



**Erie County Industrial Development Agency
Meeting of the Membership
September 27, 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 July 26, 2023 Meeting of the Membership (Action Item) (Pages 1-6)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 7-10)

3.2 Finance & Audit Committee Update (Informational) (Page 11)

a) 2024 Budget Timetable (Informational) (Page 12)

b) Review of 2024 Proposed Budget (Informational) (Pages 13-22)

c) 95 Perry Street Lease Renewal (Action Item) Pages 23-38)

3.3 Governance Committee Update (Informational)

3.4 2023 Tax Incentive Induced/Closing Schedule (Informational) (Pages 39-40)

3.5 Policy Committee Update (Informational) (Pages 41-43)

4.0 Inducement Resolutions:

**ECIDA
Incentives**

**Private
Investment**

Municipality

4.1 IMA Life North America (Pages 44-81)

\$3,208,568

\$27,556,179

Tonawanda

5.0 Compliance Matters:

5.1 Life Technologies Corporation – Local Labor Waiver (Action Item) (Pages 82-94)

6.0 Management Team Reports:

6.1 2024 Board Meeting Schedule (Informational) (Page 95)

7.0 Adjournment- Next Meeting October 25, 2023

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

- DATE AND PLACE:** July 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 Blue, Hon. Bryon W. Brown, Dottie Gallagher, Michael P. Hughes, Tyra Johnson, Brenda McDuffie, Denise McGowan, Hon. Glenn R. Nellis, and Kenneth A. Schoetz
- EXCUSED:** Hon. Diane Benczkowski, James Doherty, Hon. Joseph Emminger, Hon. Howard Johnson, Hon. Brian Kulpa, Richard Lipsitz, Jr., Hon. Mark C. Poloncarz, Darius G. Pridgen; and Paul Vukelic
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Gerald Manhard, Chief Lending Officer; Andrew Federick, Property & Business Development Officer; Atiqa Abidi, Accounting Manager; 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; Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of Erie County; Josh Veronica on behalf of Buffalo Niagara Partnership; Alex Carducci on behalf of the City of Buffalo; Quinn Bushen on behalf of Empire State Development; Dale Shoemaker on behalf of Investigative Post; Jacob Tierney on behalf of Business First; Mel Alston, on behalf of Buffalo Public Schools; Enrico D’Abate on behalf of McGuire Development; Marc Romanowski on behalf of Rupp Pfalzgraf, LLC and John Daly, Mark Daly on behalf of Trautman Associates

There being a quorum present at 12:29 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by the Chair, Ms. McDuffie.

MINUTES

The minutes of the June 28, 2023, meeting of the members were presented. Ms. Gallagher moved, and Ms. Johnson 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 June financial reports. The balance sheet shows that the IDA finished the month with total assets of \$32.8M and net assets of \$20.8M. Restricted cash decreased \$400,000 from May to June as a result of a payment from a PIF fund for eligible expenses and UDAG funds borrowed by ILDC for construction invoices. ILDC will repay the UDAG fund upon receipt of grant funds. Under liabilities, funds held on behalf of others, had a decreased that corresponds to the PIF fund usage. The monthly income statement shows a net loss of \$37,000 for June. Operating revenue of \$163,000 was below our monthly budget by \$65,000, due mainly to timing of administrative fees received during the month. Operating expenses of \$214,000 were under our monthly budget by \$15,000. Under Special Project Grants, there was \$35,000 of net revenue in June mainly due to an annual payment to the railroad trust fund and depreciation/amortization of \$22,000. The year-to-date Income Statement shows revenues of \$1.7M, including administrative fee revenue of \$1.1M. We are at about 62% of our annual administrative fee budget through June. Expenses of \$1.3M are overall \$82,000 below budget. Most of the variance relates to the building operating costs category as a result of GASB 87 lease accounting whereby our lease cost was capitalized and recorded as a liability, then amortized monthly. Special project grant revenue nets to \$86,000. Net income before strategic initiatives and depreciation was \$452,000. After strategic initiatives of \$151,000 and depreciation/amortization of \$134,000, there is currently net income of \$167,000 for the year. Ms. McDuffie directed that the report be received and filed.

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

Policy Committee Update. Mr. Lipsitz updated members and confirmed the BSP Commissary and Trautman projects were reviewed by the committee and the committee resolved to send these two projects to the Board with unanimous recommendations for Board approval. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

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

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

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

Ms. Gallagher queried as to what percentage of potential MWBE vendors are local. Mr. Romanowski spoke on behalf of the company, and it was confirmed that all vendors are New York State and/or Erie County certified MWBE businesses.

Mr. Brown then moved to approve the project and spoke in favor of the project.

Mr. Blue queried as to how many or what percentage of listed MWBE vendors are local? Mr. Romanowski stated the company has not determined that percentage yet, and anticipates it will be able to utilize local MWBE firms.

Mr. Blue seconded to approve the Project.

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

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

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

Mr. Brown then moved, and Mr. Nellis 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 130 PEARL LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iv) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE

COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (v) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:45 p.m.

Dated: July 26, 2023

Elizabeth A. O'Keefe, Secretary

Erie County Industrial Development Agency
Financial Statements
As of August 31, 2023

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

August 31, 2023

	August 2023	July 2023	December 2022
ASSETS:			
Cash *	\$ 7,570,251	\$ 7,445,684	\$ 7,475,718
Restricted Cash & Investments *	17,713,883	17,608,392	20,449,260
Due from Affiliates	3,193,346	3,173,815	471,011
Due from Buffalo Urban Development Corp.	77,323	65,984	106,016
Other Receivables	107,949	121,440	94,679
Total Current Assets	<u>28,662,752</u>	<u>28,415,316</u>	<u>28,596,683</u>
Grants Receivable	2,347,736	2,347,736	644,183
Lease Receivable	497,424	515,737	643,927
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	998,078	1,020,368	1,166,361
Total Long-Term Assets	<u>4,350,124</u>	<u>4,390,727</u>	<u>2,961,357</u>
TOTAL ASSETS	<u>\$ 33,012,876</u>	<u>\$ 32,806,043</u>	<u>\$ 31,558,040</u>
 LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 185,348	\$ 147,010	\$ 188,859
Lease Payable	14,021	28,039	126,166
Deferred Revenues	2,241,114	2,241,114	643,647
Funds Held on Behalf of Others	9,770,348	9,288,420	9,317,525
Total Liabilities	<u>12,210,831</u>	<u>11,704,584</u>	<u>10,276,196</u>
Deferred Inflows of Resources Related to Leases	497,424	515,737	643,927
Net Assets	<u>20,304,621</u>	<u>20,585,722</u>	<u>20,637,917</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 33,012,876</u>	<u>\$ 32,806,043</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 August 2023

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 129,996	\$ 150,000	\$ (20,004)
Management Fees - Affiliates and Others	36,383	50,392	(14,008)
Interest Income - Cash & Investments	29,032	500	28,532
Interest Income - Leases	2,704	-	2,704
Rental Income	18,804	21,467	(2,662)
Other Income	-	250	(250)
Total Revenues	216,920	222,608	(5,688)
EXPENSES:			
Salaries & Benefits	\$ 183,106	\$ 169,800	\$ 13,307
General Office Expenses	26,535	23,267	3,268
Building Operating Costs	1,974	21,170	(19,196)
Professional Services	5,472	5,833	(362)
Public Hearings & Marketing	8,851	5,417	3,434
Travel, Mileage & Meeting Expenses	910	3,083	(2,173)
Other Expenses	157,466	729	156,737
Total Expenses	384,315	229,299	155,016
SPECIAL PROJECT GRANTS:			
Revenues	\$ -	\$ 48,209	\$ (48,209)
Expenses	(3,415)	(42,526)	39,111
	(3,415)	5,683	(9,098)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:			
	(170,809)	(1,008)	(169,802)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Bethlehem Steel Industrial Park Grant	(84,733)	-	(84,733)
Angola Ag Park Grant	(3,269)	(8,333)	5,064
Other Strategic Initiatives	-	-	-
	(88,002)	(8,333)	(79,669)
NET INCOME/(LOSS) BEFORE DEPRECIATION:			
	(258,812)	(9,341)	(249,471)
Depreciation and amortization	(22,290)	(10,000)	(12,290)
NET INCOME/(LOSS):			
	\$ (281,102)	\$ (19,341)	\$ (261,761)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: August 31, 2023

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 1,263,339	\$ 1,200,000	\$ 63,339	\$ 1,263,339	\$ 830,537	\$ 432,801
Affiliate Management Fees	317,917	403,133	(85,217)	317,917	358,250	(40,333)
Interest Income - Cash & Investments	223,353	4,000	219,353	223,353	5,180	218,173
Interest Income - Leases	21,634	-	21,634	21,634	-	21,634
Rental Income	149,303	171,733	(22,431)	149,303	264,715	(115,413)
Other Income	21,349	20,500	849	21,349	16,408	4,941
Total Revenues	1,996,893	1,799,367	197,527	1,996,893	1,475,090	521,803
EXPENSES:						
Salaries & Benefits	1,371,062	1,358,397	12,665	1,371,062	1,351,238	19,824
General Office Expenses	194,844	186,133	8,711	194,844	191,601	3,243
Building Operating Costs	32,403	169,363	(136,961)	32,403	150,209	(117,806)
Professional Services	66,160	75,667	(9,506)	66,160	133,372	(67,212)
Public Hearings & Marketing	46,966	43,333	3,632	46,966	40,362	6,604
Travel, Mileage & Meeting Expenses	13,888	24,667	(10,778)	13,888	10,795	3,093
Other Expenses	190,734	5,833	184,901	190,734	6,369	184,365
Total Expenses	1,916,057	1,863,394	52,663	1,916,057	1,883,947	32,111
SPECIAL PROJECT GRANTS:						
Revenues	325,858	385,672	(59,814)	325,858	738,279	(412,421)
Expenses	(247,363)	(340,206)	92,843	(247,363)	(553,111)	305,748
	78,495	45,467	33,029	78,495	185,168	(106,673)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ 159,331	\$ (18,561)	\$ 177,892	\$ 159,331	\$ (223,688)	\$ 383,020
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (417,278)	\$ 417,278	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	(164,061)	-	(164,061)	(164,061)	(8,055)	(156,007)
Angola Ag Park Grant	(46,270)	(100,000)	53,730	(46,270)	(49,183)	2,913
Bethlehem Steel Industrial Park Grant Reimb	-	150,000	(150,000)	-	103,625	(103,625)
Buffalo Urban Development Corporation	-	(100,000)	100,000	-	-	-
Other Strategic Initiatives	(103,975)	(125,000)	21,025	(103,975)	(75,000)	(28,975)
	(314,306)	(592,278)	277,971	(314,306)	(28,613)	(285,694)
NET INCOME/(LOSS) BEFORE DEPRECIATION:						
	(154,975)	(610,838)	455,863	(154,975)	(252,301)	97,326
Depreciation and amortization	(178,321)	(80,000)	(98,321)	(178,321)	(80,000)	(98,321)
NET INCOME/(LOSS):	\$ (333,296)	\$ (690,838)	\$ 357,542	\$ (333,296)	\$ (332,301)	\$ (995)



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: September 27, 2023
Re: Finance & Audit Committee Report

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

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on September 21, 2023. Committee members present were: Michael Szukala, Chair, Penny Beckwith, Allison DeHoney, and Glenn Nellis. The following items were reviewed:

- 1) Draft 2024 ECIDA Operating & Capital Budget + 3 Year Forecast
The Committee reviewed this item and recommended it be approved by the ECIDA Board of Directors.
- 2) Draft 2024 RDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it be approved by the RDC Board of Directors.
- 3) Draft 2024 ILDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it be approved by the ILDC Board of Directors.
- 4) The Committee discussed the overall budget process and economic factors that impact each entity’s budget. They also reviewed the 2024 budget timeline.

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

2024 Budget Review Process

<u>Date</u>	<u>Description</u>	
July-August	Review of draft 2024 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 17	Finance & Audit Committee meeting – initial review and discussion of proposed budgets.	✓
September 21	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	✓
September 27	Review of 2024 proposed budgets at Board meetings.	
October 4 10:00 am	Board Q&A budget session #1 <u>in person</u> (voluntary).	
October 10 9:00 am	Board Q&A budget session #2 <u>via Zoom</u> (voluntary).	
October 19	Adjustments to budget based on Board feedback and Finance & Audit Committee recommendation of final budgets (<i>if necessary</i>).	
October 25	Board meetings – action to approve final 2024 budgets.	
November 1	Deadline for final approved budgets to be submitted to the ABO.	

