



**Erie County Industrial Development Agency
Meeting of the Membership
May 31, 2023
At 12:00 p.m.**

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

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of the April 26 2023 Meeting of the Membership (Action Item) (Pages 2-7)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 8-11)

3.2 2023 Tax Incentive Induced/Closing Schedule (Informational) (Pages 12-13)

3.3 Approval of Grant for Engineering Service for Rail Yard Work (Action Item) (Pages 14-19)

3.4 Policy Committee Update (Informational) (Pages 20-23)

4.0 Inducement Resolutions:

	ECIDA Incentives	Private Investment	Municipality
4.1 TM Montante/50 Gates Circle (Pages 24-69)	\$108,500	\$3,465,838	Buffalo

5.0 Management Team Reports:

5.1

6.0 Adjournment- Next Meeting June 28, 2023

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

- DATE AND PLACE:** April 26, 2023, at the Center of Excellence in Bioinformatics and Life Sciences (CBLIS), 701 Ellicott Street, The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203.
- PRESENT:** Denise Abbott, Rev. Mark E. Blue, Hon. Joseph Emminger, Hon. Howard Johnson, Tyra Johnson, Richard Lipsitz, Jr., Denise McCowan, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz and Kenneth A. Schoetz
- EXCUSED:** Hon. Diane Benczkowski, Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Michael P. Hughes, Hon. Brian Kulpa, Hon. Darius G. Pridgen and Paul Vukelic
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations/Secretary; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/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 and Daniel Castle on behalf of Erie County; Josh Veronica on behalf of Buffalo Niagara Partnership; Ryan McCarthy and Mike Wopperer on behalf of Wood and Brooks; and Dale Shoemaker and Garrett Looker on behalf of Investigative Post;

There being a quorum present at 12:13 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by Chair, Ms. McDuffie.

MINUTES

The minutes of the March 22, 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 March financial reports. The balance sheet shows that the IDA finished the month with total assets of \$31.2M (includes unrestricted cash of \$7.4M available for Agency operations) and net assets of \$20.4M. The monthly income statement shows a net loss of \$167,000 for March. Operating revenue of \$182,000 was below the monthly budget by \$47,000, due mainly to timing of administrative fees received during the month. Operating expenses of \$202,000 were \$43,000 under budget. The year-to-date Income Statement shows revenues of \$575,000, including administrative fee revenue of \$276,000. We are at about 61% of our budget for the first quarter of the year. Nearly \$700,000 of administrative fees have been collected in April, bringing that total to over half of our annual budget. Expenses of \$638,000 are \$73,000 below budget. After strategic initiatives and depreciation, there is currently a net loss of \$229,000 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.

Nominating Committee Update. Mr. Lipsitz confirmed that the Nominating Committee met last week and approved and recommends for approval the slate of officers and committee appointments.

Mr. Emminger moved and Ms. Abbott seconded to approve the entire slate of officers and committee appointments. Ms. McDuffie called for the vote and the entire slate of officers and committee appointments were unanimously approved.

UDAG Financing Approval. Mr. Cappellino reviewed the proposed UDAG funding availability for projects at Renaissance Commerce Park (“RCP”) and the Angola Agricultural Park. As development at both the RCP and the Angola Ag Park continue to move forward, the ILDC is advancing several large capital projects. As an example, last year Mr. Cappellino noted that the ILDC completed the first section of Steelworkers Way and this year the ILDC will be advancing new water and sewer lines and completing Phase 2 of Steelworkers Way and planning for the first phase of new road and utility corridor out at the Angola Ag. Park. These projects are larger capital projects with multiple funding sources, each with their own reimbursement schedules, requiring the ILDC to cash flow projects while the reimbursements are processed.

Additionally, the ILDC does incur some carrying costs for items like sewer and water taxes, brownfield reporting and miscellaneous legal costs. This creates a need for the ILDC to be able to access UDAG funding to cash flow projects and construction costs while awaiting reimbursement and carrying cost funds.

By additional way of background, Mr. Cappellino reminded members that the initial funding for the purchase and acquisition of RCP and the Angola Ag Park were also funded through UDAG funds. For those transactions, the ILDC agreed to return 50% of any land sale proceeds to the UDAG fund. To date the ILDC has returned approximately \$583,000 to the UDAG fund. Presently the Agency has an available cash balance of approximately \$9.6M in UDAG funds.

Mr. Cappellino stated that he is seeking approval to authorize the ILDC to utilize UDAG funds to float project cash flows and fund certain carrying costs in compliance with federal rules and regulations for the land development activities of the ILDC. A financial accounting of the UDAG fund balance and cash flow activities will continue to be provided to the Agency annually.

At this point in time, Rev. Blue joined the meeting.

Mr. Poloncarz moved and Mr. Johnson seconded to approve of the UDAG financing. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“AGENCY”) TO ENTER INTO A FUNDING AGREEMENT WITH THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (“ILDC”) FOR (I) PLANNING AND CONSTRUCTION OF PUBLIC ROADWAYS, WATER AND SEWER INFRASTRUCTURE WITHIN AND UPON LANDS OWNED BY THE ILDC AT THE RENAISSANCE COMMERCE PARK IN LACKAWANNA, NEW YORK AND UPON LANDS OWNED BY THE ILDC AT THE AGRI-BUSINESS PARK IN THE TOWN OF EVANS, NEW YORK, (II) FUNDING LAND CARRYING COSTS INCLUDING SEWER AND WATER TAXES AND REQUIRED STATE AND FEDERAL REPORTING ACTIVITIES AND (III) FUNDING PROFESSIONAL SERVICES INCLUDING LEGAL, ENGINEERING, AND PLANNING SERVICES ALL RELATED TO THE FOREGOING, FROM THE AGENCY’S U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT (“UDAG”) REFLOW FUND

Economic Inclusion PILOT. Mr. Cappellino reviewed the proposed Economic Inclusion Program. Mr. Cappellino thanked all the members of the working group that met over many months to discuss the program and for their hard work and dedication. Also a special thanks was given to our chair, Ms. McDuffie, and Mr. Lipsitz, chair of the Policy Committee, for their leadership, as well as so many others that contributed to the formation of the policy.

Mr. Cappellino then presented the new policy and program which will be unique in New York state that will encourage applicants to the ECIDA that seek a PILOT to opt into participating in the Economic Inclusion Program, which will offer additional PILOT benefits for meeting certain MBE/WBE utilization goals, employment diversity goals, and additional Diversity Equity and Inclusion activities. This policy and program represent the continuation of the important effort and goal of this Agency and board to encourage and promote development that provides opportunities for all the residents of our region.

Over the last several months, we provided a copy of the proposed policy and UTEP amendment to all of the taxing jurisdictions in Erie County, we solicited comments from the taxing authorities through a zoom information session, and we held an educational information meeting for Board members. The Policy Committee did review the policy and voted unanimously to recommend it to the full Board for adoption.

Mr. Cappellino then presented a power point presentation which described the program in more detail.

Mr. Lipsitz spoke in favor of the policy, noting ECIDA is a front-runner in New York State on these issues for the betterment of economic development. Mr. Lipsitz thanked Mr. Cappellino, the staff and the Policy Committee members for their underlying efforts.

Ms. McDuffie spoke in favor of the policy noting the ECIDA is setting an example for the state to provide inclusion in economic development and reward best practices for the benefit of the community. Ms. McDuffie thanked staff and Policy Committee members for their good work to establish this policy.

Ms. Johnson also spoke in favor of the project.

Mr. Poloncarz commended the Policy Committee and ECIDA team for their extensive efforts, noting this is a fair policy rewarding businesses for inclusionary practices which benefit diversity, equity and inclusion.

Mr. Lipsitz moved and Rev. Blue seconded to approve of the Economic Inclusion PILOT Policy. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPROVING AND ADOPTING THE ECONOMIC INCLUSION PILOT POLICY AS AN ADDENDUM TO THE AMENDED AND RESTATED COUNTYWIDE INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX EXEMPTION POLICY

Policy Committee Update. Mr. Lipsitz provided a report and confirmed that the Policy Committee unanimously approved the Wood and Brooks project for recommendation to the Board for approval.

INDUCEMENT RESOLUTION

Wood and Brooks Properties LLC, 2101 Kenmore Avenue, Tonawanda, New York. Ms. O’Keefe reviewed this proposed sales tax exemption and mortgage recording tax benefit project which will convert the Wood & Brooks piano factory complex into mixed use development starting with an existing 6 story building and adjacent single-story building. The space will create 55 residential apartment units (62,300 SF) with the remaining space to be used by a commercial tenant (36,070 SF).

