the Environmental Assessment Form submitted by the Company, and the proceedings conducted by the Agency and the Planning Board's Negative Declaration, the Agency hereby:

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

(ii) ratifies the proceedings conducted by the Planning Board as Lead Agency pursuant to SEQR, as well as the Planning Board's determination that the Project does not pose a significant potential adverse environmental impact, thus warranting the issuance of a negative declaration, as that term is defined in SEQR; and

(iii) determines that the Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment, that the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQR, and that no "environmental impact statement" as such quoted term is defined in SEQR need be prepared for this action; and

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

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

(i) *Wage Rate (above median wage for area):* Average wage for FT = \$59,600. Average wage for PT = \$30,000.

(ii) *Regional Wealth Creation (% sales/customers outside area):* 81% of sales are within Erie County.

(iii) *In Region Purchases (% of overall purchases):* 100% of total supplies, raw materials and vendor services will be purchased from firms in Erie County.

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

(v) *Retention/Flight Risk:* N/A.

(vi) *LEED/Renewable Resources:* N/A.

(vii) *MBE/WBE Utilization:* Company has committed to implementing a plan to ensure the MWBE contractors are encouraged to participate in the project.

(viii) *Workforce Access-Proximity to Public Transportation:* Site is located on the NFTA 26 Delavan bus line. Approximately 50% of employees of this project rely on public transportation.

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

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

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

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$13,457,572, and, therefore, the value of the sales and use tax exemption benefits (“sales and use tax exemption benefits”) authorized and approved by the Agency cannot exceed \$1,177,537, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit (“mortgage recording tax exemption benefits”) shall not exceed \$175,249; and

(iii) authorizes and approves that the real property tax abatement benefits (“PILOT benefits”) to be provided over the term of the PILOT Agreement are estimated to be approximately \$2,859,900, resulting in estimated total PILOT payments of \$714,975 over the term of the PILOT Agreement.

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

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

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

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$28,107,629 (which represents the product of 85% multiplied by \$33,067,799, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 16 existing full time equivalent (“FTE”) employees and at least 35 existing part time equivalent (“PTE”) located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE/PTE employees in the then current year at the Facility; and
 - that the Company has maintained and created FTE/PTE employment at the Facility equal to 16 FTE employees and 47 PTE employees [the 47 PTE employees being calculated by taking the sum of the Baseline PTE of 35 plus the product of 85% multiplied by 12 PTE (being the total number of new PTE employee positions proposed to be created by the Company as stated in the Company's application for Financial Assistance)]. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

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

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

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

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the

Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

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

Dated: July 26, 2023



BPS Commissary Kitchen

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

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

Applicant Information- Company Receiving Benefit

Project Name	BPS Commissary Kitchen
Project Summary	A newly constructed 66,686-square-foot light industrial building located at 1016 East Delavan Avenue, which will serve as the new commissary kitchen for Buffalo Public Schools. This will include two industrial kitchens, 2 frozen storage coolers, two dry storage cools, one 18-wheeler truck dock, a pull through loading garage, and a box truck loading area. Additionally, there will be a test kitchen/conference room space that will be available to the community for public use/meetings.
Applicant Name	1016 East Delavan, LLC
Applicant Address	455 Cayuga Road
Applicant Address 2	Suite 100
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14225
Phone	(716) 880-9198
Fax	
E-mail	enrico@mcg-dev.com
Website	www.mcg-dev.com
NAICS Code	236220

Business Organization

Type of Business	Limited Liability Company
Year Established	2006
State	New York
Indicate if your business is 51% or more (Check all boxes that apply)	
	<input type="checkbox"/> [No] Minority Owned
	<input type="checkbox"/> [No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name Enrico R. D'Abate
Title Project Manager
Address 455 Cayuga Road
Address 2 Suite 100
City Buffalo
State New York
Zip 14225
Phone (716) 880-9198
Fax
E-Mail enrico@mcg-dev.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Eric Ekman
Title Vice President, Development & Acquisitions
Address 455 Cayuga Road
Address 2 Suite 100
City Buffalo
State New York
Zip 14225
Phone (716) 829-1563
Fax
E-Mail eric@mcg-dev.com

Company Counsel

Name of Attorney Michael M. Blinkoff
Firm Name Blinkoff & Blinkoff, P.C.
Address 501 John James Audubon Pkwy
Address 2 Suite 400
City Amherst
State New York
Zip 14228
Phone (716) 332-6104
Fax (716) 332-6183
E-Mail mblinkoff@blinkoff.com

Benefits Requested (select all that apply)

Exemption from Sales Tax Yes

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

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

Applicant Business Description

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

The property and new commissary will be solely and wholly owned by 1016 East Delavan, LLC. 1016 East Delavan, LLC is a Limited Liability Company created for the purpose of providing a new commissary kitchen for Buffalo Public Schools, and is an arm of McGuire Development Company. For more than 50 years, since the founding of Frank McGuire's first company in 1960, the McGuire name has been synonymous with honesty, integrity, and hard work. The McGuire Development Company portfolio is diverse, and has a proven track record to produce the highest quality development projects for municipal entities. The most recent was the redevelopment of 75 West Huron into the Buffalo School of Culinary Arts and Hospitality Management. This project displayed McGuire's ability to utilize Brownfield and Historic Tax Credits to make the project feasible and produce the most favorable rent for Buffalo Public Schools. Similar to the Buffalo School of Culinary Arts and Hospitality Management project, this new commissary building will be a food service-focused municipal building with strict programming requirements. It is McGuire Development and 1016 East Delavan, LLC's mission to deliver a high-functioning, long-lasting asset for Buffalo Public Schools. With a history of strong relationships with lenders who have supported the work that McGuire has done throughout Erie County, as well as the means to meet the equity needs and have true stake in the success of its projects, McGuire Development Company is a committed partner in the growth and prosperity of the Buffalo-Niagara region.