Erie County Industrial Development Agency
Proposed 2024 Budget

Erie County Industrial Development Agency (ECIDA)

2024 Budget + 3 Year Forecast

A. Overview of Changes in 2024 Budget

Presented herein is the projected operating budget for the Erie County Industrial Development Agency's ("ECIDA") year ending December 31, 2024 and a three-year forecast for 2025–2027.

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

For the year ending December 31, 2024, the Agency is projecting a net loss from operations of \$103,900. Depreciation and amortization, noncash expenses, are estimated at \$270,000 and brings the budgeted operating loss to \$373,900. There is also a net of \$25,000 budgeted for external projects, most of which will be funded with existing UDAG funds, rather than operating cash. After reserving \$1,000,000 for future projects the potential net loss for 2024 is \$1,398,900. Most of the budgeted loss would come from existing UDAG funds that have accumulated over several years.

The following significant risk factors may impact the 2024 results:

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

The following information details the key changes in the 2024 budget compared to the 2023 projected revenues and expenses:

Erie County Industrial Development Agency (ECIDA)

2024 Budget + 3 Year Forecast

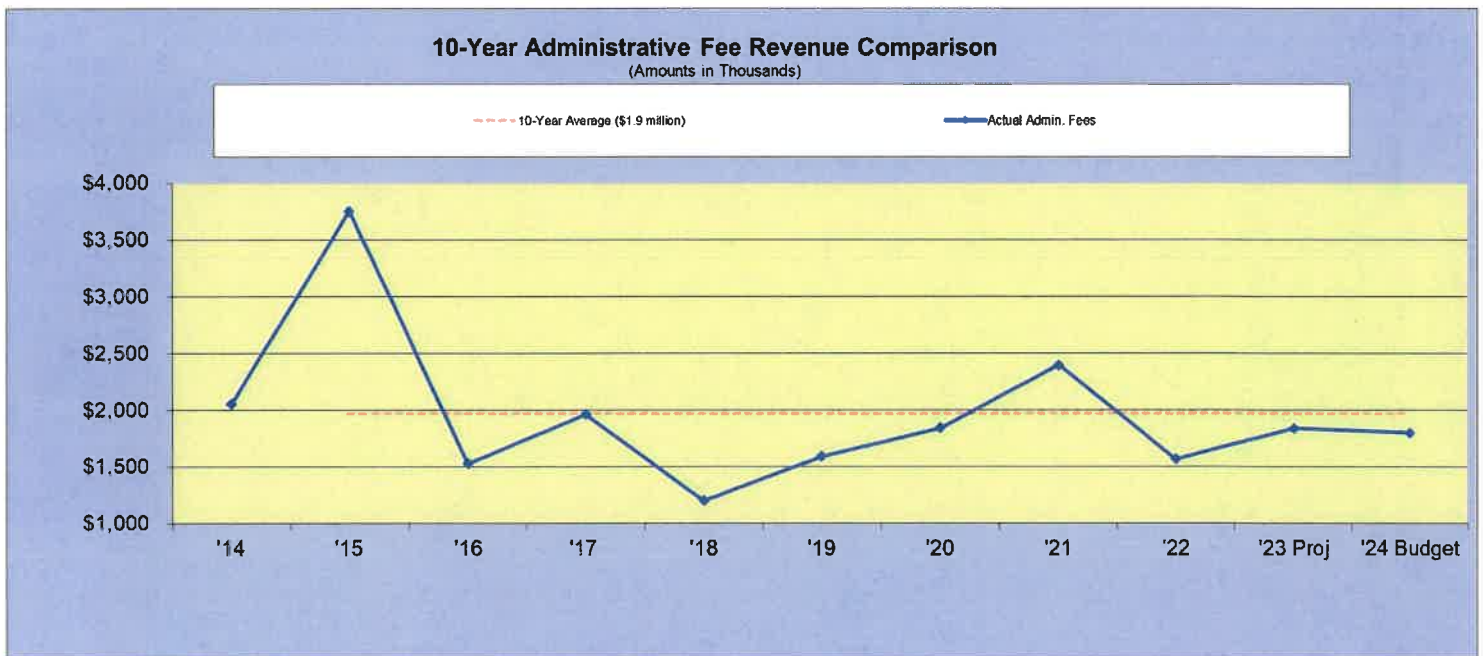
A. Overview of Changes in 2024 Budget (continued)

Revenues:

Administrative Fees (2024 Budget - \$1.8 million):

Administrative fees primarily consist of fees earned by the ECIDA through the provision of tax abatements. During 2023, administrative fees included projects such as Moog in Elma and Renaissance 6 LLC for the construction of industrial space at Renaissance Commerce Park in Lackawanna. Additionally, the Agency has closed on one bond issuance in 2023, which resulted in fees collected of \$330,000. Two additional bonds are expected to close before the end of 2023 with estimated fees totaling \$300,000. Since some fees are recognized over multiple years (in accordance with the terms of the related fee agreements), the Agency expects to recognize approximately \$840,000 of fees in 2024 related to prior year project approvals. The budgeted figure of \$1.8 million was derived using the 2014-2023 10-year average.

The following chart summarizes the actual administrative fee revenue over the past 10 years compared to the average administrative fee for the 10-year period from 2014-2023:



Erie County Industrial Development Agency (ECIDA)

2024 Budget + 3 Year Forecast

A. Overview of Changes in 2024 Budget (continued)

Affiliate Management Fees (increasing 2.1% from \$334,700 to \$341,700):

Affiliate Management Fees represent salary, benefit, and facilities costs charged to ECIDA's affiliated companies (RDC & ILDC) for office space and services that ECIDA employees provide to these organizations, since they have no employees of their own. Charges to ILDC relate to the Erie County Business Development Fund (BDF) microloan fund only. Time related to land development is supported by ECIDA, although property is owned by ILDC. Affiliate management fees are expected to increase in 2024 due to increases in employee salaries and benefit costs.

Management Fees – BUDC (increasing 1.6% from \$128,000 to \$130,000):

Management Fees – BUDC are salaries and benefit costs charged to Buffalo Urban Development Corporation (“BUDC”) and its affiliates for services that ECIDA employees provide. ECIDA provides financial reporting, facilities management, and administrative services to BUDC as part of a shared services agreement. Management fees are expected to increase slightly in 2024 due to increased salaries and benefits costs for employees who charge hours to BUDC and its affiliates.

Rental Income (increasing 0.3% from \$327,300 to \$328,200):

Rental Income represents rent received by ECIDA from BUDC for office space, two facilities owned by ECIDA and other smaller agreements. Rent for leased space at 143 Genesee Street is recognized as a combination of rent revenue and interest income related to the lease, with the lease agreement in place through July 2027. Rent received from the Port Terminal management agreement of \$103,987 in 2023 is budgeted at \$107,000 in 2024 based on projections from the management company.

Expenses:

Salaries & Benefits (increasing 13.0% from \$2.06 million to \$2.33 million):

The increase in the 2024 budgeted salaries and benefits compared to the projected 2023 figures is due to several factors. ECIDA plans to hire an additional employee to assist with the compliance function. Salary increases and a potential performance incentive pool calculated at 4% of total salaries are also included in the budget. Compensation increases are based on an independent compensation study of ECIDA employees, comparing Agency employee salaries with other individuals in the local labor market who have similar titles and responsibilities. These adjustments, if any, will also be reviewed and approved by the ECIDA Board Compensation Committee for Executive Management and by the CEO for other staff. Annual rate increases for health care also contributes to higher employee benefit costs. Professional development and training costs are also included in this category. As an organization of specialized professionals, salaries and benefits account for 80% of 2024 budgeted operating expenses.

General Office Expenses (decreasing 13.4% from \$159,500 to \$138,100):

The decrease in 2024 budgeted general office expenses compared to the projected 2023 figures is due mainly to a decrease in budgeted telephone and internet costs. Telephone and internet expense for 2023 is projected to be \$57,370, while we are budgeting \$39,100 for 2024. This is due to a change in providers for both telephone and internet during 2023, resulting in a cost savings. Other expenses included in this line item are information technology expenses, membership dues and subscriptions, office supplies and copier expense.

Erie County Industrial Development Agency (ECIDA)
2024 Budget + 3 Year Forecast

A. Overview of Changes in 2024 Budget (continued)

Building Operating Costs (increasing 9.1% from \$63,600 to \$69,400):

Building operating costs include costs related to ECIDA’s office at 95 Perry Street (rent and interest expense associated with the lease, parking) and the ECIDA-owned building at 143 Genesee Street (property taxes, maintenance, etc.). Costs associated with ECIDA’s office lease are recognized as a liability and intangible right-to-use asset in accordance with GASB Statement No. 87, *Leases*. As a result, cash outflows will differ from expense recorded. ECIDA’s current office sublease expires in 2023, and management is budgeting for a higher per square foot cost.

Professional Services (increasing 6.6% from \$94,200 to \$100,400):

Professional Services consist of the following:

	2024 Budget	2023 Budget	2023 Projection
Legal	\$45,000	\$45,000	\$35,500
Consultants	\$25,000	\$25,000	\$29,700
Auditing	\$30,400	\$29,000	\$29,000
Total	\$100,400	\$99,000	\$94,200

In 2024, legal expenses are budgeted at \$45,000, consistent with the 2023 budget. Consultant expenses are budgeted at \$25,000. 2023 consultant costs are projected higher than budget due to services related to a railroad grant application that were unbudgeted. Audit costs are in accordance with current proposals.

Erie County Industrial Development Agency (ECIDA)
2024 Budget + 3 Year Forecast

B. External Special Projects & Reserves for Future Projects

The ECIDA’s 2024 budget currently includes \$175,000 for external projects and \$1 million allocated for potential future projects that are consistent with the ECIDA’s strategic plan and the restrictions on the UDAG and/or General Funds as follows:

Project	2024 Budget	2023 Budget	2023 Projection
External Special Projects	\$ 175,000	\$ 225,000	\$ 175,000
Industrial Land Park Grant	100,000	-	200,000
Angola Ag Park Grant	50,000	100,000	50,000
Other Special projects	-	671,319	69,500
Reserves for Future Projects:			
Venture Capital Co-Investment	-	1,000,000	-
Forgivable Attraction Loan	1,000,000	1,000,000	-
Total	\$ 1,325,000	\$ 2,946,319	\$ 494,500

External Special Project allocations of \$175,000 include organizations that have received funding in the past, such as Buffalo’s Race for Place spearheaded by BUDC (\$100,000) and the Agency’s annual membership expenditure with Invest Buffalo Niagara (\$75,000). These items will not require specific Board action to be expended.

\$100,000 is budgeted for Industrial Land Park, representing anticipated carrying costs related to Renaissance Commerce Park in 2024. \$50,000 is budgeted for Angola Ag Park, representing one-sixth of the estimated carrying costs approved by the Board. The Reserves for Future Projects of \$1 million are discussed on the following pages and would also require Board approval prior to funding.