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 actually made with respect to the Project at the time of Project completion equals or exceeds \$19,658,492 (which represents the product of 85% multiplied by \$23,127,638, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 1 FTE existing full time equivalent (“FTE”) and 2 PTE 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 FTE employment at the Facility equal to 1 FTE employees. In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Emminger spoke in favor of the project.

Mr. Emminger then moved and Ms. Abbott 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 WOOD AND BROOKS PROPERTIES 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

MANAGEMENT TEAM REPORTS

Mr. Cappellino stated in recognition of Administrative Professional's Day, he wanted to take this opportunity to thank the great team at the ECIDA. Among their many duties includes ensuring that these meeting go smoothly and we have all of the materials and information needed for these meetings.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:51 p.m.

Dated: April 26, 2023

Elizabeth A. O'Keefe, Secretary

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

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

April 30, 2023

	April 2023	March 2023	December 2022
ASSETS:			
Cash *	\$ 7,929,431	\$ 7,430,951	\$ 7,475,718
Restricted Cash & Investments *	18,222,772	19,464,585	20,449,260
Due from Affiliates	2,417,581	1,298,860	471,011
Due from Buffalo Urban Development Corp.	38,143	32,701	106,016
Other Receivables	151,927	178,276	94,679
Total Current Assets	<u>28,759,854</u>	<u>28,405,373</u>	<u>28,596,683</u>
Grants Receivable	2,347,736	644,183	644,183
Lease Receivable	570,676	588,988	643,927
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,077,200	1,099,490	1,166,361
Total Long-Term Assets	<u>4,502,498</u>	<u>2,839,548</u>	<u>2,961,357</u>
TOTAL ASSETS	<u>\$ 33,262,351</u>	<u>\$ 31,244,921</u>	<u>\$ 31,558,040</u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 171,522	\$ 191,470	\$ 188,859
Lease Payable	70,093	84,111	126,166
Deferred Revenues	2,285,624	589,593	643,647
Funds Held on Behalf of Others	9,263,905	9,382,157	9,317,525
Total Liabilities	<u>11,791,143</u>	<u>10,247,330</u>	<u>10,276,196</u>
Deferred Inflows of Resources Related to Leases	570,676	588,988	643,927
Net Assets	<u>20,900,533</u>	<u>20,408,602</u>	<u>20,637,917</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 33,262,351</u>	<u>\$ 31,244,921</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 April 2023

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 715,985	\$ 150,000	\$ 565,985
Management Fees - Affiliates and Others	36,383	50,392	(14,008)
Interest Income - Cash & Investments	27,811	500	27,311
Interest Income - Leases	2,704	-	2,704
Rental Income	18,804	21,467	(2,663)
Other Income	-	250	(250)
Total Revenues	801,688	222,608	579,079
EXPENSES:			
Salaries & Benefits	\$ 185,539	\$ 169,800	\$ 15,739
General Office Expenses	21,783	23,267	(1,484)
Building Operating Costs	2,641	21,170	(18,529)
Professional Services	16,499	11,833	4,665
Public Hearings & Marketing	5,774	5,417	357
Travel, Mileage & Meeting Expenses	1,333	3,083	(1,751)
Other Expenses	2,987	729	2,258
Total Expenses	236,556	235,299	1,256
SPECIAL PROJECT GRANTS:			
Revenues	\$ 102,323	\$ 48,209	\$ 54,113
Expenses	(102,375)	(42,526)	(59,849)
	(53)	5,683	(5,736)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:	565,079	(7,008)	572,087
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Bethlehem Steel Industrial Park Grant	(8,563)	-	(8,563)
Angola Ag Park Grant	(13,321)	(8,333)	(4,987)
Other Strategic Initiatives	(28,975)	-	(28,975)
	(50,859)	(8,333)	(42,526)
NET INCOME/(LOSS) BEFORE DEPRECIATION:	514,221	(15,341)	529,561
Depreciation and amortization	(22,290)	(10,000)	(12,290)
NET INCOME/(LOSS):	\$ 491,931	\$ (25,341)	\$ 517,271

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: April 30, 2023

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 992,360	\$ 600,000	\$ 392,360	\$ 992,360	\$ 344,334	\$ 648,026
Affiliate Management Fees	171,758	201,567	(29,808)	171,758	180,025	(8,267)
Interest Income - Cash & Investments	113,374	2,000	111,374	113,374	1,188	112,186
Interest Income - Leases	10,817	-	10,817	10,817	-	10,817
Rental Income	74,617	85,867	(11,250)	74,617	78,720	(4,103)
Other Income	14,014	13,250	764	14,014	9,190	4,824
Total Revenues	1,376,940	902,683	474,256	1,376,940	613,457	763,483
EXPENSES:						
Salaries & Benefits	670,034	679,199	(9,165)	670,034	690,284	(20,250)
General Office Expenses	103,623	93,067	10,556	103,623	100,125	3,497
Building Operating Costs	14,409	84,682	(70,273)	14,409	72,004	(57,595)
Professional Services	44,368	52,333	(7,966)	44,368	97,074	(52,707)
Public Hearings & Marketing	15,957	21,667	(5,710)	15,957	20,089	(4,132)
Travel, Mileage & Meeting Expenses	6,696	12,333	(5,637)	6,696	5,177	1,519
Other Expenses	19,639	2,917	16,722	19,639	3,172	16,467
Total Expenses	874,726	946,197	(71,471)	874,726	987,926	(113,201)
SPECIAL PROJECT GRANTS:						
Revenues	162,561	192,836	(30,275)	162,561	199,714	(37,152)
Expenses	(161,694)	(170,103)	8,409	(161,694)	(49,170)	(112,524)
	867	22,733	(21,866)	867	150,544	(149,676)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ 503,081	\$ (20,780)	\$ 523,861	\$ 503,081	\$ (223,926)	\$ 727,007
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (208,639)	\$ 208,639	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	(79,328)	-	(79,328)	(79,328)	-	(79,328)
Angola Ag Park Grant	(43,001)	(100,000)	56,999	(43,001)	(37,462)	(5,539)
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)	(383,639)	232,335	(151,304)	(37,462)	(113,842)
NET INCOME/(LOSS) BEFORE DEPRECIATION:						
	351,777	(404,419)	756,196	351,777	(261,388)	613,165
Depreciation and amortization	(89,161)	(40,000)	(49,161)	(89,161)	(40,000)	(49,161)
NET INCOME/(LOSS):						
	\$ 262,616	\$ (444,419)	\$ 707,035	\$ 262,616	\$ (301,388)	\$ 564,004

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	Tonawanda	\$23,127,638	85% threshold \$19,658,492	0	0	1	2	85% -New 1 Jobs	161	92	project completion date + 2 yrs	\$1,164,447	1.14

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	2	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
2023 Total	4	\$140,570,038	254	2	53	4	746	600	\$5,098,082					

¹ Adaptive Reuse

Tax Incentives Closings - 2023

Project Name	Project Amount at Closing	FT Jobs at App	Projected Year 2 FT Jobs	PT Jobs at App	Projected Year 2 PT Jobs	Project City	Induced Date	Est. Project Completion Date
Warehouse #2 @132 Dingens	\$ 8,951,635	0	18	0	0	Buffalo	12/21/2022	4/30/2023
	\$ 8,951,635	0	18	0	0			
Projects Closed = 1								
FT Projected New Jobs = 18								
PT Projected New Jobs = 0								



MEMORANDUM

Date: May 31st, 2023

To: Erie County Industrial Development Agency Board of Directors

From: ECIDA Staff

Re: Renaissance Commerce Park – Funding Approval for WYE Yard Rail Relocation Project

Background:

In 2021, the Buffalo & Erie County Industrial Land Development Corporation (ILDC) executed a Purchase Sale Agreement (PSA) with Tecumseh Redevelopment for an additional 90 acres of land (Phase 2 Purchase), which land includes a parcel (Parcel #1) that is partially encumbered by the South Buffalo Railway Company (SBR) rail line, on Renaissance Commerce Park (RCP). This acquisition is in addition to the 150 acres previously purchased from Tecumseh in 2017 (Phase 1 Purchase). The contract contemplates a “phased” closing process meaning that there are several closing dates. The first closing, in 2021, was the Phase 2a Purchase (see attached RCP Projects map), which included Parcels #2, #3, and #3a. The second closing is Phase 2b Purchase (see attached RCP Projects map), including Parcel #1, the land encumbered by rail tracks. The Phase 2b (Parcel #1) closing is conditioned upon relocation of the rail tracks, with the mutual cooperation of Tecumseh and ILDC, to allow full redevelopment of the property.