Estimated % of sales within Erie County	81 %
Estimated % of sales outside Erie County but within New York State	1 %
Estimated % of sales outside New York State but within the U.S.	18 %
Estimated % of sales outside the U.S.	0 %

(*Percentage to equal 100%)

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

100

Describe vendors within Erie County for major purchases

Great Lakes Building Systems, Inc. Gypsum Systems, LLC PCS Plumbing & Heating, Inc. Dival Safety and Supplies Allied Mechanical

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

1016-1044 East Delavan Avenue

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo Public Schools

Current Address (if different)

1055 East Delavan Avenue

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

Buffalo

SBL Number(s) for proposed Project

SBL No. 90.72-1-44 & 90.72-1-43

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

1,960

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

Land

\$ 87,000

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.)

Parking lot and Vacant Land

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

This project will include new construction of a 67,000 square foot, single-story commissary kitchen for the sole use of Buffalo Public Schools to prepare and distribute school meals to all schools in the district. The biggest factor that has spurred the interest in a new commissary building is based on increasing safety concerns at the current facility. Additionally, the existing facility cannot meet the needs of the new programming requirements of the student meal plan created by Buffalo Public Schools. Part of this initiative is to have a facility that can cook onsite, using locally grown products, creating fresh and high-quality meal options for the students. As a result, the new building will include two industrial kitchens with large meal preparation tables and large, commercial ovens. The new building will also include office spaces for administration, and a "test kitchen" that will serve as a conference room/community space that will be available for local community meetings and training for food service employees. With over 27,000 meals distributed per day during the school year, and 10,000 meals per day during the school's summer program, Buffalo Public Schools needs a facility that can function at a higher level, and produce healthier meals for the students of the school district and promote a safer environment for its staff.

Municipality or Municipalities of current operations

City of Buffalo

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

Yes

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

Yes

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

No

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

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

No

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

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

No

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

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

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

The goal of this project is to provide a new, safer and better performing kitchen for Buffalo Public Schools, who have currently outgrown the facility that they operate in. To meet the programming requirements set forth by Buffalo Public Schools, following our initial bid package and award of this project, the initially projected rent has increased. Additionally, the cost of construction and materials has shown steady increases that have impacted the rent, for which has made the project financially complicated for Buffalo Public Schools. The overall shell construction had changed from a metal-paneled building to a traditional, concrete structure. Without the sales tax and mortgage tax exemptions provided by the ECIDA, the costs of the project will increase the rent that may not be feasible for Buffalo Public Schools. These exemptions will allow the rent to be maintained at the Tenant's targeted level. The ECIDA PILOT Program will also be necessary for the project to move forward, as the operating costs for Buffalo Public Schools will cause a financial constraint on the school district, and may cause the project to fail.

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

Yes

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

The investment currently made into this project by McGuire Development and 1016 East Delavan, LLC has been substantial, and that investment will be lost. The jobs that will be created, as well as the needs for a safer, higher quality commissary kitchen for Buffalo Public Schools will not be built by the end of their lease term. This could impact the food distribution of the school district for many years to follow, and they will likely have to start the process all over again.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

Yes, the site would be located on the NFTA "26 Delavan" bus line. About half of the employees of this project rely heavily on public transportation.

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

No

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

06/01/2023

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

Yes

Describe the present zoning/land use

D-IL: Light Industrial: This use allows the light industrial activity and distribution that is consistent with the zoning requirements for the project.

Describe required zoning/land use, if different

The only additional zoning measure is to seek variances of curb cut widths along William L. Gaiter Parkway for larger vehicle delivery and shipments.

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

An application has been filed with the Zoning Board of Appeals for these variances.

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.

End date : Estimated completion date of project

3/31/2025

Project occupancy : estimated starting date of occupancy

4/1/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 1,250,000	229,221 square feet	5 acres
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2.) New Building Construction

\$ 22,267,479	66,686 square feet
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3.) New Building addition(s)

\$ 0	square feet
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4.) Reconstruction/Renovation

\$ 0	square feet
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5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

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

\$ 3,921,995

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

\$ 5,628,325

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost		\$ 33,067,799
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Construction Cost Breakdown:

Total Cost of Construction	\$ 22,267,479 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 12,247,113
% sourced in Erie County	100%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 13,457,572
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 1,177,537

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

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

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

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 7,595,580
Bank Financing:	\$ 23,366,628
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	
Total Sources of Funds for Project Costs:	\$30,962,208

Have you secured financing for the project? No

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing).	23,366,628
Lender Name, if Known	

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$175,249

Real Property Tax Benefit:

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

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

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

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	16	16	0	0
Part time	35	35	15	15
Total	51	51	15	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	4	\$ 45,000	\$ 13,500	0	\$ 0	\$ 0
Professional	1	\$ 100,000	\$ 30,000	0	\$ 0	\$ 0
Administrative	6	\$ 68,000	\$ 20,000	0	\$ 0	\$ 0
Production	4	\$ 40,000	\$ 12,000	50	\$ 30,000	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	1	\$ 45,000	\$ 13,000	0	\$ 0	\$ 0
Total	16			50		

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

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

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

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

Payroll Information

Annual Payroll at Proposed Project Site upon completion

2,393,000

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

59,600

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

30,000

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

0

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

30,000

Estimated salary range of jobs to be created

From (Full Time)	0	To (Full Time)	0
From (Part Time)	30,000	To (Part Time)	30,000

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

1016-1044 East Delavan Avenue Buffalo, NY 14215

Name and Address of Owner of Premises

East Delavan Property, LLC 1016 & 1044 East Delavan Avenue Buffalo, NY 14215

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

1016 East Delavan: This parcel is a full functioning parking lot with chain-link fencing and a 2-foot demising wall along the east property line. The western property line is adjacent to Norfolk Avenue and its southern property line is adjacent to Delavan Avenue. 1044 East Delavan: This parcel is a vacant stretch of land with gradual elevation increasing from the southern property line moving north. The western property line runs adjacent to William L. Gaiter Parkway and the southern property line is adjacent to Delavan Avenue.