Erie County Industrial Development Agency (ECIDA)
2024 Budget + 3 Year Forecast

B. Special Projects & ECIDA Program Allocations (continued)

Forgivable Attraction Loan(s) **\$1,000,000**

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

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

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

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

Partners – Invest Buffalo Niagara

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

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

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget for 2024

	Proposed Budget 2024	Approved Budget 2023	Projected 2023	Actual 2022
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 1,840,000	\$ 1,656,279
Affiliate Management Fees	341,700	499,700	334,700	468,192
Management Fees - BUDC	130,000	105,000	128,000	98,018
Rental Income	328,200	365,100	327,254	308,450
Other Income	34,000	34,000	42,028	29,125
Interest Income - Cash & Investments	125,000	6,000	335,029	59,598
Interest Income - Leases	33,500	-	32,450	42,673
Total Revenues	2,792,400	2,809,800	3,039,461	2,662,335
EXPENSES:				
Salaries & Benefits	2,327,850	2,095,500	2,060,680	1,999,345
General Office Expenses	138,100	179,200	159,458	140,514
Insurance Expense	110,000	100,000	104,458	96,611
Building Operating Costs	69,400	254,045	63,627	68,826
Professional Services	100,400	99,000	94,193	166,759
Marketing, Promotion & Public Hearings	95,000	65,000	98,849	115,421
Travel, Mileage & Meeting Expenses	37,000	37,000	20,833	14,782
Website Compliance & Design	10,000	-	-	-
Other Expenses	16,750	8,750	189,262	99,984
Total Expenses	2,904,500	2,838,495	2,791,360	2,702,242
GRANT INCOME:				
Revenues	2,439,804	831,893	327,858	862,085
Expenses	(2,431,604)	(823,693)	(279,496)	(663,042)
	8,200	8,200	48,362	199,042
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(103,900)	(20,495)	296,462	159,135
Depreciation and amortization	(270,000)	(120,000)	(267,482)	(258,776)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(373,900)	(140,495)	28,981	(99,641)
External Special Projects:				
Buffalo Race for Place (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	75,000	75,000	75,000
Industrial Land Park grant paid	100,000	-	200,000	8,055
ILDC Land Sale Proceeds (reimbursement)	(300,000)	(150,000)	(276,250)	(103,625)
Angola Ag Park grant paid	50,000	100,000	50,000	49,183
Other Special Projects	-	671,319	69,500	-
Total Special Projects	25,000	796,319	218,250	128,613
NET INCOME (LOSS) BEFORE OTHER RESERVES:				
	(398,900)	(936,814)	(189,269)	(228,254)
Reserves for Future Projects:				
Venture Capital Co-Investment	-	1,000,000	-	-
Forgivable Attraction Loan(s)	1,000,000	1,000,000	-	-
Total Other Reserves	1,000,000	2,000,000	-	-
NET INCOME (LOSS):				
	\$ (1,398,900)	\$ (2,936,814)	\$ (189,269)	\$ (228,254)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget and Three Year Forecast 2025-2027

	Proposed Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Affiliate Management Fees	341,700	352,000	363,000	374,000
Management Fees - BUDC	130,000	134,000	138,000	142,000
Rental Income	328,200	328,200	328,200	328,200
Other Income	34,000	40,000	40,000	40,000
Interest Income - Cash & Investments	125,000	129,000	133,000	137,000
Interest Income - Leases	33,500	35,000	36,000	37,000
Total Revenues	2,792,400	2,818,200	2,838,200	2,858,200
EXPENSES:				
Salaries & Benefits	2,327,850	2,374,000	2,421,000	2,494,000
General Office Expenses	138,100	142,000	146,000	150,000
Insurance Expense	110,000	113,000	116,000	119,000
Building Operating Costs	69,400	71,000	73,000	75,000
Professional Services	100,400	103,000	106,000	109,000
Marketing, Promotion & Public Hearings	95,000	98,000	101,000	104,000
Travel, Mileage & Meeting Expenses	37,000	38,000	39,000	40,000
Website Compliance & Design	10,000	-	-	-
Other Expenses	16,750	17,000	18,000	19,000
Total Expenses	2,904,500	2,956,000	3,020,000	3,110,000
GRANT INCOME:				
Revenues	2,439,804	250,000	250,000	250,000
Expenses	(2,431,604)	(250,000)	(250,000)	(250,000)
	8,200	-	-	-
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(103,900)	(137,800)	(181,800)	(251,800)
Depreciation and amortization	(270,000)	(260,000)	(260,000)	(260,000)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(373,900)	(397,800)	(441,800)	(511,800)
<u>External Special Projects and Strategic Initiatives:</u>				
Buffalo Race for Place (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	75,000	75,000	75,000
Industrial Land Park grant paid	100,000	100,000	100,000	100,000
ILDC Land Sale Proceeds (reimbursement)	(300,000)	(150,000)	(150,000)	(150,000)
Angola Ag Park grant paid	50,000	50,000	50,000	50,000
Total Special Projects	25,000	175,000	175,000	175,000
NET INCOME (LOSS) BEFORE OTHER RESERVES:				
	(398,900)	(572,800)	(616,800)	(686,800)
<u>Reserves for Future Projects:</u>				
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Total Other Reserves	1,000,000	-	-	-
NET INCOME (LOSS):	\$ (1,398,900)	\$ (572,800)	\$ (616,800)	\$ (686,800)

Erie County Industrial Development Agency
Five Year Capital Budget 2024-2028

	2024	2025	2026	2027	2028	Total
Facilities:						
143 Genesee Street	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 80,000
95 Perry Street	180,000	5,000	5,000	5,000	5,000	200,000
Total Facilities	200,000	20,000	20,000	20,000	20,000	280,000
Information Technology:						
Servers	-	12,000	-	-	12,000	24,000
Infrastructure Upgrade	4,500	-	-	-	-	4,500
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
Total Information Technology	7,500	15,000	3,000	3,000	15,000	43,500
GRAND TOTAL	\$ 207,500	\$ 35,000	\$ 23,000	\$ 23,000	\$ 35,000	\$ 323,500



MEMORANDUM

TO: ECIDA Board of Directors

FROM: John Cappellino, President & CEO
Mollie Profic, CFO

SUBJECT: 95 Perry Street Lease

DATE: September 27, 2023

In July 2013 ECIDA entered into a sublease for office space at 95 Perry Street with Empire State Development Corporation (“ESD”), which was renewed in September 2018. The five-year renewal of the sublease expires September 30, 2023. After discussions with ESD and Michigan Street Development, LLC (“MSD”) as owner and landlord of 95 Perry Street, ECIDA plans to enter into an assignment and assumption of the sublease effective October 1, 2023 – July 31, 2027.

An assignment of the sublease to MSD allows ECIDA to match the lease term to the current lease with Kideney Architects at 143 Genesee Street. It also gives ECIDA the ability to request tenant improvements for its space directly. ECIDA’s total leased square footage will decrease from 10,705 to 9,371 due to adjustments to common area and ESD’s fourth floor footprint. Additionally, if ESD were to decide to terminate their lease, ECIDA wouldn’t be tied to that lease.

A copy of the proposal from MSD for the assignment of the sublease is attached. Key terms include:

- Effective 10/1/2023 – 7/31/2027, with 2 five-year extension options
- Rent of \$17.00/SF through 7/31/2027
- ECIDA to pay its share of real estate taxes and building operating expenses
- \$2.50/SF renewal allowance (to be credited toward conference room buildout)

In February 2023 the ECIDA Board approved the buildout of the fourth floor conference room at a cost of up to \$180,000. The work will be managed by the landlord as part of the lease.

A Memorandum of Understanding between ECIDA and ESD has been drafted to address square footage and fourth floor common space, utility costs (fourth floor is not sub metered), and the usage of ECIDA’s large conference room. A copy of the draft MOU is attached.

ECIDA offsets its rental cost in the following ways:

- (1) ECIDA subleases a portion of its space to Buffalo Urban Development Corporation (“BUDC”) and intends to pass along all costs proportionately. ECIDA and BUDC have had a sublease arrangement since the move to our current space in 2013. A draft of the second amendment to the sub-sublease agreement is attached.

(2) ECIDA charges the RDC rent for office space based on an annual space usage analysis.

(3) ECIDA leases office space at 143 Genesee Street to Kideney Architects.

The ECIDA/RDC/ILDC Joint Finance & Audit Committee discussed these items at its August 17, 2023 meeting and recommended approval of the following:

(1) approval of the 95 Perry Street sublease assignment and assumption,

(2) approval of the Memorandum of Understanding with ESD, and

(3) approval of a sublease negotiation and execution with BUDC.

Requested Action:

We are requesting that the ECIDA Board:

(1) approve the assignment and assumption of the 95 Perry Street sublease from Empire Statement Development to Michigan Street Development, LLC,

(2) approve of the Memorandum of Understanding with Empire State Development, and

(3) approve the sub-sublease negotiation and execution with BUDC.

**Michigan Street Development, LLC
701 Seneca Street, Suite 200
Buffalo, NY 14210**

LEASE PROPOSAL

September 7th, 2023

General Terms & Conditions

- 1. Tenant:** Erie County Industrial Development Agency

95 Perry Street, Suite 403

Buffalo, New York 14203
- 2. Landlord:** Michigan Street Development, LLC

701 Seneca Street, Suite 200

Buffalo, New York 14210
- 3. Premises:** 95 Perry Street, Suite 430

Buffalo, New York 14203

9,371 SF total

7,245 SF exclusive space on the 4th floor

2,126 SF shared space with ESD on the 4th floor
- 4. Commencement Date:**

October 1, 2023

This Lease to replace existing Sublease with New York State Urban Development Corporation d/b/a Empire State Development.
- 5. Base Year:** 10/01/08-09/30/09
- 6. Rent:** \$17.00 p/SF, current-07/31/27

Rent is due on a monthly basis, on the first day of each month.
- 7. End Date:** July 31, 2027

Two, five-year extension options.

\$17.50 p/SF, 08/01/27-07/31/30

\$18.00 p/SF, 08/01/30-07/31/33

\$18.50 p/SF, 08/01/30-07/31/37

8. Additional Rent:

a. Real Estate Taxes:

Tenant responsible for pro rata share of escalation over Base Year.

b. Operating Expenses:

Tenant responsible for pro rata share of escalation over Base Year. 4% cap.

c. Premises Maintenance:

Landlord shall maintain, repair and replace all portions of the Premises excepting Tenant furniture and damage caused by Tenant.

d. 2021 Invoice:

2021 invoice attached for reference. For 9,371 SF, your pro rata share would have been 31% or \$31,644.77.

9. Sublease: Tenant may continue sublease to Buffalo Urban Development Corporation at their discretion.

10. Utilities: Utilities will continue to be paid to New York State Urban Development Corporation d/b/a Empire State Development Corporation at a flat rate p/SF and adjusted at the end of each year to reflect actual usage.

11. Fifth Floor Conference Room:

No access.

12. Condition: "As Is" condition excepting the attached preliminary construction plans & estimate.

13. Parking: Eight non-exclusive parking spots in attached, gated parking lot.

14. Monies Due: N/A

15. Broker: N/A

16. Renewal Allowance:

\$2.50 p/SF

17. Cost of Work:

Estimated at \$178,947

Costs for carpet and paint estimated at \$11,660 to be borne by Landlord.

Estimated \$178,947 to be paid lump sum to Landlord. Landlord to contract directly with General Contractor.

Erie County Industrial Development Agency

Tenant

By: _____

Name: _____

Title: _____

Michigan Street Development, LLC

Landlord

By: _____

Name: _____

Title: _____

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made effective as of October 1, 2023 (the "Effective Date"), between the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), and the Erie County Industrial Development Agency ("ECIDA"). ESD and ECIDA are collectively the "Parties" and individually a "Party".

BACKGROUND

WHEREAS, ESD, as tenant, and Michigan Street Development, LLC, as landlord ("Landlord") are parties to a certain Agreement of Lease, dated March 7, 2008 (the "Lease"), whereby ESD rents the Fourth and Fifth Floors (the "Demised Premises") of the building located at 95 Perry Street, Buffalo, New York, (the "Building"); and

WHEREAS, ECIDA is currently a subtenant that occupies space on the fourth floor of the Building via a sublease with ESD dated July 10, 2013 (the "Sublease"); and

WHEREAS, both the Lease and Sublease are set to expire on September 31, 2023 and the Parties desire to continue to occupy the Building through separate leases with the Landlord; and

WHEREAS, the Parties are executing this MOU to set for the terms and conditions whereby they will share common space and expenses in the Building; and

NOW, THEREFORE, in consideration of the covenants hereinafter expressed, the Parties agree as follows:

1. Termination of Existing Agreements. The Parties agree that effective October 1, 2023, the Sublease shall be terminated in all respects and each Party shall lease its space from the Landlord on terms and conditions as determined by each Party.
2. Description of the Premises. The Parties agree that they will directly lease space on the fourth floor of the building from the Landlord shown on Exhibit "A" attached hereto as described as follows:
 - a) ECIDA leased space – 7,245 square feet for use by ECIDA, any subsidiary and their subtenants ("ECIDA Space").
 - b) ESD leased space – 3,808 square feet for use by ESD, any subsidiary and their subtenants ("ESD Space").
 - c) ECIDA Conference Room - the main fourth floor conference room consisting of 767 square feet designated as A51 on the attached Exhibit "A" (the "ECIDA Conference Room Space").
 - d) Common Space – all common area space excluding the ECIDA Conference Room Space consisting of approximately 3,485 square feet for use by ESD and ECIDA and any of their subtenants ("Common Space").