RCP possess unique assets (rail facilities connecting to national & international rail carriers and deep-water ports for national & international shipping) that make it attractive to industrial users. However, a significant portion of the Phase 2b area is encumbered with railroad facilities owned, operated, and maintained by SBR being approximately 19,000 feet of railroad tracks, together with bridges and other facilities at the site (Railroad Facilities). The current placement of the Railroad Facilities makes it impossible to derive economic benefit from the additional acreage, making it difficult to attract private investment to grow businesses and create job opportunities for the region.

To induce the ILDC’s acquisition and redevelopment of the additional property, and to preserve the SBR’s continued business operations in and around the site, the Railroad Facilities and underlying easements need to be relocated to an agreed upon site. A cost estimate developed by C&S Companies estimates the cost of relocation of rail assets at approximately \$7.1 million, including an estimated



\$600,000 for Phase I - Design and Engineering of the project. This cost estimate does not include the purchase of additional land to accommodate the relocation (Relocation Parcel).

Tecumseh has agreed to convey the Relocation Parcel (POCO Yard – west of Parcel #1 – see attached WYE Yard map) to SBR at no cost to facilitate the relocation of Railroad Facilities and remove encumbrances from Parcel #1 (Phase 2b Purchase) for future development by the ILDC. The project cost breakdown is as follows:

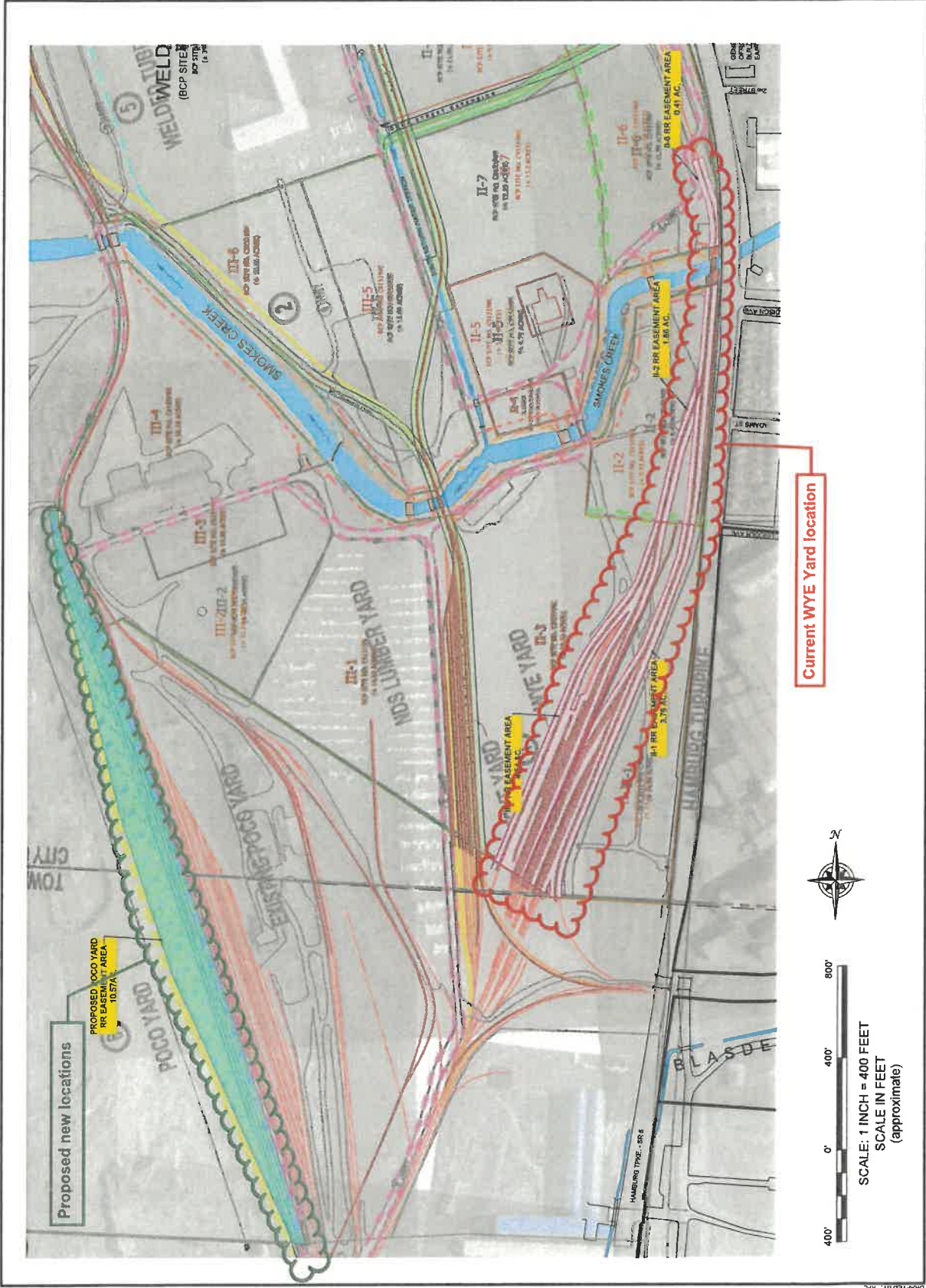
<i>Description</i>	<i>Estimated Cost</i>
PHASE I DESIGN & ENGINEERING	
Pre-Development: Task 1: Environmental Site Assessment, Brownfield Coordination, Environmental Permits, NEPA, WYE Yard Material Inventory, Surveys, Geotech, Engineering Design, and Easement/License	\$ 330,000
Final Design: 100% Design & advertisement award, Project Administration	\$300,000
TOTAL PHASE I	\$630,000
PHASE II CONSTRUCTION	
Construction: 5 track westward expansion, extend 5-track 500' further north, and expand 6 th ladder truck	\$ 6,515,000
TOTAL PHASE II	\$ 6,515,000
TOTAL PROJECT COST	\$ 7,145,000

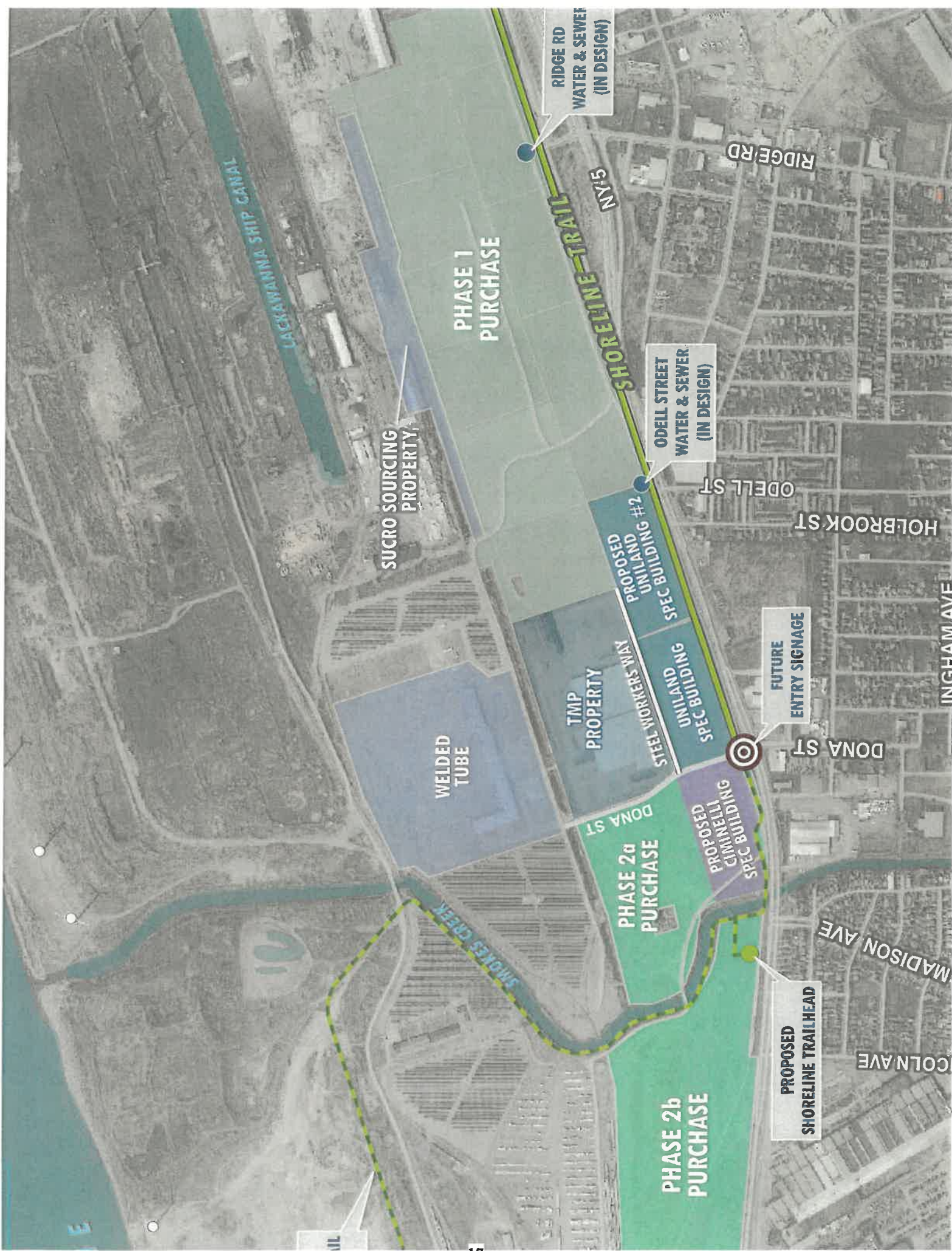
The ILDC and Erie County are preparing to initiate project development activities by June 2023. The ECIDA/ILDC is seeking state and federal funding assistance to support Phase II - Final Design and Construction.