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 current use of 1016 East Delavan Avenue is a parking lot for employees of OSC that is located at 1001 East Delavan Avenue, following the purchase of the land in 2008 from American Axel.

Describe all known former uses of the Premises

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

N/A

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

N/A

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

N/A

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name Buffalo Public Schools
Address 65 Niagara Square, Room 717 City Hall
Contact Person Ruth Conner
Phone (716) 816-3314
Fax (716) 897-8041
E-Mail RLConner@buffaloschools.org
Federal ID #
SIC/NAICS Code 611110

SS

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Buffalo Public Schools

Property Address:

1016 & 1044 East Delavan Avenue

City/Town/Village

Buffalo

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

Amount of space to be leased (square feet)

66,686

What percentage of the building does this represent?

100

Are terms of lease:

NET

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

Estimated date of occupancy

3/1/2025

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Buffalo Public Schools

Local Contact Person:

Ruth Conner

Title:

Supervisor

Current Address:

1055 East Delavan Avenue

Phone:

(716) 816-3314

Fax:

(716) 897-8041

E-Mail:

RLConner@buffaloschools.org

Website:

www.buffaloschools.org

Company President/General Manager:

Bridget O'Brien Wood

Number of employees moving to new project location:

Full-Time:

16

Part-Time:

35

Total:

51

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

This facility will service all Buffalo Public Schools with meals for their breakfast and lunch programs. This will include the cooking, packaging, processing and distribution of meals for all Buffalo Public School meal programs.

Attach additional information as necessary.

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

Buffalo Public Schools is an agent of the City of Buffalo.

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

66,686

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

40,000

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

Buffalo Public Schools has outgrown their current facility, and has changed its programming to provide more locally grown and prepared meals for their students. The new facility be equipped to cook the food that is being distributed to the school district, as opposed to the current operation, which essentially receives, stores and distributes the prepackaged meals.

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

Yes

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

If leased, when does lease expire?

2/28/2025

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

No

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

Section VI: Retail Determination

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

Please answer the following:

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

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

1055 East Delevan Avenue

City/Town

Buffalo

State

New York

Zip Code

14215

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

No

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

Yes

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

The newly constructed Commissary will be directly across Delavan Avenue from the existing one. This will require some of the existing equipment to be transferred from the old Commissary to the new one.

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.)

The

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.)

A larger, at least 60,000 square-foot, facility, on a 3-acre plot of land that was industrial-zoned, with at least two incoming 18-wheeler truck port, at least one incoming box truck docks, and 20-foot minimum ceiling clearance. Additionally, the building will additionally need to have three outgoing delivery bays.

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

Yes

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

The project location is directly across the street from the current location.

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

The current facility is privately owned and will likely be put on the market to be leased out.

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.

320 Scajaquada Street: The site at 1016 & 1044 East Delavan Avenue was a better location with more presence in the community.

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

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

Trautman Associates / 130 Pearl LLC

\$ 5,477,047

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 541300

COMPANY INCENTIVES

- Approximately \$ in sales tax savings: \$ 131,250
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 22,500

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs: 0 FTE
- Projected new jobs: 2 PT
- Est. salary/yr. of jobs created: \$12,500
- Total jobs after project completion: 1 FTE
- Construction Jobs: 36

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
- NET Community Benefits: \$ 3,207,792
- Spillover Jobs: 19
- Total Payroll: \$ 3,018,254

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

Incentives: \$ 153,750
 Community Benefit: \$3,202,139
 Cost: Benefit Ratio
 • 1: 21

Project Title: 130 Pearl
 Project Address: 130 – 132 Pearl St, Buffalo, NY 14202
 Buffalo School District

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a 21,000 sq ft commercial building located in the City of Buffalo’s Central Business District.

Building Acquisition	\$ 660,000
Building Renovation	\$ 3,100,000
Soft Costs/Other	\$ 1,717,047
Total Project Cost	\$ 5,477,047
85%	\$ 4,655,489

Company Description

Trautman Associates provides professional architect and engineering services. The firm was founded in 1956 and has been in Buffalo since its founding. Trautman Associates strive to understand their client’s needs, opportunities and goals. Client types include: commercial, schools, residential, community, cultural, government and municipal. Owners with greater than 20% ownership include: John Daly (31.5%) and Robert Stelianou (29.6%).

Project Description

The Underwood Building at 130 Pearl was constructed in 1916 and has served as a commercial building downtown since its inception. The Buffalo society architect, Henry Osgood Holland, was responsible for its design. The building was first listed on the Register of Historic Places in 2002 and sits adjacent to Louis Sullivan’s Guaranty Building and across from St. Paul’s Episcopal Cathedral designed by Richard Upjohn. The redevelopment of this 21,000 sq ft 3 story building will result in 18 apartments with a mix of one- and two-bedroom units. Commercial / retail space will occupy the remaining 3,200 sq ft. Two of the mid-sized one-bedroom units (500+ sq ft) will be designated as workforce housing and will be at or below 80% AMI. Units will feature premium finishes, high ceilings and in-unit laundry.