3. Lease and Use of the Premises.

- a) ESD shall lease the ESD Space and the Common Space from the Landlord. The Common Space includes conference rooms, bathrooms, reception space and the computer server room and will be available for use by ECIDA and any of their subtenants in common with each other.
- b) ECIDA shall lease the ECIDA Space and the ECIDA Conference Room Space from the Landlord. The ECIDA Conference Room Space shall be available for use by ESD in accordance with the terms of this MOU.

4. Utilities. ESD shall continue gas and electric utility service for the Demised Premises which costs shared by ECIDA for its estimated usage on the fourth floor. On the Effective Date, ECIDA shall pay to ESD an annual fee (payable in monthly installments on the first day of each month) to cover the cost of all utilities (gas and electric) used by ECIDA (the "Flat Utility Fee"). The Flat Utility Fee shall be paid to ESD in lieu of providing submeters in the Demised Premises. ESD shall not be liable for damages or otherwise for any failure or interruption unless such failure or interruption is wholly due to ESD's intentional or grossly negligent act or omission.

For the purposes of this paragraph, the Flat Utility rate charged to the ECIDA shall be based on 10,030 square feet calculated as 7,245 square foot of space occupied exclusively by ECIDA and 2,785 square feet of space representing the ECIDA's proportionate share of the Common Space and ECIDA Conference Room Space.

Prior to the Effective Date, ESD shall advise ECIDA of the Flat Utility Fee for the proceeding year which shall be calculated based on such utility costs from the previous year. The Flat Utility Rate shall be adjusted annually on each anniversary of the Effective Date to reflect the actual cost of utility (gas and electric) usage on the Demised Premises for the previous year.

5. Rent. The rent paid to the Landlord shall be based on the total space occupied by the Parties which shall include the shared cost of the Common Space and ECIDA Conference Room Space. For the purposes of rent to be paid to the Landlord, the Parties agree that their individual leases with the Landlord shall reflect the following amount of leased space on the fourth floor:

- a) ECIDA – 9,371 square feet
- b) ESD – 5,934 square feet

6. ECIDA Conference Room – ESD and its subsidiary, the Erie Canal Harbor Development Corporation ("ECHDC") shall be provided use of the ECIDA Conference Room by ECIDA. Priority of use of the ECIDA Conference Room shall be as follows:

- (a) Board and Committee Meetings of the ECIDA;
- (b) Board meetings of ESD or the ECHDC;
- (b) Board or member meetings of any subtenant or any sublessors;
- (c) Committee Meetings of subtenant or any of its sublessors;

- (d) Other meetings of ECIDA, ESD and ECHDC; and
- (e) Other meetings of the subtenant or any of its sublessors.

The Parties agree to work together in scheduling board and other meetings and shall provide as much advance notice as possible concerning the use of the ECIDA Conference Room Space and other Common Space on the Fourth Floor.

7. Use. The Parties shall use the Demised Premises in accordance with their leases with the Landlord for any lawful use and no other and shall use and occupy the Demised Premises in compliance with all applicable laws and regulations of governmental bodies having jurisdiction.

8. Notices. All notices, demands and requests under this MOU shall be in writing, and shall not be effective unless given by prepaid registered or certified mail, return receipt requested, by nationally recognized commercial overnight courier service, by hand-delivery with a signed acknowledgment of receipt by the receiving party, addressed as follows:

If to ESD : Empire State Development
95 Perry Street, 5th Floor
Buffalo, New York 14203
Attn: Regional Director

If to ECIDA: Erie County Industrial Development Agency
95 Perry Street, 4th Floor
Buffalo, New York 14203
Attn: Chief Executive Officer

or at such other address as any party may hereafter designate by written notice to all other parties.

9. Miscellaneous.

(a) This MOU may not be modified except by written instrument duly executed by the parties.

(b) The terms and conditions of this MOU shall extend to and be binding upon the heirs, successors and permitted assigns of the respective parties.

[Signatures appear on following page]

IN WITNESS WHEREOF, this Memorandum of Understanding has been duly executed by ESD and ECIDA as of the dates set forth below.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT

Name:

Title:

Dated: _____

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Name:

Title:

Dated: _____

SECOND AMENDMENT TO AGREEMENT OF SUB-SUBLEASE

THIS SECOND AMENDMENT TO AGREEMENT OF SUB-SUBLEASE (this “Amendment”) is made effective as of October 1, 2023 (the “Effective Date”), by and between the Erie County Industrial Development Agency (the “ECIDA”) and the Buffalo Urban Development Corporation (“BUDC”).

WITNESSETH:

WHEREAS, the New York State Urban Development Corporation d/b/a Empire State Development, as Tenant (“ESD”) and Michigan Street Development, LLC, as landlord (“MSD”), were parties to a certain Agreement of Lease dated March 7, 2008 (the “Lease Agreement”), for a portion of the facility located at 95 Perry Street, Buffalo, New York (the “Demised Premises”); and

WHEREAS, ECIDA, as sub-tenant, and ESD, as sub-landlord, were parties to a certain Agreement of Sublease, dated July 10, 2013, as amended (the “Sub-Lease”), for a portion of the Demised Premises (the “ECIDA Premises”); and

WHEREAS, ECIDA and BUDC entered into a certain Sub-Sublease Agreement dated as of September 23, 2013, as amended by a certain Amendment to Agreement of Sub-Sublease dated as of October 1, 2018 (collectively, the “Sub-Sublease Agreement”) for the sub-sublease of a portion of the ECIDA Premises (the “BUDC Premises”); and

WHEREAS, as of October 1, 2023, ESD, MSD and ECIDA entered into a certain Assignment and Assumption of Sub-Lease Agreement (the “Assignment”), whereby ESD assigned all of its right, title and interest as “sublandlord” under the Sub-Lease to MSD, thereby creating a direct landlord-tenant relationship between MSD, as landlord, and ECIDA, as tenant; and

WHEREAS, as of October 1, 2023, MSD and ECIDA entered into a certain Amendment to Agreement of Sublease (the “Sub-Lease Amendment”), which in relevant part extended the term of the Sub-Lease Agreement to expire as of July 31, 2027, increase the base rent payable by ECIDA, and provide for ECIDA’s payment of additional rent; and

WHEREAS, in consideration of the foregoing, ECIDA and BUDC desire to further amend the Sub-Sublease Agreement to (i) extend the term of the Sub-Sublease Agreement to expire as of July 31, 2027, (ii) increase the Rent (as hereinafter defined) payable by BUDC, and (iii) provide for the pro-rated payment of Additional Rent (as hereinafter defined) by BUDC.

NOW, THEREFORE, in consideration of the rents herein reserved and the covenants hereinafter expressed, and intending to be legally bound, ECIDA and BUDC hereby agree as follows:

1. Sub-Sublease Term. The Expiration Date stated in Section 1 of the Sub-Sublease is extended to July 31, 2027 (the “Expiration Date”).

2. Rent. BUDC shall pay to ECIDA as Rent, as defined in Section 2 of the Sub-Sublease, the sum of \$17.00 per square foot or \$21,998.00¹ per annum from the Effective Date until the Expiration Date.

3. Additional Rent. BUDC shall pay to ECIDA, as Additional Rent, its Proportionate Share (as hereinafter defined) of the charges and expenses described herein. For the purposes of this Amendment, the term “Proportionate Share” shall mean a fraction, the denominator of which shall be the rentable area of the ECIDA Premises (9,371 square feet), and the numerator of which shall be rentable square area of the BUDC Premises (1,294 square feet)², expressed as the percentage 13.8%:

a. Real Estate Taxes. BUDC shall pay to ECIDA its Proportionate Share of escalation of Taxes over the Base Year. For the purposes of this Amendment, the terms “Taxes” and “Base Year” shall have the meanings ascribed to them in Section 3A of the Lease Agreement.

b. Operating Expenses. BUDC shall pay to ECIDA its Proportionate Share of escalation of Operating Expenses over the Base Year. For the purposes of this Section, the terms “Operating Expenses” and “Base Year” shall have the meanings ascribed to them in Section 3B of the Lease Agreement.

c. Utilities. BUDC shall pay to ECIDA its Proportionate Share of the Flat Utility Fee (gas and electric) payments. For the purposes of this Amendment, the term “Flat Utility Fee” shall have the meaning ascribed to it in the Sub-Lease.

d. As of the Effective Date, ECIDA shall provide BUDC with an estimated annual fee for Additional Rent, which shall be payable in equal monthly installments in conjunction with the payment of Rent. On each anniversary of the Effective Date, the ECIDA shall calculate whether BUDC has made any overpayment or underpayment for Additional Rent on an annualized basis. In the event the ECIDA determines that an overpayment or underpayment of Additional Rent has been made, the following procedures shall apply:

i. If ECIDA determines BUDC has overpaid for Additional Rent, such overpayment shall be either: (A) returned to BUDC, or (B) at BUDC’s discretion, applied to future Additional Rent payments.

ii. If ECIDA determines BUDC has underpaid for Additional Rent, such underpayment amount shall become immediately due and payable to ECIDA, and shall be payable in the same manner as Rent and Additional Rent for the subsequent month.

4. No Modification. Except as amended or modified by this Amendment, the other terms of the Sub-Sublease shall remain in full force and effect.

¹ NTD: Annual Rent Payment Calculated as follows: \$17.00 per SF x 1,294 SF (BUDC Premises defined in Sub-Sublease). Please confirm the BUDC square footage is accurate.

² NTD: Please confirm BUDC square footage is accurate.

5. Counterparts. This Second Amendment to Agreement of Sub-Sublease may be executed in multiple counterparts, each of which will be deemed an original and all of which shall constitute one in the same instrument.

[Signature Pages Follow]

[Signature Page – Second Amendment to Sub-Sublease Agreement]

IN WITNESS WHEREOF, this Amendment has been duly executed by Sublandlord and Subtenant as of the Effective Date.

SUB-SUBLANDLORD:

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: John Cappellino
Title: President/CEO
Dated: _____

SUB-SUBTENANT:

BUFFALO URBAN DEVELOPMENT CORPORATION

Name: Brandye Merriweather
Title: President
Dated: _____

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, September 27, 2023, at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”) AUTHORIZING THE AGENCY TO (I) NEGOTIATE AND EXECUTE A CERTAIN MEMORANDUM OF UNDERSTANDING BY AND BETWEEN ESD AND THE AGENCY; (II) NEGOTIATE AND EXECUTE A CERTAIN ASSIGNMENT AND ASSUMPTION OF SUBLEASE AGREEMENT BY AND BETWEEN THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT (“ESD”), MICHAGAN STREET DEVELOPMENT, LLC (“MSD”) AND THE AGENCY; (III) NEGOTIATE AND EXECUTE A CERTAIN AMENDMENT TO AGREEMENT OF SUBLEASE BY AND BETWEEN MSD AND THE AGENCY; AND (IV) NEGOTIATE AND EXECUTE A CERTAIN SECOND AMENDMENT TO AGREEMENT OF SUB-SUBLEASE BY AND BETWEEN THE BUFFALO URBAN DEVELOPMENT CORPORATION (“BUDC”) AND THE AGENCY

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

WHEREAS, for the purpose of conducting its operations, the Agency entered into a certain Agreement of Sublease dated as of July 10, 2013 (the “Sub-Lease Agreement”) by and between the Agency, as sub-tenant, and ESD, as sub-landlord, for the sublease of a portion of the premises (the “Agency Premises”) located at 95 Perry Street, Buffalo, New York (the “Demised Premises”), which was leased by ESD from MSD pursuant to a certain Agreement of Lease dated as of March 7, 2008 (the “Lease Agreement”); and

WHEREAS, on or about September 23, 2013, the Agency and BUDC entered into a certain Agreement of Sub-Sublease (the “Sub-Sublease Agreement”) for the sub-lease of a portion of the Agency Premises (the “BUDC Premises”); and

WHEREAS, the Lease Agreement and Sub-Lease Agreement are set to expire as of September 30, 2023, and upon consideration of the Agency’s Real Property Acquisition Policy, the Agency finds that the Agency Premises will continue to provide the Agency with the most advantageous space for the purpose of efficiently conducting its operations, and as such, the Agency desires to remain in the Agency Premises as tenant of MSD; and

WHEREAS, in furtherance thereof, on or about August 14, 2023, MSD provided a term sheet to the Agency (the “Term Sheet”) which contemplates a five (5) year extension of the existing

Sub-Lease, with two (2) five (5) year renewal options included therein, for the Agency's continued lease and occupancy of the Agency Premises; and

WHEREAS, to effectuate the foregoing, the Agency desires to enter into (i) a certain Memorandum of Understanding ("MOU") by and between Agency and ESD, which shall contemplate the terms and conditions of the Agency's occupancy of the Agency Premises and ESD's occupancy of the remaining Demised Premises and the sharing of common space and expenses, (ii) a certain Assignment and Assumption of Sublease Agreement (the "Assignment") by and between the Agency, ESD and MSD, whereby ESD shall assign all of its right, title and interest as "sublandlord" under the Sub-Lease to MSD, thereby creating a direct landlord-tenant relationship between MSD, as landlord, and Agency, as tenant, and (iii) a certain Amendment to Agreement of Sublease (the "Sub-Lease Amendment"), which shall incorporate the updated lease terms and conditions enumerated in the Term Sheet; and

WHEREAS, in addition to the foregoing, and pursuant to the terms of the BUDC Sub-Sublease Agreement, BUDC wishes to exercise its right to extend the term of the Sub-Sublease and to effectuate same, the Agency and BUDC desire to enter into a certain Second Amendment to Sub-Sublease Agreement (the "Sub-Sublease Amendment"), whereby the Sub-Sublease shall be amended to incorporate the updated lease terms and conditions as specified in the Sub-Lease Amendment and Term Sheet.