Requested Action:

Seeking approval to enter into a funding agreement with the County of Erie in an amount not to exceed \$600,000 to be used for survey, environmental investigation, engineering design and related services for removal and reconstruction of the former WYE yard, and to take all actions necessary to implement the project as described.

FIGURE 1





LACKAWANNA SHIP CANAL

PHASE 1 PURCHASE

SUCRO SOURCING PROPERTY

WEIDED TUBE

TMP PROPERTY

PHASE 2a PURCHASE

PHASE 2b PURCHASE

SHORELINE TRAIL NY'S

PROPOSED UNLOADING SPEC BUILDING #2

PROPOSED UNLOADING SPEC BUILDING

RIDGE RD WATER & SEWER (IN DESIGN)

ODELL STREET WATER & SEWER (IN DESIGN)

FUTURE ENTRY SIGNAGE

PROPOSED SHORELINE TRAILHEAD

RIDGE RD

ODELL ST

HOLBROOK ST

DONA ST

MADISON AVE

COLN AVE

INGHAM AVE

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, May 31, 2023 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“AGENCY”) AUTHORIZING THE AGENCY TO ENTER INTO A FUNDING AGREEMENT WITH THE COUNTY OF ERIE (“COUNTY”) IN AN AMOUNT NOT TO EXCEED \$600,000 TO BE UTILIZED FOR ENGINEERING SERVICES IN RELATION TO THE AGENCY’S CONTEMPLATED REMOVAL OF CERTAIN RAILWAY FACILITIES LOCATED IN THE RENAISSANCE COMMERCE PARK

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

WHEREAS, in 2021, the Buffalo & Erie County Industrial Land Development Corporation (“ILDC”), an affiliate of the Agency, executed a Purchase Sale Agreement (the “PSA”) with Tecumseh Redevelopment, Inc. (“Tecumseh”) to acquire additional land within/adjacent to the Renaissance Commerce Park (“RCP”), which included a parcel (“Parcel No. 1”) that is partly encumbered by rail tracks (the “Railway Facilities”) owned by South Buffalo Railway Company (“SBR”); and

WHEREAS, to induce the ILDC’s acquisition and redevelopment of Parcel No. 1, and to preserve SBR’s continued business operations in and around the RCP, the Railroad Facilities and underlying easements need to be relocated off of Parcel No. 1 to an agreed upon site, and as part of the PSA, ILDC and Tecumseh both agreed that a closing for Parcel No. 1 would not occur until the ILDC and Tecumseh relocate the Railway Facilities off of Parcel No. 1 (the “Railway Facility Relocation Project”); and

WHEREAS, relative to same, the ILDC requires the use of engineering services to assist with the Railway Facility Relocation Project, including, but not limited to (i) certain site pre-development services such as an environmental site assessment, New York State Brownfield Cleanup Program (“BCP”) and National Environmental Policy Act (“NEPA”) coordination, a railway facility material inventory, surveys, engineering design, and ancillary advisement on easements, licenses, and environmental permits, as well as (ii) final design and advertisement services for Parcel No. 1 and project administration services (the “Phase I Engineering Services”); and

WHEREAS, a cost estimate developed by C&S Companies, an engineering firm, estimates the cost of the Railway Facility Relocation Project at approximately \$7.1 million, including an estimated \$600,000 for Phase I Engineering Services; and

WHEREAS, to facilitate the completion of the Phase I Engineering Services, the Agency desires to enter into a funding agreement with the County of Erie (“County”), in an amount not to exceed \$600,000, to be used to complete the Phase I Engineering Services and to take all actions to place the ILDC in a position to be able to undertake the Railway Facility Relocation Project; and

WHEREAS, in compliance with Article 8 of the New York Environmental Conservation Law and the regulations adopted thereto at 6 N.Y.C.R.R. Part 617 (collectively referred to as “SEQRA”), the ILDC acted as SEQRA Lead Agency and on May 27, 2020, the ILDC accepted a Draft Generic Environmental Impact Statement (the “DGEIS”) for the BSC Master Plan, on September 23, 2020, the ILDC accepted and issued a Final Generic Environmental Impact Statement (“FGEIS”) for the BSC Master Plan, and on October 28, 2020, the ILDC issued and adopted its Findings Statement for the RCP Master Plan, which, amongst other items, evaluated and authorized a conceptual master plan which contemplated the removal of the Railway Facilities (the “Findings Statement” and collectively, with the DGEIS, and the FGEIS, the “ILDC SEQRA Findings”).

NOW THEREFORE BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. Based upon a review of the Railway Facility Relocation Project and scope of Phase I Engineering Services, the Agency hereby determines that no further SEQR compliance is required pursuant to 6 N.Y.C.R.R. Section 617.10(d)(1) because the Phase I Engineering Services are merely planning services that will be carried out in conformance with the conditions and thresholds established in the ILDC SEQRA Findings.

Section 2. Subject to the terms of this Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, in consultation with Agency counsel, are hereby authorized, on behalf of the Agency, to negotiate and to enter into a funding agreement with the County in an amount not to exceed \$600,000, to be used to complete the Phase I Engineering Services and to take all actions necessary to implement the project as described.

Section 3. The officers, employees, and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such checks, certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent so acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. Any and all actions heretofore taken or authorized by the Agency and/or its officers, employees and agents with respect to this resolution are hereby ratified, approved and confirmed in all aspects.

Section 5. These resolutions shall take effect immediately.

Dated: May 31, 2023

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

- DATE AND PLACE:** May 4, 2023 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** A.J. Baynes; Zachary Evans; Richard Lipsitz, Jr.; Dr. Susan McCartney; Brenda W. McDuffie; Hon. Glenn R. Nellis; Laura Smith, David J. State¹; Lavon Stephens, Hon. John Tobia and Paul Vukelic
- EXCUSED:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue 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; Andrew Federick, Property and Business Development Officer; Brian Krygier, Director of Information Technology; Carrie Hocienec, Operations Assistant; and Pietra G. Zaffram, General Counsel/Harris Beach PLLC
- GUESTS:** Josh Veronica on behalf of Buffalo Niagara Partnership; Alex Carducci on behalf of the City of Buffalo; and Byron DeLuke on behalf of TM Montante Development

There being a quorum present at 9:15 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

Mr. Lipsitz welcomed new committee members A.J. Baynes from the Amherst Chamber of Commerce and Dr. Susan McCartney from Buffalo State.

MINUTES

The minutes of the April 13, 2023 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie to approve of the minutes, and seconded by Ms. Smith, the aforementioned Policy Committee meeting minutes were unanimously approved.

¹ Mr. State 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 MATRIX

Mr. Cappellino reviewed the Agency’s Project Matrix and advised the Committee there were originally two projects to bring before the Committee but one has been removed from consideration. Iskalo 101 Oak LLC will be presented at a later date. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATION

TM Montante LLC, 50 Gates Circle, Buffalo, New York 14209. Ms. O’Keefe presented this proposed sales tax and mortgage recording tax benefits project involving the adaptive reuse of a mostly vacant 11,200 sq. ft. building into a mixed use development. The new use of the building will result in 2,230 sq. ft. dedicated to therapist offices and the remaining 8,970 sq. ft. of space used for 12 residential apartment units.