# of Units	Sq Ft	Rent Range
14 one-bedroom	426 – 696	\$1,100 - \$1,675
4 two-bedroom	863 – 1,056	\$2,025 - \$2,475

The company is pursuing property tax savings through the NYS 485-A or 444 programs.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

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

Cost: Incentives

COSTS	Tax Exemption	Amount
	Sales	131,250
	Mortgage Recording	22,500
	Total	153,750
	Discounted at 2%	153,750

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Construction	2,910,645
			Payroll Permanent	107,609
		Public	Property Taxes	0
			Sales Taxes	25,089
			Other - NFTA	7,500
	New York State	Public	Income Taxes	135,821
			Sales Taxes	21,128
			Total Benefits to EC + NYS***	3,207,792
			Discounted at 2%	3,202,139

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

Discounted Cost \$ 153,750
 Discounted Benefit \$ 3,202,139
 Ratio 1:21

Conclusion: The Cost Benefit for this project is: 1:21. For every \$1 in costs (incentives), this project provides \$ 21 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 39 in benefits to the community.**

New Tax Revenue Estimated – City of Buffalo 485 A Program

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 12 yr abatement period*	Additional Local Revenue Over 12 yr abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$25, 106	\$3,619,000	\$218,877	\$322,288	\$83,995

Combined Tax Rate: \$ 23.21

*no county property tax benefit over abatement period for 485a program. Program only applies to City portion.

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Retail / Commercial	3,195	\$155,000	5%
Other: residential housing + building amenities	18,105	\$2,945,000	95%
	21,300	3,100,000	100%

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$ 5,477,047 85% = \$ 4,655,489
Employment	Coincides with recapture period	Maintain Base = 0 Projected = 2 PT (1 FTE) Create 85% of Projected = 0 Recapture Employment = n/a
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 jobs (FTE) and created jobs (FTE), iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 6/28/23: Public hearing held.
- 7/26/23: Minor Site Plan Review City of Buffalo Planning Board Approval – No SEQRA compliance required.
- 7/26/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

**ADAPTIVE REUSE REPORT &
EVALUATIVE CRITERIA
Trautman Associates – 130 Pearl LLC**

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	Structure is 107 years old. Façade restoration and remediation will add significant costs to the project.
Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes the elimination of slum and blight.	The structure has been vacant for 3 years. The properties on either side of the project site have been fully restored (Cathedral Commons and the Guaranty Building) leaving this building to stand out as an eyesore.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)	Structure is not generating significant rental income.
Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans	The project is located in the City's Central Business district and is aligned with the Framework for Regional Growth through encouraging public investment in existing developed areas and through adaptive reuse of existing structures.
Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)	The project faces a dramatic rise in construction financing costs as well as reduced borrowing capacity – consequently, the owner's contribution is close to 30%. Also there are significant increases in costs associated with the restoration of the façade and for remediation costs.
Demonstrated support of local government entities	Buffalo Mayor Byron Brown provided a letter of support.
LEED/Renewable Resources	N/A
Building or site has historic designation	The property was first listed on the National Register of Historic Places in 2002, when the National Park Service certified the Joseph Ellicott Historic District.
Site or structure has delinquent property or other local taxes.	N/A

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

MBE/WBE Utilization	Program utilization goals = at least 25% MBE and 5% WBE participation. See attached MBE/WBE Utilization form.
Transit Oriented Development	Site is accessible by Metro Rail via Seneca Station Bus lines: #5 Niagara, #15 Seneca and #8 Main.
OTHER FACTORS TO CONSIDER:	
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	Project renovations include asbestos abatement.
Site or structure is located in a distressed census tract	2020 Census Tract - Adjacent to Highly Distressed
Structure presents significant costs associated w/ building code compliance.	N/A

DATE OF INDUCEMENT: 07/26/23

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

Return on Investment – 130 Pearl LLC

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

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

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

Adaptive Reuse Projects

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

Public Incentives Requested

- ECIDA Real Property Tax Abatement in an approximate value of \$0 (N/A)
- Sales Tax Savings in the amount of \$ 131,250
- Mortgage Tax Savings in the estimated amount of \$22,500

ROI

130 Pearl LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 3.6%

Stated ROI for the project without ECIDA assistance is 3.3%

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-Trautman Associates / 130 Pearl LLC

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to 485a*	County Tax Rate/1000	City Tax Rate (incl School)/1000
\$ 3,100,000	\$3,619,000	5.04	18.17

*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 (Federal & State Historic Tax Credits)
\$5,477,047	n/a	131,250	\$22,500	\$1,387,896

Note: special district taxes are not subject to PILOT abatement

Calculate % = (Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Tot Project Costs: 28%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator

Date: June 13, 2023
 Project Title: Trautman
 Project Location: 130 Pearl Street, Buffalo, NY 14202