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

Section 1. The Agency hereby authorizes the negotiation and execution of the MOU.

Section 2. The Agency hereby authorizes the negotiation and execution of the Assignment.

Section 3. The Agency hereby authorizes the negotiation and execution of the Sub-Lease Amendment, which shall incorporate the terms and conditions incorporated into the Term Sheet.

Section 4. The Agency hereby authorizes the negotiation and execution of the Sub-Sublease Amendment.

Section 5. Subject to the terms of this Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate and execute contracts and agreements related thereto along with any appropriate change orders or scope additions as approved by the President/Chief Executive Officer, in consultation with the Agency Chair.

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 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 7. Any and all prior actions taken by the Agency with respect to the contents of this Resolution are hereby ratified and confirmed.

Section 8. These Resolutions shall take effect immediately.

Dated: September 27, 2023

Tax Incentives Approved - 2023

Approval Date	Project Name	Project City/Town	Private Investment/Project Amount	Minimum Investment/Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Const. Jobs	Spillover Jobs	Length of Term	Incentive Amount	Cost Benefit Ratio
Feb-23	356 Hertel Ave, LLC ¹	Buffalo	\$32,067,800	85% threshold \$27,257,630	0	0	42	0	85% - New 35 Jobs	212	150	project completion date + 2 yrs	\$612,500	1:47
Feb-23	Commitment 2000	Buffalo	\$8,623,800	85% threshold \$7,330,230	74	2	10	2	85% - New 35 Jobs	38	38	Period of PILOT 7 Years	\$420,215	1:89
Mar-23	Moog, Inc.	Elma	\$76,750,800	85% threshold \$65,237,500	180	0	0	0	0	335	320	Period of PILOT 10 Years	\$2,900,920	1:97
Apr-23	Wood and Brooks Properties, LLC ¹	Town of Tonawanda	\$23,127,638	85% threshold \$19,658,492	0	0	1	2	85% - New 1 Job	161	92	project completion date + 2 yrs	\$1,164,447	1:14
May-23	TM Montante/50 Gates Circle ¹	Buffalo	\$3,465,838	85% threshold \$2,945,962	4	0	0	0	0	14	14	project completion date + 2 yrs	\$108,500	1:29
Jun-23	Rosina Food Products, Inc.	West Seneca	\$16,000,000	85% threshold \$13,600,000	274	2	15	0	85% - New 15 Jobs	70	536	Period of PILOT 10 Years	\$919,525	1:446
Jun-23	Stark Real Estate Holdings	Tonawanda	\$16,250,000	85% threshold \$2,945,962	50	0	120	10	85% - New 106 Jobs	43	257	project completion date + 2 yrs	\$454,375	1:854
Jul-23	BPS Commissary Kitchen	Buffalo	\$33,067,799	85% threshold \$28,107,629	16	35	0	15	85% - New 12 Jobs	151	137	Period of PILOT 10 Years	\$3,212,686	1:15
Jul-23	Trautman Associates/130 Pearl, LLC ¹	Buffalo	\$5,477,047	85% threshold \$4,655,489	0	0	0	2	0	36	19	project completion date + 2 yrs	\$153,750	1:21

Totals: Private Investment/Project Amount: \$64,138,323; FT Jobs Retained: 4; PT Jobs Retained: 0; FT Jobs Created: 43; PT Jobs Created: 4; Constion Jobs: 423; Spillover Jobs: 275; Incentive Amount: \$2,039,197

Adaptive Reuse Subtotal	4	9	\$64,138,323	4	0	43	4	4	423	275	\$2,039,197
2023 Total	9	9	\$214,830,722	598	39	188	31	1060	1563	\$9,946,918	

¹ Adaptive Reuse

Tax Incentives Closed - 2023

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

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

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

DATE AND PLACE: September 14, 2023 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Hon. April Baskin, Rev. Mark E. Blue, Zachary Evans; Richard Lipsitz, Jr.; Brenda W. McDuffie; Laura Smith; David J. State; and Lavon Stephens

EXCUSED: Hon. A.J. Baynes; Hon. Bryon W. Brown; Dr. Susan McCartney; Hon. Glenn R. Nellis, Hon. John Tobia and Paul Vukelic

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

GUESTS: Alex Carducci on behalf of the City of Buffalo; Danielle Robillard on behalf of Aakron Rule Corporation; Rachel Heckl, Joseph Makowski on behalf of 467 Richmond Avenue, LLC and Mark Sadkowski on behalf of Life Technologies

There being a quorum present at 9:06 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the August 3, 2023, Policy Committee meeting were presented. Upon motion made by Mr. Blue to approve of the minutes, and seconded by Ms. McDuffie, the Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

COMPLIANCE MATTERS

Aakron Rule Corporation. Mr. Cappellino noted that, per the ECIDA's Recapture Policy, and based on continuing Covid-19 pandemic impacts, the Chair and staff believe, in this case, that it would be beneficial for the company to discuss its current employment status and continued efforts and strategies to obtain new employees. Ms. Robillard spoke on behalf of the company and described Covid-19 pandemic impacts including, the fact that the business was shut down and it lost most of its workforce, how the overall post-pandemic landscape continues to impact the company's hiring efforts, efforts to attract and retain workforce, and to stabilize and grow the business.

General discussion ensued. Ms. McDuffie thanked Ms. Robillard for describing the company's efforts to find and hire employees, stating it is important for the company's challenges and efforts to be heard.

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

467 Richmond Avenue/REVPAC. Mr. Cappellino described the Company's project as approved by the ECIDA in June of 2017, including the investment, incentives and the Company's job retention and creation requirements. Mr. Cappellino gave a status update, noted that the Company began using ECIDA sales tax benefits in late 2018, and then the Covid-19 pandemic impacts were felt by the company and ultimately halted the project. The project is incomplete and is currently 66% below its employment retention requirements. Presently, the project is not completed or open, but a portion of the originally approved sales tax exemption benefits have been provided to the Company.

Ms. Heckl spoke on behalf of the Company and she reviewed the project's status, the Company's expenditures, to date, to undertake the project, noting the project was halted during the Covid-19 pandemic and that, post-Covid, the project's costs have skyrocketed. Ms. Heckl stated that the project is about 50% completed and over \$5 million has been invested. Ms. Heckl also confirmed that the Company has identified a new lender.

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

Mr. Makowski, attorney for the Company, next stated that he hopes to have a new lender commitment letter shortly, to allow the project to go forward. He also asked if the Policy Committee will allow more time for the company to secure lending commitments to allow the project to move forward.

Ms. Heckl also stated that the City of Buffalo Section 485-a real property tax exemption benefit may no longer be available to the Company, and the Company may need to seek an IDA PILOT Agreement.

Ms. Smith spoke in favor of amending the existing project assuming new bank financing is obtained.

General discussion ensued.

Ms. Heckl stated that the commitment letter is anticipated within 45-60 days, and the City of Buffalo should make its 485-a eligibility determination within that same time period.

Mr. Blue moved to provide the Company with a 60-day time period to obtain a financing commitment and to obtain a City of Buffalo 485-a RRTL eligibility determination.

The Committee discussed the motion, and consensus emerged that the Committee would look to amend and extend the project approval if the financing commitment and City real property tax abatement were both obtained.

Ms. Abbott seconded the motion. Mr. Lipsitz called for the vote and the motion was unanimously approved.

Life Technologies Corporation. Mr. Cappellino reviewed the Life Technologies West expansion project, and noted that although the construction proceeded during the Covid-19 pandemic, it was only able to utilize 88.3% local labor, just short of the 90% requirement, resulting in a 1.7% shortfall. Mr. Cappellino confirmed that the shortage was due to a lack of local labor being otherwise available to work on the project.

Ms. McDuffie moved and Mr. Blue seconded the motion to waive the local labor policy at the 90% level based on the Company's 88.3% local labor rate and due a lack of local labor availability. Mr. Lipsitz called for the vote and the project was then unanimously approved.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:19 a.m.

Dated: September 14, 2023

Elizabeth A. O'Keefe, Secretary

IMA Life North America / IMA Life Colvin Woods
\$ 27,556,179
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 333993

COMPANY INCENTIVES

- Approximately \$ 2,383,749 in real property tax savings
- Up to \$ 824,819 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 120 FT
- Annual Payroll: \$ 12,405,821
- Projected new jobs: 30 FT
- Est. salary/yr. of FT jobs created: \$72,293
- Projected retained jobs: 120 FT
- Est. salary/yr. of FT jobs retained: \$82,705
- Total jobs after project completion: 150 FT

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
- NET Community Benefits: \$288,691,787
- Spillover Jobs: 356
- Construction Jobs: 110
- Total Payroll: \$271,708,435

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

Incentives: \$2,979,020
 Community Benefit: \$259,979,049
 Cost: Benefit Ratio
 • 1:87

Project Title: IMA Life
 Project Address: 700 Colvin Woods Parkway, Tonawanda, NY 14150
 (Ken-Ton Union Free School District)

Agency Request

A sales tax savings and a real property tax abatement in connection with the construction of an 80,000 sq ft new production and office facility on a vacant 15-acre parcel.

Land Acquisition	\$ 2,285,100
New Building Construction	\$ 16,853,019
Manufacturing Equipment	\$ 4,000,000
Non- Manufacturing Equipment	\$ 1,000,000
Soft Costs/Other	\$ 3,418,060
Total Project Cost	\$ 27,556,179

85% \$ 23,422,752

Company Description

IMA Life North America is part of the IMA Group, headquartered in Bologna, Italy. IMA specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food and Automation, employ roughly 6,900 employees worldwide - 544 are based in the USA. IMA Life NA division has 171 employees of which 154 are based in the existing Tonawanda facility. Today, IMA Life NA ranks among the most respected companies worldwide to produce freeze-drying equipment serving customers in both domestic and international pharmaceutical markets.