Ms. O’Keefe confirmed that TM Montante LLC is seeking approximately \$108,500 in assistance including sales tax exemption and mortgage recording tax exemption. Total payroll is projected at \$200,000 for the direct and indirect jobs created including 14 construction jobs. The resulting cost benefit is 1:29 so for every \$1 of incentives the community benefit is \$29 in payroll & tax revenue. Erie County: for every \$1 of incentives the community benefit is \$54 in benefits to the community.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$3,465,838 85% = \$2,945,962
Employment	Coincides with recapture period	Maintain Base = 4 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to policy
Unpaid Tax	Coincides with recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Mr. DeLuke, representing the company, gave a brief description of the project. Dr. McCartney queried as to whether there will be more MWBE utilization. In response, Mr. DeLuke advised this project is part of a series of projects at Gates Circle. The company has developed good relationships with neighborhood groups for outreach and relationships with MWBE firms. The company will start with its existing relationships but always looking to expand with county and state lists.

Ms. McDuffie queried if the company is aware there is an issue with workforce housing in this community, especially for single parents, noting the company is only designating one apartment for 80% AMI. She asked whether the company consider adding more lower AMI apartments or consider two-bedroom apartments.

Mr. DeLuke advised that it is a very small building, and the company can only provide a 4-unit layout. They did consider one of the units for a two-bedroom, but the bedrooms would be too small. He advised that one-bedrooms worked better. The company will look for additional two- and three-bedroom options as they continue to build out other nearby facilities including those at Lafayette and at Lancaster Square. With regard to affordability, Mr. DeLuke advised that the company looked at affordability metrics, and spoke with County representatives, who advised 4/12 units fall into average AMI and 1 unit will be dedicated @ 80% AMI. The company is hoping to move forward with another project across the street that is entirely affordable so there will be a good mix.

Mr. Evans observed that the units are rather small, noting the apartment designated at 80% AMI is only 490 sq. ft. Mr. Lipsitz advised that this is an important aspect of economic development in our county that we the Agency is paying attention to.

Ms. Smith queried regarding the SHIPO designation and asked whether the company believes local labor will be able to handle the work required. Mr. DeLuke advised that the project is a straightforward adaptive reuse project and should have no issues meeting local labor requirements. The company is hoping to get into construction this summer.

Ms. McDuffie noted that because it is a smaller project, it is a good opportunity for MWBE and minority participation.

Ms. Smith 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.

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

Ms. McDuffie stated it may be time to go back to the Committee's ongoing discussion about workforce housing and affordability.

MWBE UPDATE

Mr. Lipsitz advised that this policy is completed and is going to be implemented. Mr. Lipsitz suggested the Committee should replace this agenda item with a new topic regarding affordable housing.

Mr. Evans stated he supports this idea for the next Policy Committee project.

Mr. Cappellino advised that affordable housing is not a formal component of the existing Adaptive Reuse Policy, but nonetheless the Agency has been historically successful working with applicants to address affordability.

Mr. Vukelic advised that any information from best practices would be helpful to guide discussion.

Mr. Tobia queried whether the Agency has information on occupancy of apartments at higher rates.

Mr. Lipsitz directed staff to prepare an outline for discussion at the July Policy Committee meeting.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:46 a.m.

Dated: May 4, 2023

Elizabeth A. O'Keefe, Secretary

TM Montante, LLC

\$ 3,465,838

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531390

COMPANY INCENTIVES

- Approximately \$95,375 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 13,125

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs: 4 FTE
- Est. salary/yr. of jobs retained: \$50,000
- Current Annual Payroll: \$ 200,000
- Projected new jobs: 0
- Total jobs after project completion: 4 FTE
- Construction Jobs: 14

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
- NET Community Benefits: \$3,232,963
- Spillover Jobs: 14
- Total Payroll: \$13,044,940

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

Incentives: \$108,500
 Community Benefit: \$3,179,768
 Cost: Benefit Ratio
 • 1:29

Project Title: 50 Gates Circle Adaptive Reuse

Project Address: 50 Gates Circle, Buffalo, NY 14209
 Buffalo Public Schools

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a 11,200 sq ft building located at Gates Circle in the City of Buffalo.

Building Acquisition	\$ 750,000
Building Renovation	\$ 2,240,000
Soft Costs/Other	\$ 475,838
 Total Project Cost	 \$ 3,465,838
 85%	 \$ 2,945,962

Company Description

TM Montante Development LLC is a real estate holding company fully owned by Montante Group which focuses on developing smart and distinctive commercial, residential and mixed-use properties.

Project Description

This adaptive reuse project will transform a mostly vacant 11,200 sq ft building into a mixed use development. Currently, therapist offices occupy 1,020 sq ft of the building with the remainder being vacant. The new use of this building will result in 2,230 sq ft dedicated to therapist offices and the remaining 8,970 sq ft of space used for 12 residential apartment units with one unit being offered at 80% AMI.

# of Units	Sq Ft	Rent Range
12 one-bedroom	490-645	\$1,227 - \$1,758

The company is pursuing property tax savings through the City's 485 A program.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

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

Cost: Incentives

COSTS	Tax Exemption	Amount
	Sales	95,375
	Mortgage Recording	13,125
	Total	108,500
	Discounted at 2%	108,500

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**	
	Erie County	Individuals	Payroll Construction	\$1,750,860	
			Payroll Permanent	\$1,294,080	
		Public	Property Taxes	\$0	
			Sales Taxes	\$25,311	
			Other - NFTA	\$4,375	
	New York State	Public	Income Taxes	\$137,023	
			Sales Taxes	\$21,315	
			Total Benefits to EC + NYS***		\$3,232,963
			Discounted at 2%		\$3,179,768

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

Discounted Cost \$ 108,500
 Discounted Benefit \$3,179,768
 Ratio 1:29

Conclusion: The Cost Benefit for this project is: 1:29. For every \$1 in costs (incentives), this project provides \$29 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$54 in benefits to the community.**

New Tax Revenue Estimated – City of Buffalo 485 A Program

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 24,319	1,600,000	\$99,780	\$ 239,836	\$37,386
Combined Tax Rate: \$ 23.37				

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Retail / Commercial	2,230	446,000	20%
Residential housing + building amenities	8,970	1,794,000	80%
	11,200	2,240,000	

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 = \$ 3,465,838 85% = \$ 2,945,962
Employment	Coincides with recapture period	Maintain Base = 4FTE
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 4 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

- 5/2/23: Public hearing held.
- 5/31/23: Negative Declaration in accordance with SEQR (Type II Action)
- 5/31/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

**ADAPTIVE REUSE REPORT &
EVALUATIVE CRITERIA
TM Montante, LLC - 50 Gates Circle**

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	Building is 55 years old. This mostly vacant building will require environmental remediation in order to complete 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 building has been underutilized for 9 years. After the hospital closed in 2012, the building tenants vacated the facility and the building remained largely vacant since then. From 2017 through present, 1,020 sq ft (9%) of the building's 11,200 sq ft was utilized by a therapist tenant.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)	Annual rent for the building's single tenant = \$18,000
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 consistent with the City's Comprehensive Plan which seeks compact, pedestrian friendly and mixed-use development.
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)	This mostly vacant and distressed building will require environmental rehabilitation, exterior rehabilitation and a complete interior reconstruction. All tax credits for this project are critical in ensuring that private sector lending institutions will underwrite the project.
Demonstrated support of local government entities	Local support through approval by both SHPO and per Planning Board. Letter of support - Mayor Brown dtd 5-10-23 is attached.
LEED/Renewable Resources	N/A
Building or site has historic designation	Historic Preservation Certification App has been submitted to SHPO and National Parks. Initial resource evaluations completed by SHPO = "determined SR/NR eligible by the Commissioner of the Office of Parks, Recreation and Historic Preservation.