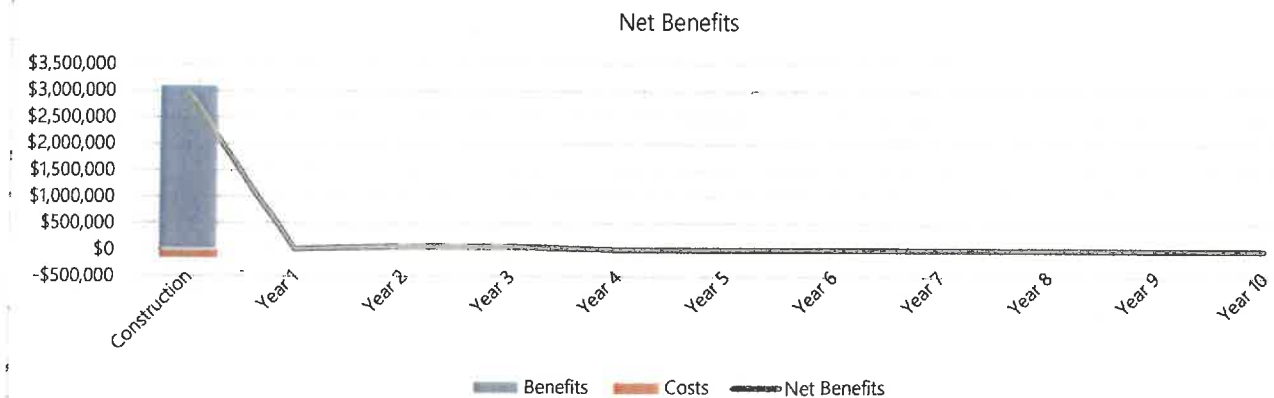
Economic Impacts

Summary of Economic Impacts over the Life of the PILOT
 Project Total Investment
 \$5,477,047

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	36	18	54
Earnings	\$1,884,169	\$1,026,476	\$2,910,645
Local Spend	\$4,491,179	\$3,178,145	\$7,669,323

Ongoing (Operations) Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	1	1	2
Earnings	\$50,000	\$57,609	\$107,609

Figure 1



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

Figure 2

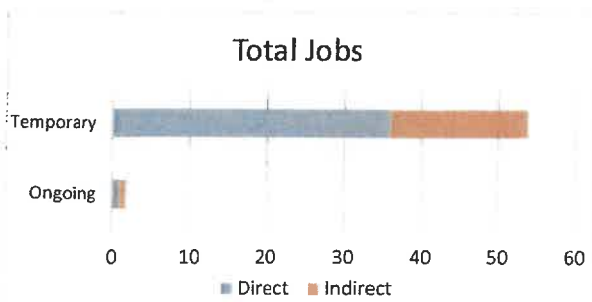
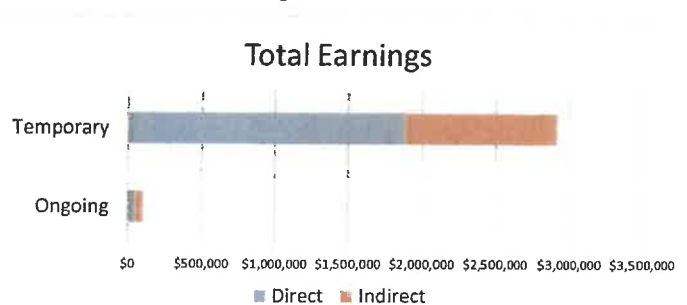


Figure 3



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

Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$131,250	\$131,250
Local Sales Tax Exemption	\$71,250	\$71,250
State Sales Tax Exemption	\$60,000	\$60,000
Mortgage Recording Tax Exemption	\$22,500	\$22,500
Local Mortgage Recording Tax Exemption	\$7,500	\$7,500
State Mortgage Recording Tax Exemption	\$15,000	\$15,000
Total Costs	\$153,750	\$153,750

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$3,050,843	\$3,045,460
To Private Individuals	\$3,018,254	\$3,013,061
Temporary Payroll	\$2,910,645	\$2,910,645
Ongoing Payroll	\$107,609	\$102,416
Other Payments to Private Individuals	\$0	\$0
To the Public	\$32,589	\$32,399
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$24,195	\$24,195
Ongoing Jobs - Sales Tax Revenue	\$894	\$851
Other Local Municipal Revenue	\$7,500	\$7,353
State Benefits	\$156,949	\$156,679
To the Public	\$156,949	\$156,679
Temporary Income Tax Revenue	\$130,979	\$130,979
Ongoing Income Tax Revenue	\$4,842	\$4,609
Temporary Jobs - Sales Tax Revenue	\$20,375	\$20,375
Ongoing Jobs - Sales Tax Revenue	\$753	\$717
Total Benefits to State & Region	\$3,207,792	\$3,202,139

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$3,045,460	\$78,750	39:1
State	\$156,679	\$75,000	2:1
Grand Total	\$3,202,139	\$153,750	21:1

*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. Here are links to the NYS and combined Erie County / City of Buffalo – certified MWBE contractors that can assist you with your utilization goals:

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

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

Describe your company's internal practices that promote MBE/WBE hiring and utilization:

Trautman Associates and 130 Pearl LLC follow the spirit of the New York State Minority and Women-owned Business Enterprises (MWBE) Program utilization goals of at least twenty-five percent MBE and five percent WBE participation. Bid announcements where applicable are sent to all vendors certified as MBE/WBE contractors.

Trautman: Listing of MBE & WBE Vendors Used (Previous Projects)

ASI Signage Innovations
Aurora Window Systems & Contracting, Inc.
Barbara A. Campagna / Architecture + Planning, PLLC
Bison Contracting & Builders Supply Corp.
Corr Distributors Inc.
Draghi Burgos Construction, LLC
Frandina Engineering and Land Surveying, PC
Huber Electric Inc.
Iroquois Bar Corp
J.W. Swanson & Associates, LLC
Jos. A. Sanders & Sons, Inc
Joy Kuebler Landscape Architect
KCB Architecture, P.C.
Oneida Sales & Service, Inc.
Rand & Jones Enterprises Co., Inc.
Rodriguez Construction Group
S.E.G Construction, Inc.
Shades of Color, Inc.
Shell Fab & Design, Inc.
Sienna Environmental Technologies, LLC
Singleton Construction Consultants, Inc.
Southtown Electronics, Inc.
Upstate Steel, Inc.