Project Description

IMA Life NA has twice expanded its production and office space at their existing facility and has now utilized all the land available. With no further expansion possible at the existing location, IMA Life NA is planning to build a new 80,000 sq ft facility that will include 50,000 sq ft of production space and 30,000 sq ft of office space, as well as exterior parking, truck court, and dumpster areas. This new facility will include a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing, and shipping of Freeze Dryers for the pharmaceutical sector. It will also include corporate office space and be positioned to serve as the North America headquarters for IMA Group. Upon completion of the Project, 120 existing FTE will move to the new building, leaving 34 FTE at the existing site. IMA plans to hire an additional 30 FTE, bringing the total FTE at the new facility to 150 within two years of its completion.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

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

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$2,383,749
	Sales	\$ 824,819
	Total	\$3,208,568
	Discounted at 2%	\$2,979,020

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction	\$ 16,091,543	
			Payroll Permanent	\$255,616,892	
		Public	Property Taxes	\$ 595,937	
			Sales Taxes	\$ 2,258,576	
	New York State	Public	Income Taxes	\$ 12,226,879	
			Sales Taxes	\$ 1,901,959	
				Total Benefits to EC + NYS***	\$288,691,797
				Discounted at 2%	\$259,979,049

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

Discounted Cost \$2,979,020
 Discounted Benefit \$259,979,049
 Ratio 87:1

Conclusion: The Cost Benefit for this project is: 87:1. For every \$1 in costs (incentives), this project provides \$87 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$95 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Town Revenue Over abatement period	Additional School Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 21,071	\$2,998,000	\$ 108,635	\$ 283,357	\$ 414,652	\$ 319,039
Combined Tax Rate: \$ 106.42					

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 = \$ 27,556,179 85% = \$ 23,422,752
Employment	Coincides with 10-year PILOT	Maintain Base = 120 FTE Create 85% of Projected Projected = 30 FTE 85% = 25 FTE Recapture Employment = 145 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

- State and Local Sales Taxes
- Real Property Tax
- Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 120 FTE jobs and created 25 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 7/27/23: Public hearing held.
- 9/27/2023: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA (project may require no SEQR action if it complies with 2003 GEIS for site) TBD.
- 9/27/2023: Lease/Leaseback Inducement Resolution presented to the Board of Directors TBD

**EVALUATIVE CRITERIA
MANUFACTURING/WAREHOUSE/DISTRIBUTION**

Project: IMA Life North America / IMA Life Colvin Woods

Wage Rate (above median wage for area)	Average salaries for existing full time workforce = \$82K with salaries for jobs to be created averaging \$72K.
Regional Wealth Creation (% sales/customers outside area)	Only 1% of Sales are in Erie County. The remainder breaks down as follows: 5% in NYS (outside EC), 65% in USA (outside NYS) and 29% outside the USA.
In Region Purchases (% of overall purchases)	In region purchases make up 16% of total purchases.
Research & Development Activities	IMA Life performs R&D activities at the site that account for 2.8% of total budget (2023)
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	Yes. The IMA Group owns 6 other companies along with IMA Life NA in the U.S. All 6 of these companies are outside of NYS. IMA is in need of a flagship corporate office and IMA Life is competing with these other locations.
MBE/WBE Utilization	See MBE./WBE Utilization form noting plan to achieve 30% MWBE utilization. Also, see "Bid List" of MBE/WBE/DBE/ SDVOB vendors.
Workforce Access – Proximity to Public Transportation	Site is ½ mile away from NFTA bus Route 11.

DATE OF INDUCEMENT: September 27, 2023

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

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

PILOT Estimate Table Worksheet-IMA Life

Dollar Value of Costs: New Construction & Renovation	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$ 16,853,019	\$2,998,000	14.331801	37.382204	54.703368

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$4,844	\$12,635	\$18,490	\$35,969	\$319,039	\$283,070
2	0.1	\$6,851	\$17,869	\$26,148	\$50,868	\$319,039	\$268,172
3	0.15	\$8,857	\$23,102	\$33,807	\$65,766	\$319,039	\$253,273
4	0.15	\$8,857	\$23,102	\$33,807	\$65,766	\$319,039	\$253,273
5	0.2	\$10,864	\$28,336	\$41,465	\$80,664	\$319,039	\$238,375
6	0.2	\$10,864	\$28,336	\$41,465	\$80,664	\$319,039	\$238,375
7	0.25	\$12,870	\$33,569	\$49,124	\$95,563	\$319,039	\$223,476
8	0.25	\$12,870	\$33,569	\$49,124	\$95,563	\$319,039	\$223,476
9	0.3	\$14,876	\$38,803	\$56,782	\$110,461	\$319,039	\$208,578
10	0.35	\$16,883	\$44,036	\$64,441	\$125,360	\$319,039	\$193,680
TOTAL		\$108,635	\$283,357	\$414,652	\$806,644	\$3,190,393	\$2,383,749

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (ESD Excelsior)
\$ 27,556,179	\$2,383,749	\$ 824,819	N/A	\$ 1,127,443

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortg Tax+ Other)/Total Project Costs: 15.7%

Erie County Industrial Development Agency MRB Cost Benefit Calculator

Date: July 19, 2023
 Project Title: IMA Life
 Project Location: 700 Colvin Woods Parkway, Tonawanda, NY 14150



Economic Impacts

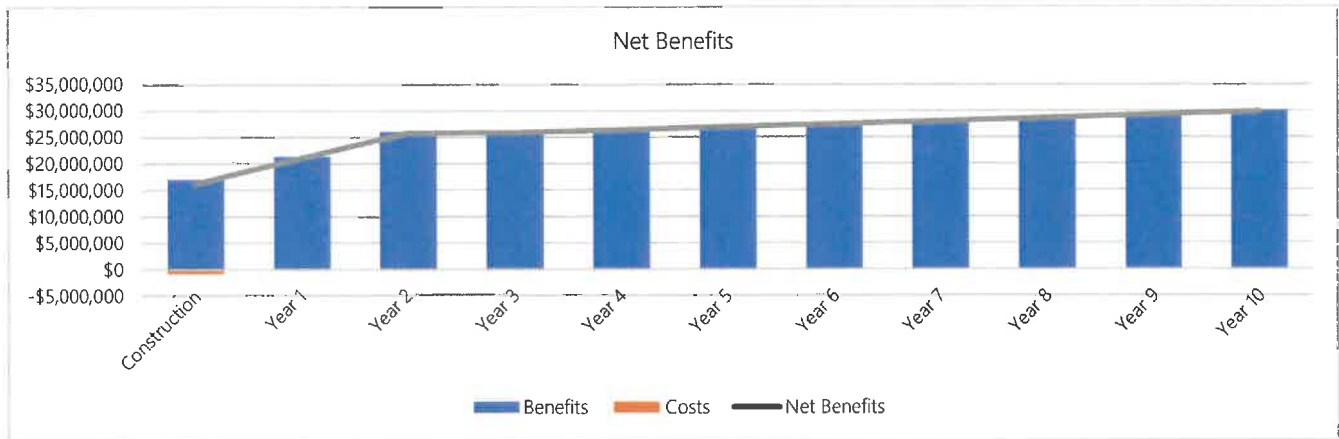
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
\$27,556,179

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	110	100	209
Earnings	\$10,369,899	\$5,721,644	\$16,091,543
Local Spend	\$25,076,123	\$17,753,802	\$42,829,925

	Ongoing (Operations) Aggregate over life of the PILOT		
	Direct	Indirect	Total
Jobs	150	256	406
Earnings	\$125,815,182	\$129,801,710	\$255,616,892

Figure 1



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

Figure 2

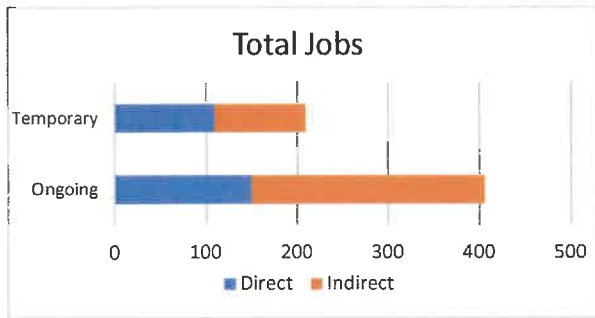


Figure 3



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

Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$2,383,749	\$2,154,201
Sales Tax Exemption	\$824,819	\$824,819
Local Sales Tax Exemption	\$447,759	\$447,759
State Sales Tax Exemption	\$377,060	\$377,060
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$3,208,568	\$2,979,020

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$274,562,949	\$247,254,734
To Private Individuals	\$271,708,435	\$244,698,351
Temporary Payroll	\$16,091,543	\$16,091,543
Ongoing Payroll	\$255,616,892	\$228,606,808
Other Payments to Private Individuals	\$0	\$0
To the Public	\$2,854,514	\$2,556,383
Increase in Property Tax Revenue	\$595,937	\$522,328
Temporary Jobs - Sales Tax Revenue	\$133,761	\$133,761
Ongoing Jobs - Sales Tax Revenue	\$2,124,815	\$1,900,294
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$14,128,839	\$12,724,314
To the Public	\$14,128,839	\$12,724,314
Temporary Income Tax Revenue	\$724,119	\$724,119
Ongoing Income Tax Revenue	\$11,502,760	\$10,287,306
Temporary Jobs - Sales Tax Revenue	\$112,641	\$112,641
Ongoing Jobs - Sales Tax Revenue	\$1,789,318	\$1,600,248
Total Benefits to State & Region	\$288,691,787	\$259,979,049

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$247,254,734	\$2,601,959	95:1
State	\$12,724,314	\$377,060	34:1
Grand Total	\$259,979,049	\$2,979,020	87:1

*Discounted at 2%

Additional Comments from IDA

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

MBE/WBE Utilization



ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Here are links to the NYS and combined Erie County / City of Buffalo – certified MWBE contractors that can assist you with your utilization goals:

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

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

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

IMA Life NA and its General Contractor, Montante Construction LLC, acknowledge the importance of promoting MBE/WBE hiring and utilization. As the Company completes the 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 the following items.

- 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.
- Subcontractor utilization – direct follow up with subcontractors right after the bid submission to confirm and verify their plans for promoting diversity hiring and utilization.

IMA Life NA and its General Contractor, Montante Construction LLC, 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 value of the ECIDA benefit.

MASTER BID LIST

	<u>Bidder's Name</u>
DIVISION 1 - GENERAL CONDITIONS	
	Final Cleaning
<u>WBE</u>	Anna's Cleaning & Dumpster Service
<u>MBE/DBE/Section3</u>	Rodriguez
<u>WBE</u>	Ace Cleaning Services
	Testing/Inspection Firms
<u>SDVOB</u>	Encorus
<u>WBE</u>	Empire Geo Services
<u>WBE</u>	CME Associates
	Design Firms
<u>MBE</u>	Watts Architecture & Engineering, DPC
<u>WBE</u>	Barbara A. Campagna / Architecture + Planning, PLLC
<u>WBE</u>	Joy Kuebler
<u>WBE</u>	KCB Architecture
DIVISION 2 - EXISTING CONDITIONS	
	Selective Demolition
<u>WBE</u>	SEG Construction
<u>MBE</u>	Rodriguez Construction Group
<u>MBE</u>	Iroquois Bar
<u>MBE</u>	Lee's Environmental
	Abatement
<u>SDVOB</u>	American DND
<u>WBE</u>	American Environmental
<u>WBE</u>	Caysea Construction
<u>SDVOB</u>	Helios Environmental
<u>Section 3</u>	Andujar Asbestos and Lead
DIVISION 3 - CONCRETE	
	Concrete - Flat & Foundations
<u>WBE</u>	Ideal Concrete
<u>WBE/UNION</u>	Northland Contracting
<u>SDVOB</u>	DV Enterprises of WNY
<u>SDVOB</u>	Northern Dreams Construction
	Concrete Cutting/Breaking
<u>MBE</u>	Pavilion Drainage Supply

	Reinforcing Steel
WBE	Upstate Steel (supply)
MBE	G&J Contracting (install)
MBE	Iroquois Bar (install)
	Post Tensioning
MBE	G&J Contracting
MBE	Iroquois Bar (install)
	Parking Garage Repair
WBE	FSR
DIVISION 4 - MASONRY	
	Masonry
WBE	FSR Contracting
DIVISION 5 - METALS	
	Metals - Structural
MBE	Seneca Steel
UNION/MBE	Great Lakes Iron
	Metal Panel Siding
WBE/DBE	Arrow Sheet Metal
DIVISION 6 - WOOD, PLASTIC, & COMPOSITES	
	Rough Lumber & Trim - Installation
WBE	Elitsac Lumber
	Rough Lumber & Trim - Supply
WBE	Gui's Lumber
WBE	Elitsac Lumber
DIVISION 7 - THERMAL AND MOISTURE PROTECTION	
	Foundation Waterproofing, Caulking, Membrane
UNION/WBE	FSR Contracting
	Spray Foam Contractors
WBE	United Thermal Systems
MBE/SDVOB	Kim Industries
	Firestopping Contractors
MBE/SDVOB	Kim Industries
	Sprayed Fireproofing Contractors
WBE	United Thermal Systems
Div 7	Roofing (membrane)
WBE	Jos A Sanders