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

Site or structure has delinquent property or other local taxes	Property taxes for Erie County SBLs owned by the applicant including project property were found to be paid in full.
MBE/WBE Utilization	See attached MWBE Utilization form that includes examples of the developer's efforts to grow capacity and provide opportunities (diversity plan) through an MWBE hiring and utilization program.
Transit Oriented Development	The site is adjacent to several bus line including: 11,25,26 and 101
OTHER FACTORS TO CONSIDER:	
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	As stated, this mostly vacant and distressed building will require environmental rehabilitation, exterior rehabilitation and a complete interior reconstruction.
Site or structure is located in a distressed census tract	Project is located in census tract 174 – a designated Empire Zone and is adjacent to highly distressed census tract 123.
Structure presents significant costs associated w/ building code compliance.	N/A

DATE OF INDUCEMENT: 05/31/23

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

Return on Investment – TM Montante, LLC – 50 Gates Circle

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 n/a
- Sales Tax Savings in the amount of \$ 93,375
- Mortgage Tax Savings in the estimated amount of \$ 13,125

ROI

TM Montante has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 4.1%

Stated ROI for the project without ECIDA assistance is 3.5%

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-50 Gates Circle

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property *	County Tax Rate/1000	City of Buffalo Tax Rate/ 1000
\$ 2,240,000	1,120,000	5.19688	18.169375

*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 485-a	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Historic Tax Credits, Utility Grants)
\$ 3,465,838	\$109,016	\$ 95,375	\$ 13,125	\$ 963,750

Note: special district taxes are not subject to PILOT abatement

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

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:

TM Montante Development LLC acknowledges the importance of promoting MBE/WBE hiring and utilization. As the Company completes the 50 Gates Circle Project, it will endeavor to support local MBE/WBE businesses. The Company will work to grow capacity and provide opportunities through an MBE/WBE hiring and utilization program that consists of:

- Early outreach and involvement – including the active dissemination of information about the availability of upcoming contracting and employment opportunities;
- Active targeting of MBE/WBE firms – including MBE/WBE bidders off a master list of vendors, which is regularly updated with the approved vendors lists issued by the City of Buffalo, State of New York, and Erie County;
- Sustained follow up with MBE/WBE firms – including direct follow up to MBE/WBE firms in order to explain the opportunities and scopes of work for each bid package and to encourage their participation;
- Inclusion of diversity language in all subcontractor materials – including bid packages, purchase orders, and contracts, which ensures that any subcontractor hired on the job also is promoting MBE/WBE hiring and utilization; and
- Subcontractor utilization – direct follow up with subcontractors right after the bid submission to confirm and verify their plans for promoting diversity hiring and utilization.

TM Montante Development will implement the preceding diversity plan and maintain its focus throughout the life of the Project to achieve a goal of 30% MWBE utilization on the total value of the ECIDA benefit.

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: April 12, 2023
 Project Title: 50 Gates Circle
 Project Location: 50 Gates Circle, Buffalo, NY 14209

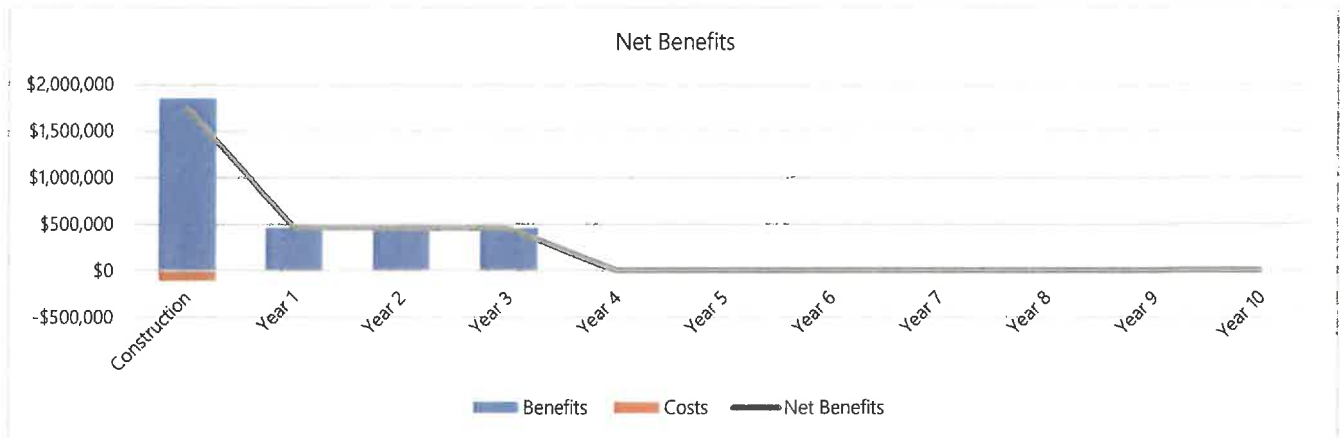
Economic Impacts

Summary of Economic Impacts over the Life of the PILOT
 Project Total Investment
 \$3,465,838

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	14	11	25
Earnings	\$1,132,758	\$618,103	\$1,750,860
Local Spend	\$2,703,354	\$1,914,014	\$4,617,368

Ongoing (Operations) Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	4	3	7
Earnings	\$600,000	\$694,080	\$1,294,080

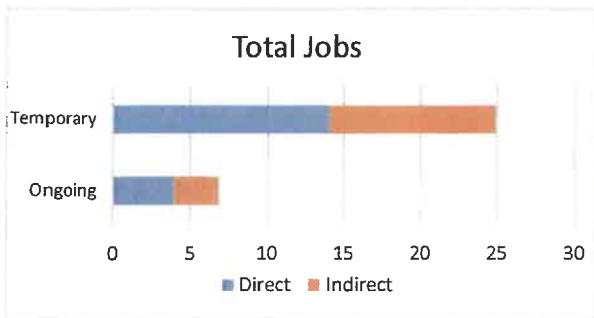
Figure 1



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

Figure 2

Figure 3



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

Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$95,375	\$95,375
Local Sales Tax Exemption	\$51,775	\$51,775
State Sales Tax Exemption	\$43,600	\$43,600
Mortgage Recording Tax Exemption	\$13,125	\$13,125
Local Mortgage Recording Tax Exemption	\$4,375	\$4,375
State Mortgage Recording Tax Exemption	\$8,750	\$8,750
Total Costs	\$108,500	\$108,500

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$3,074,626	\$3,024,036
To Private Individuals	\$3,044,940	\$2,994,852
Temporary Payroll	\$1,750,860	\$1,750,860
Ongoing Payroll	\$1,294,080	\$1,243,992
Other Payments to Private Individuals	\$0	\$0
To the Public	\$29,686	\$29,184
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$14,554	\$14,554
Ongoing Jobs - Sales Tax Revenue	\$10,757	\$10,341
Other Local Municipal Revenue	\$4,375	\$4,289
State Benefits	\$158,337	\$155,732
To the Public	\$158,337	\$155,732
Temporary Income Tax Revenue	\$78,789	\$78,789
Ongoing Income Tax Revenue	\$58,234	\$55,980
Temporary Jobs - Sales Tax Revenue	\$12,256	\$12,256
Ongoing Jobs - Sales Tax Revenue	\$9,059	\$8,708
Total Benefits to State & Region	\$3,232,963	\$3,179,768

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$3,024,036	\$56,150	54:1
State	\$155,732	\$52,350	3:1
Grand Total	\$3,179,768	\$108,500	29:1

*Discounted at 2%

Additional Comments from IDA

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



CITY OF BUFFALO
OFFICE OF THE MAYOR

BYRON W. BROWN
MAYOR

May 10, 2023

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

RE: 50 Gates Circle Adaptive Reuse, TM Montante Development LLC

Dear Mr. Cappellino:

The City of Buffalo supports the adaptive reuse project at 50 Gates Circle. We believe that this project will strengthen the City of Buffalo's appeal to new residents and bolster ongoing economic activity in West Buffalo.

Plans for this mixed-use redevelopment project call to transform a mostly vacant 11,299 square foot building into twelve residential units and approximately 2,300 square feet of commercial space for therapist offices. As Buffalo makes room for its emerging modern workforce, housing demand continues to rise. This project aligns with my Administration's vision to expand and maintain employment opportunities in Buffalo, strengthen commercial corridors, and increase housing stock to support future economic growth.

Major development projects nearby such as the planned mixed-use redevelopment of the former Millard Fillmore hospital complex ("Lancaster Square") and significant public investments in infrastructure are spurring new economic development in the Elmwood Bidwell neighborhood. The adaptive reuse of this 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

**TM Montante Development 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 May 2, 2023 at 10:00 a.m. at
the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Byron DeLuke – TM Montante Development, LLC
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:01 a.m. My name is Andrew Federick. I am the Property and Business Development Officer for 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 TM Montante Development 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, April 18, 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 50 Gates Circle, 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 of a 11,200+/- sq. ft. building into a mixed-use development that includes 12 new one-bedroom residential units on the upper floors and commercial space below (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 May 30, 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.