130 Pearl St (BEFORE)



130 Pearl St (AFTER)





CITY OF BUFFALO
OFFICE OF THE MAYOR

BYRON W. BROWN
MAYOR

July 10, 2023

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

RE: 130 Pearl Street Adaptive Reuse Project

The City of Buffalo supports the adaptive reuse project at 130 Pearl Street in downtown Buffalo. We believe that this mixed-use redevelopment project will strengthen the health of our downtown core and its appeal to new residents.

Buffalo is a wonderful place to live, and is a city that values its residents and historic structures. Plans for this adaptive reuse project call to transform a 21,000 square foot historic building into eighteen apartments and approximately 3,200 square feet of commercial space. For our downtown to thrive, it is imperative that we create new housing opportunities for our emerging modern workforce. My Administration has made significant investments in the Central Business District to incentivize new development to attract new residents and improve quality of life. The City will continue to prioritize investment in the Central Business District as we work towards our goal of creating a place with innovative and attractive environments where people want to live, work, and play.

Recently completed development projects nearby such as One Seneca and 201 Ellicott are bringing new activity to the area. Additional mixed-use development is underway and we are excited to see additional economic growth downtown for years to come. The adaptive reuse of this historic structure is a welcome addition to the impressive revitalization efforts that continue to contribute to the growth of our local economy.

Sincerely,

Byron W. Brown
Mayor

PUBLIC HEARING SCRIPT

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

Public Hearing to be held on Tuesday, June 27, 2023, at 9:30 a.m.
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

John Daly – Trautman Associates
Mark Daly – Trautman Associates
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 9:00 a.m. My name is Grant Lesswing. I am the Director of Business Development of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 130 Pearl LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Tuesday, June 13, 2023.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 132 Pearl Street, City of Buffalo, Erie County, New York, and all other lands in the City of Buffalo where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"); (ii) the adaptive reuse on the Land of an approximately 21,000+/- square-foot 3-story former historic Underwood Building facility into 18 luxury apartments with a mix of studio, one-bedroom and two-bedroom units together with commercial/retail space

occupying the remaining 3,200+/- square feet (the “Improvements”); and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”).

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

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

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

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on July 25, 2023. There are no limitations on written statements or comments.

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

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

John Daly – Member, 130 Pearl, LLC. 130 Pearl, LLC is really the partners of Trautman Associates. Our Architectural Engineering Firm has been in Buffalo for 65 years and is located just around the corner from the building. We are as you stated seeking to renovate 130 Pearl, an adaptive re-use turning it into a mixed-use facility with 18 residential apartments and commercial space on the first and ground floors which the building is on a hill, so the backside comes out to grade. So, it's really four stories from the backside, three stories from the front. Thank you for considering our application. The ECIDA funds are critical to this project. We started this project prior to COVID, and it is a historic restoration project. Our application was into the Federal Parks Department for historic preservation, and it sat all through COVID. Coming out of COVID we've been faced with all kinds of price increases and now inflation numbers are going up so these funds will help make this project viable and they are very important to us. I did mention we were working with SHIPO, the State Historic Preservation Office & Federal Parks Department on the historic preservation of the building. I will say it's sandwiched between two beautiful buildings. The Guaranty building. One of the most famous buildings in Buffalo. We see tourists coming by all the time on tours looking at that building, and our building up abuts it directly and is sadly in need of historic preservation restoration and

that is what we are seeking to do. We think it's going to be a great benefit and asset to the historic district downtown, the tourism that it brings and things like that. We're really looking forward to really shining up that old building and making it look worthy of standing next to the one that it does. The other nice thing about our project is that it will help the economy down there. It's going to provide construction jobs immediately and beyond that it will provide opportunity for maintenance, housekeeping, repairs, and things like that which I personally have developed other properties and those jobs are important to people. A lot of them first-time business owners starting up. Companies that we contract with or directly hire. The project like I say is going to be vital to the neighborhood, community, the region in general. I think it will provide immediate construction jobs and opportunity for long-term employment with people. I think that's about everything.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:38 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

Tuesday, June 27, 2023, at 9:30 a.m.
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203
regarding:

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

Project Location: 132 Pearl Street, City of Buffalo, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
John Daly	Trautman Associates 37 Franklin St., Suite 100 Buffalo, New York 14202	X
Mark Daly	Trautman Associates 37 Franklin St., Suite 100 Buffalo, New York 14202	
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
INDUCEMENT RESOLUTION**

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

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, July 26, 2023 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 130 PEARL LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iv) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (v) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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

WHEREAS, 130 PEARL LLC or on behalf of an affiliated entity formed or to be formed (the "Company") has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 132 Pearl Street, City of Buffalo, Erie County, New York, and all other lands in the City of Buffalo where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"); (ii) the adaptive reuse on the Land of an approximately 21,000+/- square-

foot 3-story former historic Underwood Building facility into 18 luxury apartments with a mix of one-bedroom and two-bedroom units together with commercial/retail space occupying the remaining 3,200+/- square feet (the “Improvements”); and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”); and, together with the Land and the Improvements, the “Facility”). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on June 27, 2023, at 9:30 a.m., at the Agency’s offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

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

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

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

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its July 13, 2023 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project’s cost benefit ratio, the costs of incentives so applied for, the

anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

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

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

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

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

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

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

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

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

(I) The Project involves a "Type II action" as said term is defined in SEQR and, therefore, no further action is required under SEQR; and

(J) The Project is compliant with the Countywide IDA Eligibility Policy, constitutes a commercial facility as defined in the General Municipal Law and will promote employment opportunities and prevent economic deterioration in the City of Buffalo. The Agency has reviewed the opinion of the State Comptroller (OSC Op. 85-51) and hereby specifically finds that the Project will create temporary construction jobs and approximately one full-time job, and, by adaptively reusing a vacant, declining and aged structure and rehabilitating it for residential use, will be a physical and economic improvement to this sensitive area of the City of Buffalo; and

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

(i) *Age of Structure (must be at least 20 years old and present functional challenges to redevelopment):* Structure is 107 years old. Façade restoration and remediation will add significant costs to the project.