Div 7	Roofing (shingle)
WBE	Besroi
MBE	Tuscarora Roofing and Siding
	Siding
WBE	Besroi
DIVISION 8 - OPENINGS	
	Doors, Frames & Hardware
WBE	Door to Door
	Aluminum Framed Entrances & Storefronts
WBE	Door 2 Door
Section3/MBE	Aurora Window Systems
MBE	Lazarus Industries
	Window Film
WBE	Healthy Glass
DIVISION 9 - FINISHES	
	Metal Furring, Drywall & ACT
Section3/MBE	D'Myles Inc.
MBE	34 Group
Section 3	Craig's Carpentry & Remodeling
Section 3/MWBE	Diversified Industries

	Painting
WBE/UNION	Colortech
MBE/WBE	Shades of Color
WBE	Ingersoll Painting
Section3	Cruz Painting and Design
Section3/MWBE	Diversified Industries
WBE	Huntress
UNION MBE	Brooks Brothers
	Ceramic/Porcelain/Quarry Tile
UNION/WBE	Heritage
SDVOB/UNION	Tiede- Zoeller
	Carpet Tile, Res Plank, VCT, Rubber, Stair Treads
UNION/WBE	Simmons/Heritage Contractor Flooring
WBE	GP Flooring
WBE	Elk Specialty Flooring
DIVISION 10 - SPECIALTIES	
	Metal Storage Lockers
UNION/WBE	Susquehanna Sheet Metal Services
WBE	KraftWerks
	Toilet, Bath, Laundry & Misc. Accessories & Mirrors
UNION/WBE	Susquehanna Sheet Metal Services
	Signage
WBE	Cooper Sign
WBE	ASI SIGNAGE
	Folding Panel Partitions
WBE	Kraftwerks
	Fire Extinguishers
WBE	Nickerson Corp
DIVISION 11 - EQUIPMENT	
	Wheelchair Lifts
MBE	Caring Environments J & H
	Gym Equipment
WBE	Nickerson Corp
WBE	KraftWerks
DIVISION 12 - FURNISHINGS	
	Office Furniture
WBE	Prentice Office Environments
WBE	KraftWerks

	Auditorium Seating
WBE	Prentice Office Environments
DIVISION 13 - SPECIAL CONSTRUCTION	
	Pre Engineered Metal Buildings
WBE/DBE	Arrow Sheet Metal
DIVISION 14 - CONVEYING EQUIPMENT	
	Conveying Equipment
WBE	DCB Elevator
DIVISION 21 - FIRE SUPPRESSION	
	Fire Suppression
MBE/DBE	RH Fire
DIVISION 22 - PLUMBING	
	Plumbing
SDVOB	Blue Cord Plumbing & HVAC
MBE	W.C. Roberson Plumbing
DIVISION 23 - HVAC	
Div 23	HVAC
MBE/WBE	United Mechanical
WBE	Heatwave Mechanical
SDVOB	Blue Cord Plumbing & HVAC
WBE	Crosby-Brownlie, Inc.
MBE	GM Mechanical HVAC LLC
WBE	Innovative Mechanical Systems

DIVISION 26 - ELECTRIC	
Div 26	Electrical
UNION/WBE	Weydman Electric, Inc.
MBE	In His Hands Electric & Lighting
SDVOB	Veteran Electrical Services
UNION/WBE	Electrical Service & Systems Installations, Inc.
WBE	Huber Electric
DIVISION 27 - COMMUNICATIONS	
	Data /Telecom
WBE	Synacom Networks
DIVISION 31 - EARTHWORK/SITEWORK	
	Site
WBE	Serafini / Dig It of NY
UNION/WBE	Scott Lawn Yard
SDVOB	Laubacker
DIVISION 32 - EXTERIOR IMPROVEMENTS	
	Landscaping
Section3	Elbers
WBE	KTG Services LLC
MBE/WBE	Hausrath's Landscape
SDVOB	North Creek Landscapes, Inc.
WBE	Napier Nursery
	Fencing & Gates
WBE	Armor Fence

PUBLIC HEARING SCRIPT

**IMA Life North America, Inc. and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on July 27, 2023 at 10:00 a.m.,
at the Town of Tonawanda, Town Board Conference Room #20, located at
2919 Delaware Avenue, Kenmore, NY 14217

ATTENDANCE:

Byron DeLuke – Montante Construction
Marco Riccioni – IMA Life North America
Hon. Joseph Emminger – Town of Tonawanda

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:04 a.m. My name is Andrew Federick. I am the Property and Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the IMA Life North America, Inc. 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 Friday, July 14, 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 700 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York and all other lands in the Town of Tonawanda where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the construction on the Land of a new office and manufacturing facility which will include 50,000 square feet of a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing and shipping of Freeze Dryers for the pharmaceutical section as well as 30,000 square-feet of

corporate office space for the North American headquarters for IMA Group as well as exterior parking, truck court and dumpster areas (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.

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

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

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

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on August 22, 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.

Good morning. My name is Byron DeLuke. I am the Executive Director of Development for Montante Construction located at 2760 Kenmore Avenue, Tonawanda NY. I am here today representing the applicant, IMA Life North America, which is seeking tax incentives to help defray the cost of a new facility to expand its operations in Tonawanda, NY. IMA Life North America is part of the IMA Group, which is headquartered in Bologna, Italy. The Company specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food, and Automation employ about 6,900 employees worldwide. Of IMA Group's global workforce, 544 individuals are based in the United States, of which 154 currently work for IMA Life out of their existing Tonawanda facility. The equipment produced in IMA Life's Tonawanda facility serves customers in both domestic and international pharmaceutical markets. The Company has twice expanded its facility. However, the existing site has no more room for growth. As a result, IMA is forced to consider relocation. After examining alternative locations in Western New York and elsewhere, IMA identified a 15-acre site within Colvin Woods Business Park right here in Tonawanda. It is IMA Life’s strong desire to remain in

Tonawanda to maintain access to its talented workforce and to ensure continuity of the business. The new facility would be approximately 80,000 square feet and include laboratory space, production space and warehouse space as well as corporate office space so as to position it to serve as the new North America headquarters for IMA Group. Given the nature of these jobs and the fact that IMA Life is competing for resources with 6 other branches of IMA Group, which are all located outside of New York State, the genuine threat is IMA Group's ability to pursue this project out-of-state. Considering this variable, the Agency's financial assistance is absolutely critical piece of the project and is necessary to move the Project forward. When the project proceeds, it will result in significant benefits. These include an approximately \$27.5 million private sector investment here in Tonawanda, dozens of short-term construction jobs, 120 retained jobs at the new facility, and the creation of 30 new jobs within two years of completion at the new facility. IMA Life importantly also intends to maintain operations out of the existing facility in Tonawanda, with an estimated 34 production employees remaining at this location. The new facility would be owned by IMA Life and would solidify the Company's long-term future here in Tonawanda.

On behalf of the Applicant, I want to express our sincere gratitude to the Agency and the Town as they consider our request for assistance. We hope to be able to work collaboratively with the ECIDA to ensure that Tonawanda, NY continues to be the best place for IMA Life to invest in new facilities and jobs thank you.

Hon. Joseph Emminger – Supervisor, Town of Tonawanda. I am here today to offer the Towns wholehearted support for this project. I am personally very familiar with IMA Life and their existing facility over at Military Road. I've gone through the facility, toured the facility a number of years ago when they were doing one of their expansions and I was very impressed not only with the facility but also with the management team that they had in place there. When this project came before the Town a few months ago I was excited while at first I was a little bit concerned because I thought they were going to be closing there Military Road facility and just moving over into Colvin Woods but, when I found out that they were keeping their existing facility and expanding into the 15 acres with a new 80,000 square foot facility with good paying jobs, were talking about 150 or so jobs over the next couple of years. Good paying jobs that will support not only the Town of Tonawanda economy but also Erie County's economy. So, it is my pleasure to give wholeheartedly support for this project and let the developer and the company know that we are here for you, we will work with you. We worked with Montante Construction on a number of projects, and they know how to reach me, and I know how to reach them and that's the way we get projects done here in the Town. This is a great project for the Town of Tonawanda. It's a great project for Erie County and we look forward to it getting underway. Thank you.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:13 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

July 27, 2023 at 10:00 a.m.
at the Town of Tonawanda, Town Board Conference Room #20, located at
2919 Delaware Avenue, Kenmore, NY 14217
regarding:

**IMA Life North America, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 700 Colvin Woods Parkway, Tonawanda, New York 14150

Name	Company and/or Address	X box to speak/ comment
Byron DeLuke	Montante Construction 2760 Kenmore Avenue Tonawanda, New York 14150	X
Marco Riccioni	IMA Life North America 2175 Military Road Tonawanda, New York 14150	
Hon. Josphe Emminger	Town of Tonawanda Supervisor 2919 Delaware Avenue Kenmore, NY 14217	X



IMA Life - Tax Incentive Application

[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	IMA Life- Colvin Woods
Project Summary	The IMA Life- Colvin Woods Project includes the development, construction and operation of an approximately 80,000 square foot new production and office facility, as well as associated parking, truck court, and dumpster areas for IMA Life North America on vacant land at Colvin Woods Business Park in the Town of Tonawanda.
Applicant Name	IMA Life North America
Applicant Address	2175 Military Rd
Applicant Address 2	
Applicant City	Tonawanda
Applicant State	New York
Applicant Zip	14150
Phone	(716) 695-6354
Fax	
E-mail	Marco.Riccioni@ima.it
Website	https://ima.it/pharma/brands/ima-life/
NAICS Code	333993

Business Organization

Type of Business

Corporation

Year Established

2005

State

Delaware

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 County Certified

Individual Completing Application

Name Byron DeLuke
Title Ex Director
Address 2760 Kenmore Ave
Address 2
City Tonawanda
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 No
Name Marco Riccioni
Title Assistant Treasurer and Assistant Secretary
Address 2175 Military Rd
Address 2
City Tonawanda
State New York
Zip 14150
Phone (716) 695-6354
Fax
E-Mail Marco.Riccioni@ima.it

Company Counsel

Name of Attorney Vince Hanley
Firm Name Bond Schoeneck & King
Address 200 Delaware Ave
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 416-7022
Fax (716) 416-7322
E-Mail Vhanley@bsk.com

Benefits Requested (select all that apply).

Exemption from Sales Tax Yes
Exemption from Mortgage Tax No

Exemption from Real Property Tax Yes

Tax Exempt Financing* No

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

Applicant Business Description

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

IMA Life North America is located in Tonawanda, NY. The Company is part of the IMA Group, which is headquartered in Bologna, Italy. There is an attachment submitted as part of this application, which includes a more detailed overview of the Company ownership structure. IMA specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food and Automation, closed the year 2022 with consolidated revenue of \$2.1 billion dollars while employing about 6,900 employees worldwide. Of IMA Group's global workforce, 544 are based in the USA. IMA Life NA has a total of 171 employees of which 154 are based in the existing Tonawanda facility. IMA acquired the former Edwards- Freeze Drying Division in 2008. Edwards Freeze Drying Division was started in Grand Island, NY in 1984 to produce freeze dryer equipment primarily designed for the pharmaceutical industry and moved into the existing Tonawanda facility in 1986. The freeze-drying process is a method to preserve delicate pharmaceutical substances like biological product, vaccines, small molecules like antibiotics, and blood fractions. Today, thanks to the dedication and contribution of our employees, IMA Life NA ranks among the most respected companies worldwide for the production of freeze-drying equipment. The equipment produced in IMA Life NA's Tonawanda facility serves customers in both domestic and international pharmaceutical markets. IMA Life NA has twice expanded its production and office space at the existing facility and has now utilized all the land available. No further expansions are possible at the existing location; however, the growing business needs additional space. To maintain the availability of the unique skills of our employees and to ensure continuity of the business, it is IMA Life NA's desire to remain in the Tonawanda area. As a result, IMA Life NA is pursuing the new facility at 700 Colvin Woods Parkway, which is the subject of this application. The new facility will consist of office area and production space to serve the highest demand for supply of freeze dryers by the pharmaceutical industry. If the Project moves forward, IMA Life NA is planning to operate both facilities, the existing location and the new one at 700 Colvin Woods Parkway. The new building would be owned by IMA Life NA. IMA Life NA would expect to increase its workforce proportionally to the business growth enabled by the new facility. See the IMA Life NA timeline attached to this application for an overview of the Company's history.