Byron DeLuke – Executive Director for Development and Construction/Pre-Construction Services for TM Montante Development. The company is located at 2760 Kenmore Avenue, Tonawanda, New York. I am here to provide a brief overview on our proposed project at 50 Gates Circle. The Project is a proposed adaptive reuse of the existing 11 ,200 square foot building. The building has been 90% plus vacant since the Hospital closed in 2012. The only tenant, a therapist and utilizes about 1 ,000 square feet of the building. The remaining space is vacant, a former medical office. We are proposing to reuse the building into a mix of commercial and residential uses. The ground floor about 2,000 square feet will be dedicated to the therapist office. This will allow them to retain the 4 existing jobs that are currently located on site and potentially to grow in the future. Floors 1-3 will then be renovated into 12 one-bedroom apartments. Eleven of these twelve apartments are going to be market rate with rents ranging from \$1,350 to \$1,760 per month. One of the apartments the remaining apartment will be maintained as affordable for those at 80% AMI, or approximately \$1,227 per month. The Project costs a total of about \$3.5 million, and it is a Historic Tax Credit project. We have submitted both the part I and part II for the historic tax credit process. We received an approval from the National Park Service for part 1 which is an eligibility determination just last week. The project has also been submitted to the City of Buffalo for discretionary reviews including subdivision, site plan and SEQRA the environmental review mandated by the state. The subdivision process is complete. The site plan process is well underway, and we anticipate being completed in the next couple of weeks. The SEQRA process, the Project is a Type II Action, it’s been declared because its consisting of a reuse of an existing structure where all proposed uses are permitted under Code. As a result, it’s ministerial in nature and so the city will be determining that no further review under SEQR is required. We will be providing that determination by the city once we receive it.

In terms of the project schedule, we started development in February 2023. We hope to get through all the design, development, financing work and pre-construction by the end of May 2023, which would allow us to start construction in June and get to substantial completion of the project by December 2023. The company needs to secure financial assistance before we can proceed and secure construction loans because there is considerable risk. It's a vacant structure including lead, asbestos requiring environment remediation. We need to complete an exterior rehabilitation, and a complete interior reconstruction. The tax abatements are critical in ensuring that private sector lending institutions underwrite the project, and we are grateful for the consideration of the ECIDA Board.

6. ADJOURNMENT:

As there were no further statements and/or comments, I will officially close the public hearing at 10:07 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

May 2, 2023 at 10:00 a.m. at
the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203,
regarding:

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

Project Location: 50 Gates Circle, City of Buffalo, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Byron DeLuke	TM Montante Development, LLC 2760 Kenmore Avenue Tonawanda, New York 14150	X
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**TM MONTANTE DEVELOPMENT 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, May 31, 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 TM MONTANTE DEVELOPMENT 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; (iii) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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

WHEREAS, TM MONTANTE DEVELOPMENT 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 50 Gates Circle, 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 of a 11,200+/- sq. ft. building into a mixed-use development that includes 12 new one-bedroom residential units on the upper floors and commercial space below (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 May 2, 2023, at 10:00 a.m., at the Agency’s offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

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

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

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its May 4, 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; and

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

(J) The Project is compliant with the Countywide IDA Eligibility Policy, constitutes a commercial facility as defined in the General Municipal Law and will promote employment opportunities and prevent economic deterioration in the City of Buffalo. The Agency has reviewed the opinion of the State Comptroller (OSC Op. 85-51) and hereby specifically finds that the Project will create temporary construction jobs and retain approximately four (4) full-time jobs 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):* The building is 55 years old. This mostly vacant building will require environmental remediation in order to complete 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 building has been underutilized for 9 years. After the hospital closed in 2012, the building tenants vacated the facility and the building remained largely vacant since then. From 2017 through present, 1,020 sq. ft. (9%) of the building's 11,200 sq. ft. was utilized by a therapist tenant.

(iii) *Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class):* Annual rent for the building's single tenant = \$18,000.

(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 consistent with the City's Comprehensive Plan which seeks compact, pedestrian friendly and mixed-use development.

(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):* This mostly vacant and distressed building will require environmental rehabilitation, exterior rehabilitation and a complete interior reconstruction. All tax credits for this project are critical in ensuring that private sector lending institutions will underwrite the project.

(vi) *Demonstrated support of local government entities:* Local support through approval by both SHPO and per Planning Board. Letter of support from Mayor Brown dated May 10, 2023.

(vii) *Building or site has historic designation:* Historic Preservation Certification App has been submitted to SHPO and National Parks. Initial resource

evaluations completed by SHPO = “determined SR/NR eligible by the Commissioner of the Office of Parks, Recreation and Historic Preservation.

(viii) *Site or structure has delinquent property or other local taxes:* Property taxes for Erie County SBLs owned by the applicant including project property were found to be paid in full.

(ix) *MBE/WBE Utilization:* MWBE Utilization form that includes examples of the developer’s efforts to grow capacity and provide opportunities (diversity plan) through an MWBE hiring and utilization program was provided to the Agency.

(x) *Transit Oriented Development:* The site is adjacent to several bus lines including: 11, 25, 26 and 101.

(xi) *Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs:* As stated, this mostly vacant and distressed building will require environmental rehabilitation, exterior rehabilitation and a complete interior reconstruction.

(xii) *Site or structure is located in a distressed census tract:* Project is located in census tract 174 — a designated Empire Zone and is adjacent to highly distressed census tract 123.

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 \$1,090,000, 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 \$95,375, 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 \$13,125.

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 made with respect to the Project at the time of Project completion equals or exceeds \$2,945,962 (which represents the product of 85% multiplied by \$3,465,838, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 4 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 FTE employment at the Facility equal to 4 FTE employees. In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis; said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

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

Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project;

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

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

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

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

Dated: May 31, 2023



50 Gates Circle Adaptive Reuse

[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	50 Gates Circle Adaptive Reuse
Project Summary	The Project includes the adaptive reuse of a 11,200 square foot building located at 50 Gates Circle into a mixed-use development that includes new residential units on the upper floors and commercial space below. Twelve (12) new one-bedroom apartments will be created. Eleven (11) of the apartments will be market rate and one (1) apartment will be affordable at 80% AMI. Approximately 2,300 square feet of garden level space will be dedicated to commercial for a therapist.
Applicant Name	TM Montante Development LLC
Applicant Address	2760 Kenmore Ave
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14150
Phone	(716) 876-8899
Fax	
E-mail	bdeluke@montante.com
Website	
NAICS Code	531390

Business Organization

Type of Business

Limited Liability Company

Year Established

2008

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 Byron DeLuke
Title Executive Director
Address 2760 Kenmore Ave
Address 2
City Buffalo
State New York
Zip 14150
Phone (716) 876-8899
Fax
E-Mail bdeluke@montante.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application Yes

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney Blaine Schwartz, Esq.
Firm Name Lippes Mathias
Address 50 Fountain Plaza,
Address 2 Suite 1700
City Buffalo
State New York
Zip 14202
Phone (716) 853-5100
Fax
E-Mail bschwartz@lippes.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%.

Real estate holding company fully owned by Montante Group, which focuses on developing smart and distinctive commercial, residential and mixed-use properties.

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?

75

Describe vendors within Erie County for major purchases

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

50 Gates Circle

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

89.79-3-2.111

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

\$24,319.27

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

Yes

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

The parcel is located at 50 Gates Circle in the City of Buffalo. It includes an approximately 11,200 square foot building and associated infrastructure. The building was initially constructed in the 1960's and is currently mostly vacant, except for 1 commercial tenant.

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

The Project includes the adaptive reuse of a 11,200 square foot building located at 50 Gates Circle into a mixed-use development that includes new residential units on the upper floors and commercial space below. The property has been vacant, except for a 1,020 square foot therapists' office, since Montante acquired it in 2014. Four independent practitioners work in the office. Approximately 2,300 square feet of garden level space will be dedicated to new commercial space for the therapists. All four jobs will be retained. Twelve new apartments will be created in total. All new apartments will be one-bedroom. Eleven (11) of the apartments will be market rate. The rent for the market rate apartments is going to range from about \$1,350 to \$1,760. Given that individual AMI for Erie County was \$61,000 in 2022, rents for three (3) of these market rate apartments will fall naturally at or below 100% AMI. We will further commit to one (1) affordable unit at 80% AMI, or \$1,227 per month.