(ii) *Structure has been vacant or underutilized for a minimum of 3 years (defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended). Project promotes the elimination of slum and blight:* The structure has been vacant for 3 years. The properties on either side of the project site have been fully restored (Cathedral Commons and the Guaranty Building) leaving this building to stand out as an eyesore.

(iii) *Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class):* Structure is not generating significant rental income.

(iv) *Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans:* The project is located in the City's Central Business district and is aligned with the Framework for Regional Growth through encouraging public investment in existing developed areas and through adaptive reuse of existing structures.

(v) *Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections, documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages):* The project faces a dramatic rise in construction financing costs as well as reduced borrowing capacity – consequently, the owner's contribution is close to 30%. Also there are significant increases in costs associated with the restoration of the façade and for remediation costs.

(vi) *Demonstrated support of local government entities:* Office of Strategic Planning intends to send Buffalo Mayor's support letter (pending).

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

(viii) *Building or site has historic designation:* The property was first listed on the National Register of Historic Places in 2002, when the National Park Service certified the Joseph Ellicott Historic District.

(ix) *Site or structure has delinquent property or other local taxes:* Not Applicable.

(x) *MBE/WBE Utilization:* Program utilization goals = at least 25% MBE and 5% WBE participation. The MBE/WBE Utilization form was provided with the meeting package.

(xi) *Transit Oriented Development:* Site is accessible by Metro Rail via Seneca Station Bus lines: #5 Niagara, #15 Seneca and #8 Main.

(xii) *Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs:* Project renovations include asbestos abatement.

(xiii) *Site or structure is located in a distressed census tract:* 2020 Census Tract – Adjacent to Highly Distressed.

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

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

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

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$1,500,000, and,

therefore, the value of the sales and use tax exemption benefits (“sales and use tax exemption benefits”) authorized and approved by the Agency cannot exceed \$131,250, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit (“mortgage recording tax exemption benefits”) shall not exceed \$22,500.

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

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

C. Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and

maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the conclusion of the later of two (2) years following either (i) the construction completion date, or (ii) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$4,655,489 (which represents the product of 85% multiplied by \$5,477,047, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 2 existing part time equivalent (“PTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created 2 PTE employment at the Facility equal to 1 FTE employee. In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

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

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial

Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

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

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

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

Dated: July 26, 2023



Trautman Associates

Instructions and Insurance Requirements Document

Section I: Applicant Background Information

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

Applicant Information- Company Receiving Benefit

Project Name 130 Pearl

Project Summary Adaptive re-use of 21,000 sq ft former office building comprised of retail/residential rentals.

Applicant Name 130 Pearl LLC- John F. Daly

Applicant Address 37 Franklin St

Applicant Address 2 Suite 100

Applicant City Buffalo

Applicant State New York

Applicant Zip 14202

Phone (716) 883-4400

Fax

E-mail jdaly@trautmanassociates.com

Website www.trautmanassoc.com

NAICS Code 541300

Business Organization

Type of Business
Limited Liability Company

Year Established
1956

State
New York

Indicate if your business is 51% or more (Check all boxes that apply)

- [No] Minority Owned
- [No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

- [No] NYS Certified
- [No] Erie Country Certified

Individual Completing Application

Name JOHN DALY
Title Member
Address 37 Franklin St
Address 2 Suite #100
City Buffalo
State New York
Zip 14202
Phone (716) 883-4400
Fax
E-Mail Jdaly@trautmanassociates.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application Yes
Name JOHN DALY
Title Member
Address 37 Franklin St
Address 2 Suite 100
City Buffalo
State New York
Zip 14202
Phone (716) 883-4400
Fax
E-Mail Jdaly@trautmanassociates.com

Company Counsel

Name of Attorney JOSH RAMOS
Firm Name RAMOS & RAMOS
Address 37 FRANKLIN st
Address 2 Suite #1000
City Buffalo
State New York
Zip 14202
Phone (716) 810-6140
Fax
E-Mail joshua@ramosandramos.com

Benefits Requested (select all that apply.)

Exemption from Sales Tax Yes
Exemption from Mortgage Tax Yes

Exemption from Real Property Tax No

Tax Exempt Financing* No

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

Applicant Business Description

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

Trautman Associates provides professional architect and engineering services. The firm was founded in 1956 and has been located in Buffalo, NY since its founding. Client types include commercial, schools, residential, community, cultural, government, and municipal. 130 Pearl LLC, a single-purpose limited liability company owned by Trautman Holdings Inc., is 31.5% owned by John F. Daly and 29.6% owned by Robert Stelianou with the remaining 38.9% owned by six other Trautman associates with no greater than 8% ownership each.

Estimated % of sales within Erie County 75 %

Estimated % of sales outside Erie County but within New York State 25 %

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

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

(*Percentage to equal 100%)

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

100

Describe vendors within Erie County for major purchases

Demolition, Abatement, Building Materials, Flooring, Windows, Mechanical, Electrical, Plumbing, Cabinetry, Countertops etc.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

130-132 Pearl

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo Public Schools

Current Address (if different)

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

SBL Number(s) for proposed Project

111.61-2-11

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

\$24,000

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

Yes

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

Existing building is vacant.

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

Project Details Name: 130 Pearl Location: Buffalo, NY Amenities: 21,000 sq ft of residential and commercial/retail 130 Pearl The Underwood Building at 130 Pearl was constructed in 1916 and has served as a commercial building in Downtown Buffalo, NY since its inception. The Buffalo society architect, Henry Osgood Holland, was responsible for its design. Other noteworthy projects of his include Hutchinson Central Technical High School as well as Temple Beth-El. It was first listed on the National Register of Historic Places in 2002, when the National Park Service certified the Joseph Ellicott Historic District. The building sits adjacent to Louis Sullivan's Guaranty Building which was designated a national historic landmark in 1975. St. Paul's Episcopal Cathedral designed by Richard Upjohn, also a national historic landmark, sits across the street. Trautman Associates, an engineering and architecture firm, is planning to redevelop the 3-story historic building for mixed-use. Upon completion of the 21,000 square foot project, 130 Pearl will feature 18 apartments with a mix of one-bedroom, and two-bedroom units. Commercial/retail space will occupy the remaining 3,200 square feet. Two of our mid-sized one-bedroom units (over 500 sq ft) will be designated as workforce housing. The units will feature premium finishes, high ceilings, and in-unit laundry. The building's location in the historic district which continues to serve as the critical center of commercial and civil activity will make for a highly attractive location.

Municipality or Municipalities of current operations

City of Buffalo

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

Yes

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

No

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

No

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

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

No

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

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

No

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

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

Project would be of lesser quality.

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)

We are requesting the agency's assistance with this project for a variety of factors. Principally, the cost to repair the significantly deteriorated historic façade. The building is clad in terra cotta and many components need to be repaired and replaced. In those instances, pieces will be custom fabricated by a local firm- Boston Valley Terra Cotta. The cost to do so is substantially higher when contrasted with a masonry façade, but we are committed to restoring this building to its original state. In addition, there is extensive asbestos abatement that needs to be undertaken. Lastly, the dramatic rise in interest rates has increased our borrowing costs and therefore we need to seek savings wherever possible.

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?

We will not be able to complete the project and we would have to reevaluate the building moving forward.

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)

Metro Rail: Seneca Station Bus Lines: #5- Niagara, #15- Seneca, #8- Main

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

Not applicable

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

Yes

Describe the present zoning/land use

commercial- office

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

No

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

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

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 660,000 21,300 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 3,100,000 21,300 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.)

\$ 1,389,050

9.) Other Cost

\$ 327,997

Explain Other Costs

Total Cost \$ 5,477,047

Construction Cost Breakdown:

Total Cost of Construction \$ 3,100,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials \$ 1,500,000
% sourced in Erie County 95%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 1,500,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 131,250

** 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: Building purchased

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 1,090,000
Bank Financing:	\$ 2,900,000
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 1,387,896
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	Federal Historic Tax Credits-\$925,264 State Historic tax Credits-\$925,264 Anticipate 75% final proceeds from tax credit investor
Total Sources of Funds for Project Costs:	\$5,377,896
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing).	3,000,000
Lender Name, if Known	
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):	\$22,500

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):	485a or 444a
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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.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location).

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

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

FTE jobs by dividing the number of PT jobs by two (2).

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

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	2	\$ 25,000	\$ 0
Total	0			2		

** 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	1585 Hertel Ave Buffalo, NY 14214		
Full time	0	0	0
Part time	2	0	0
Total	2	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

25,000

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

0

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

0

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

0

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

25,000

Estimated salary range of jobs to be created

From (Full Time)	0	To (Full Time)	0
From (Part Time)	25,000	To (Part Time)	25,000

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

130-132 Pearl St Buffalo, NY 14202

Name and Address of Owner of Premises

130 Pearl LLC 37 Franklin St Suite 100 Buffalo, NY 14202

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

N/A

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

Building erected in 1920

Describe all known former uses of the Premises

office/commercial

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

Not applicable

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

Not applicable

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

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

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

robust residential rental market

Have any tenant leases been entered into for this project?

No

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

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

Section VI: Retail Determination

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

Please answer the following:

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

Yes

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

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

5 %

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

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

If yes, explain

Is the project located in a Highly Distressed Area?

<BLANK>

Section VII: Adaptive Reuse Projects

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

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

Yes

What is the age of the structure (in years)? 103

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

Yes

If vacant, number of years vacant.

3

If underutilized, number of years underutilized.

0

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

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

No

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

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

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	14	426- 696	\$1,105- \$1,675
2 Bedroom	4	863- 1,056	\$2,025- \$2,475
3 Bedroom	0	-	\$- \$
Other		-	\$- \$

Does the site have historical significance?

Yes

If yes, please indicate historical designation

The building was listed on the National Register of Historic Places in 2002 when the National Park Service certified the Joseph Ellicott Historic District.

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

Yes

If yes, provide estimated value of tax credits

1,850,529

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

This project faces a dramatic rise in construction financing costs as well as reduced borrowing capacity. As a consequence, our equity contribution will be close to thirty percent. As noted previously, facade restoration and remediation are adding significant costs.

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

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

As stated in previous note, facade restoration and asbestos abatement contribute to significantly higher rehab costs.

Indicate census tract of project location

165

Indicate how project will eliminate slum and blight

The properties on either side have both been fully restored (Cathedral Commons and Guaranty Building). Consequently, this building stands out as an eyesore.

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

Section VIII: Inter-Municipal Move Determination

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

Current Address

130 PEARL ST

City/Town

BUFALO

State

New York

Zip Code

14202

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

No

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

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

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

Section IX: Senior Housing

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

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

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No