Municipality or Municipalities of current operations

Tonawanda

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

No

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

No

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

No

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

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

No

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

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

No

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

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

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

The Applicant needs to secure financial assistance before it can secure private construction loans to fund construction at 50 Gates Circle. There is considerable risk associated with the project because the site currently contains a mostly vacant and distressed building, which will require environmental remediation, exterior rehabilitation, and a complete interior reconstruction. Factoring in sales and mortgage tax abatements, the Applicant is projecting a modest 2.5 percent initial rate of return. Thus, the tax abatements are critical in ensuring that private sector lending institutions underwrite the Project. Should the Project move forward, it will result in an approximately \$3.5 million investment. The applicant will work with community leaders and other neighborhood stakeholder groups to ensure that construction-related and permanent jobs generated by the redevelopment effort will benefit the local community.

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 Applicant needs to secure financial assistance before it can secure private construction loans to fund construction at 50 Gates Circle. Without financial assistance the Project will not move forward. The building will lose the last remaining tenant and further deteriorate, additional private sector investment will not be secured at the Site, and the short-term construction-related and permanent jobs will not be realized.

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 is immediately adjacent to several bus lines- the 11, 25, 26, and 101 are within 1/4 of a mile. The NFTA metro, Canisius Delavan stop, is 1/2 mile from the site.

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 2,240,000 11,200 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.)

\$ 475,838

9.) Other Cost

\$ 0

**Explain Other
Costs****Total Cost** \$ 3,465,838Construction Cost Breakdown:

Total Cost of Construction	\$ 2,240,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 1,120,000
% sourced in Erie County	100%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 1,090,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 95,375

** 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) \$ 1

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): \$ 752,088
Bank Financing: \$ 1,750,000

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):	\$ 963,750
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	Historic Tax Credits, Utility Grants
Total Sources of Funds for Project Costs:	\$3,465,838
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).	1,750,000
Lender Name, if Known	
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):	\$13,125

Real Property Tax Benefit:

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

No

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

Current # of jobs at proposed project location or to be	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	Estimate number of residents of the Labor Market Area in which the project is located
----------------------------------------------------------------	-------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------

	relocated at project location		24 months (2 years) after Project completion	that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	4	0	0
Part time	0	0	0	0
Total	0	4	0	0

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	4	\$ 50,000	\$ 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	0	\$ 0	\$ 0
Total	4			0		

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

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

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

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

Payroll Information

Annual Payroll at Proposed Project Site upon completion

200,000

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

50,000

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)

0

Estimated salary range of jobs to be created

From (Full Time) 0 To (Full Time) 0

From (Part Time) 0 To (Part Time) 0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

50 Gates Circle, Buffalo NY 14202

Name and Address of Owner of Premises

TM Montante Development LLC or affiliate

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

The parcel is located at 50 Gates Circle in the City of Buffalo. It includes an approximately 11,200 square foot building and associated infrastructure. The building was initially constructed in the 1960's and is currently mostly vacant, except for 1 tenant.

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 parcel is located at 50 Gates Circle in the City of Buffalo. It includes an approximately 11,200 square foot building and associated infrastructure.

Describe all known former uses of the Premises

50 Gates Circle was constructed in the 1960's as a medical office building. It was constructed to provide auxiliary medical office space to support the adjacent Millard Fillmore Gates Circle Hospital. It was occupied by various medical office tenants until the Hospital closed in 2014

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

No

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

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

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

No

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

Discharge Into Waterbodies

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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

No

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

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

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

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

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

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

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

There is demand for market rate residential units at the project site. Target demographics are young professionals, students, and working class.

Have any tenant leases been entered into for this project?

Yes

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

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

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Rachel Sikorski, Jennifer Carroll, Molly Violante

Property Address:

50 Gates Circle

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)

2,300

What percentage of the building does this represent?

20

Are terms of lease:

GROSS

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

Agency benefits requested include sales tax abatement on cost of construction materials and mortgage recording tax abatement. Tenant shares in value of these benefits in that it enjoys a more competitive rent than would otherwise be required and in that the incentives enable Applicant to secure bank financing to advance the adaptive reuse project.

Estimated date of occupancy

12/31/2023

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Rachel Sikorski, Jennifer Carroll, Molly Violante

Local Contact Person:

Rachel Sikorski

Title:

Liscensed Therapist

Current Address:

50 Gates Circle, Buffalo NY 14209

Phone:

(716) 907-4145

Fax:

(716) 313-2085

E-Mail:

rachel.sikorski@gmail.com

Website:

<http://www.rachelsikorski.com/about-rachel/>

Company President/General Manager:

Number of employees moving to new project location:

Full-Time:

4

Part-Time:

0

Total:

4

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:

The tenant includes several licensed therapists providing medical services. The NAICS Code is 621330. The practice has been located at Gates Circle since 2017, where this group of independent practitioners specialize in trauma treatment for adolescents, adults, and couples.

Attach additional information as necessary.

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

The tenant includes several licensed therapists providing medical services. The NAICS Code is 621330. The practice has been located at Gates Circle since 2017, where this group of independent practitioners specialize in treatment for adolescents, adults, and couples.

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

2,300

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

1,020

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

Improved space to allow practitioners to continue providing treatment for adolescents, adults, and couples.

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

No

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

Same facility. Therapist office will move from the first floor to the garden level of the existing building. The first floor will be converted to apartments.

If leased, when does lease expire?

12/31/1969

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

No

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

Section VI: Retail Determination

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

Please answer the following:

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

Yes

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

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

3 %

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)?

55

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.

0

If underutilized, number of years underutilized.

9

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

The building formerly housed medical offices tied to the former Millard Fillmore Gates Circle Hospital. After the hospital closed in 2012, the building tenants vacated the facility prior to Applicant's acquisition in 2014. The building remained largely vacant from 2014 to 2015. A small portion of the first floor, 1020 square foot space was used as field offices related to the adjacent development of Canterbury Woods from 2015- 2017. From 2017 through the present, the same 1,020 square foot space on the first floor has been occupied by the therapist office.

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

Yes

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

Annual base rent of \$18,000, or \$1,500 monthly.

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	12	490- 645	\$1,227- \$1,758
2 Bedroom	-		\$- \$
3 Bedroom	-		\$- \$
Other	-		\$- \$

Does the site have historical significance?

Yes

If yes, please indicate historical designation

Historic Preservation Certification Application (Part 1) has been submitted to SHPO and National Parks. Initial resource evaluation completed by SHPO "Determined SR/NR eligible by the Commissioner of the Office of Parks, Recreation and Historic Preservation."

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

Yes

If yes, provide estimated value of tax credits

\$888,750

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow

projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

The Applicant needs to secure financial assistance before it can secure private construction loans to fund construction at 50 Gates Circle. There is considerable risk associated with the project because the site currently contains a mostly vacant and distressed building, which will require environmental remediation, exterior rehabilitation, and a complete interior reconstruction. Factoring in sales and mortgage tax abatements, the Applicant is projecting a modest 2.5 percent initial rate of return. Thus, the tax abatements are critical in ensuring that private sector lending institutions underwrite the Project.

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

Applicant has applied to the City of Buffalo for site plan and subdivision approval. The project is currently before the Planning Director and Applicant will submit approval letters from the City of Buffalo under separate cover should these be received for the Project. The Applicant has also received a determination of eligibility from SHPO and has applied for inclusion in the National Register.

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

The Project is an adaptive reuse development on a site that contains 11,200 square feet of vacant building space that was formerly utilized for medical office space servicing clients at the adjacent Millard Fillmore Gates Hospital. Once that site closed in 2012, the 50 Gates building was vacated. It now sits underutilized and mostly vacant. The project will bring new life to the building and neighborhood, retain the availability of important medical services in the community, and provide access to new housing opportunities. It is also consistent with the City's Comprehensive Plan, which seeks compact, pedestrian-friendly and mixed-use development.

Indicate census tract of project location

The project is located in Census Tract 169.

Indicate how project will eliminate slum and blight

The Project is an adaptive reuse development on a site that contains 11,200 square feet of vacant building space that was formerly utilized for medical office space servicing clients at the adjacent Millard Fillmore Gates Hospital. Once that site closed in 2012, the 50 Gates building was vacated. It now sits underutilized and mostly vacant. The project will bring new life to the building and neighborhood, retain the availability of important medical services in the community, and provide access to new housing opportunities. It is also consistent with the City's Comprehensive Plan, which seeks compact, pedestrian-friendly and mixed-use development.

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

2760 Kenmore Ave

City/Town

Buffalo

State

New York

Zip Code

14150

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

No

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

No

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

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?

Yes

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