Estimated % of sales within Erie County 1 %

Estimated % of sales outside Erie County but within New York State 5 %

Estimated % of sales outside New York State but within the U.S. 65 %

Estimated % of sales outside the U.S. 29 %

(*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?

16

Describe vendors within Erie County for major purchases

Total vendor in 2022 (excluding employees) \$79.9MM and in Erie County \$13.0MM. The percentage will increase considering the proposed project to around 28% from the current 16%. Major vendors within Erie County include: Amherst Stainless Fabrication LLC, Goergen-Mackwirth Co., Inc., Allied Circuits, Inc., Coverco, Inc., AP Professionals of WNY, A&F Wholesale, Sean & Design Div., John J. Bonafacio, and Robert James Sales Inc.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

700 Colvin Woods Pkwy

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Tonawanda Public Schools

Current Address (if different)

2175 Military Rd

Current Town/City/Village of Project Site (if different)**SBL Number(s) for proposed Project**

53.14-3-1.1

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

0

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

Land

\$ 6,255,600

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 proposed 15-acre parcel located at 700 Colvin Woods Pkwy is currently vacant land, owned by Elmlawn Cemetery and Crematory Inc. However, it is in the process of being acquired by Ciminelli Properties LLC. Ciminelli, on behalf of the Cemetery, secured minor subdivision approval to create the parcel from the Tonawanda Town Board at the meeting held on March 14, 2023. The Cemetery has also received approval from the New York State Cemetery Board to sell the Site to Ciminelli. IMA Life NA has an executed Purchase and Sale Agreement for the parcel with Ciminelli. After Ciminelli acquires the parcel from the Cemetery, IMA Life NA will acquire the parcel from Ciminelli. Montante will manage construction for IMA Life NA.

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 construction of a new office and manufacturing facility for IMA Life NA at Colvin Woods Business Park in Tonawanda NY. The Company is a leader in the field of aseptic and pharmaceutical equipment and a major supplier of equipment to the leading pharmaceutical companies like Pfizer, Merck, Eli Lilly, and Abbott. The equipment produced in IMA's Tonawanda facility is sold directly to businesses in both domestic and international pharmaceutical markets. IMA Life currently employs 154 FTE at an existing facility on Military Rd in Tonawanda, NY. It has expanded its capacity at this existing site through two new buildings; however, it has now utilized all the land space available and no further expansions are possible at this location. The Company leases the existing facility from Uniland Development Company and will continue to operate out of this existing facility after completion of the Project. IMA Life NA will utilize the new facility to expand its operations in Western New York. The new facility will include a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing, and shipping of Freeze Dryers for the pharmaceutical sector. It will also include corporate office space and be positioned to serve as the North America headquarters for IMA Group. The Project will include 50,000 square feet of production space and 30,000 square feet of office space, as well as exterior parking, truck court, and dumpster areas. Upon completion of the Project, 120 existing FTE will move to the new building, leaving 34 FTE at the existing site. IMA will also hire an additional 30 new FTE, bringing the total FTE at the new facility to 150 within two years of its completion.

Municipality or Municipalities of current operations

Tonawanda

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

Yes

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

No

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

No

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

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

Yes

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

The IMA Group owns 6 other companies together with IMA Life NA in the United States. All 6 of these companies are outside of New York State. IMA Group is in need of a flagship corporate office and IMA Life NA is competing with these other locations. This project will enable IMA Life NA to remain and grow its business here in Tonawanda, NY.

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

Yes

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

IMA Life NA has been contacted by Empire State Development regarding an Incentive Proposal for the project.

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)

IMA Life NA has reached an important milestone for growth and is forced to consider relocating from their existing facilities. After examining alternative campus locations in New York and other states, IMA Life NA identified a 15-acre site within Colvin Woods Business Park in Tonawanda, NY. The Project will result in the relocation of some manufacturing and all office needs to the new facility, while accommodating for future growth. The new facility will also include the creation of new corporate offices in Tonawanda, NY. This will improve operating efficiencies and provide greater support to those managers and executives affected by the current space shortage and shuffling of space and personnel. It will put the Tonawanda facility in position to grow into the North American headquarters for the IMA Group. Given the nature of these jobs and the fact that IMA Life NA is competing for resources with 6 other companies located outside of New York State, the genuine threat to New York State and WNY is IMA Group's ability to pursue this project out-of-state. In light of this variable, IMA Life NA hopes to be able to work collaboratively with the ECIDA to ensure that Tonawanda, NY continues to be the best place to invest in new facilities and jobs. The requested incentives are a critical piece of the capital stack for the project and are necessary to move forward. Should the Project not move forward, it will result in a loss of approximately \$27.5 million investment, dozens of short-term construction-related jobs, and threaten the long term viability of 154 existing FTE.

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?

IMA Life NA has a total of 154 FTE that would be at risk if the project does not receive assistance and moves on in another State where the Applicant's Owner has other facilities. The region will also lose an approximately \$27.5 million investment and the creation of 30 new FTE.

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 1/2 Mile away from NFTA Bus Route 11, which is readily accessible from Colvin Blvd.

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

No

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

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

August 2023

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

Yes

Describe the present zoning/land use

Presently the site is zoned B- 2nd Residential District and operates under a Special Use District dated 2004. All proposed uses are allowed as of right under the terms of the existing Special Use District Permit.

Describe required zoning/land use, if different

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

The Project site is in the process of being rezoned. The Town of Tonawanda Planning Board has recommended that the site be zoned Performance Standards District. The Town of Tonawanda Town Board is currently considering this recommendation. All proposed uses are allowed as of right under the Performance Standards District once site plan, subdivision, and performance standards review are complete.

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >
Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

10/2/2023

End date : Estimated completion date of project

10/25/2024

Project occupancy : estimated starting date of occupancy

11/11/2024

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 2,285,100 square feet 15 acres

2.) New Building Construction

\$ 16,853,019 80,000 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 4,000,000

6.) Infrastructure Work

\$ 0

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

\$ 1,000,000

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

\$ 3,418,060

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 27,556,179

Construction Cost Breakdown:

Total Cost of Construction \$ 16,853,019 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials \$ 8,426,509

% sourced in Erie County 75%

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 \$ 9,426,509

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 824,819

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

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

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

If Yes, describe particulars: A percentage of soft costs related to due diligence, environmental studies, architecture, engineering, and project management has been incurred to advance the project through design and approvals.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 26,428,736

Bank Financing: \$ 0

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

Taxable Bond Issuance (if applicable): \$ 0

Public Sources (Include sum total of all state and federal grants and tax credits): \$ 1,127,443

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

Total Sources of Funds for Project Costs: \$27,556,179

Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing). 0

Lender Name, if Known

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

Real Property Tax Benefit:

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

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

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

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

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

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	120	120	30	30
Part time	0	0	0	0
Total	120	120	30	

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	8	\$ 175,428	\$ 66,693	0	\$ 0	\$ 0
Professional	60	\$ 88,612	\$ 17,034	0	\$ 0	\$ 0
Administrative	45	\$ 89,047	\$ 19,452	0	\$ 0	\$ 0
Production	37	\$ 63,605	\$ 12,066	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	150			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	2175 Military Rd., Tonawanda NY 14150		
Full time	154	0	0
Part time	0	0	0
Total	154	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

12,405,821

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

82,705

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

0

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

72,293

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

0

Estimated salary range of jobs to be created

From (Full Time)	60,760	To (Full Time)	87,315
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

700 Colvin Woods Pkwy, Tonawanda, NY 14150

Name and Address of Owner of Premises

IMA Life North America, 2175 Military Rd, Tonawanda, NY 14150

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

The Project is being constructed on vacant land that has been cleared and is dominated by small woody shrub and grasses.

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 natural topography will require some site work and grading, but the land is generally flat. No environmentally sensitive features exist and the site plan is designed to adhere to requirements for landscaped areas.

Describe all known former uses of the Premises

The site is vacant land and no previous uses are known. Historical aerial photographs show that the site has been undeveloped vacant land since 1938.

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

The parcel is currently owned by Elmlawn Cemetery and Crematory Inc.,

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?

Single Use Facility

For Single Use Facility

Occupant Name IMA Life North America
Address 2175 Military Rd Tonawanda, NY 14150
Contact Person Marco Riccioni
Phone (716) 695-6354
Fax
E-Mail Marco.Riccioni@ima.it
Federal ID #
SIC/NAICS Code

SS

Section VI: Retail Determination

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

Please answer the following:

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

No

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

Section VII: Adaptive Reuse Projects

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

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

No

Section VIII: Inter-Municipal Move Determination

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

Current Address

2175 Military Rd

City/Town

Tonawanda

State

New York

Zip Code

14150

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

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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

No

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

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

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

Section IX: Senior Housing

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

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

No

Section X: Tax Exempt Bonds

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

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

No



MEMORANDUM
September 27, 2023

ECIDA Board of Directors

Life Technologies Corporation– Local Labor Waiver Request

Project Background:

In December of 2020, the ECIDA Board approved incentives for Life Technologies Corporation, a subsidiary of Thermo Fisher Scientific (the “Company”), which proposed the construction of a 50,000 sq. ft. addition to the company’s existing facility located in the Town of Grand Island, NY. A condition of the approval which included a PILOT and sales tax benefits requires adherence to the ECIDA Local Labor Policy and its specific requirement that “[a]t least 90% of all Project employees of the general contractor, subcontractor, or subcontractor to a subcontractor (collectively, the “Workers”) working on the Project Site must reside within the Local Labor Area.”¹

Local Labor Waiver Request:

To date, Life Technologies has reported a combined quarterly total of 879 out of 996 contractors residing in the Local Labor Area, representing a utilization of 88.3% Local Labor for Phase I of the Project’s construction (see chart). The convergence of warranty restrictions, specialized construction demands, and the resource limitations imposed by the Covid-19 pandemic significantly influenced the project’s labor selection process. The necessity for non-local labor resources was supported by both the distinctive nature of the required expertise and the challenges posed by the pandemic on labor availability and supply chains.

Policy Discussion:

The Local Labor Policy contains a provision that permits the ECIDA to grant a waiver from the Local Labor Policy’s 90% requirement under certain circumstances as so stated, below:

It is understood that at certain times, Workers residing within the Local Labor Area may not be available with respect to a Project. Under this condition, the Company is required to contact the Agency to request a waiver of the Local Labor Requirement (the “Local Labor Waiver Request”) based on the following circumstances: (i) warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers; (ii) specialized construction for which qualified Local Labor Area Workers are not available; or (iii) documented lack of Workers meeting the Local

¹ The Local Labor Area includes the counties of Erie, Niagara, Chautauqua, Cattaraugus, Allegany, Wyoming, Genesee, and Orleans.

Labor Area requirement. The Agency shall evaluate the Local Labor Waiver Request and make its determination related thereto based upon the supporting documentation received with such waiver request.

Life Technologies has provided documentation outlining the reasoning for the waiver request.

Requested Action:

The Company is seeking a waiver from the Local Labor Policy 90% requirement for the project.

Based upon the information provided by the Company as described herein, the Company's request for a waiver from the Local Labor Policy 90% requirement falls under the three permitted circumstances warranting a waiver from the Local Labor Requirement, being circumstances related to: (i) warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers; (ii) specialized construction for which qualified Local Labor Area Workers are not available; and (iii) documented lack of Workers meeting the Local Labor Area requirement.



Life Technologies Corporation
 Quarterly Local Labor Survey Results Chart

Quarter	Total Labor	Total Labor in Area	Total Labor Out of Area	% in Area	% Out of Area	YTD % in Compliance
2021 Q1	104	102	2	98.1%	1.9%	98.1%
2021 Q2	173	172	1	99.4%	0.6%	98.9%
2021 Q3	216	190	26	88.0%	12.0%	94.1%
2021 Q4	141	128	13	90.8%	9.2%	93.4%
2022 Q1	21	9	12	42.9%	57.1%	91.8%
2022 Q2	156	121	35	77.6%	22.4%	89.0%
2022 Q3	71	54	17	76.1%	23.9%	88.0%
2022 Q4	81	71	10	87.7%	12.3%	88.0%
2023 Q1	33	32	1	97.0%	3.0%	88.3%

Total Labor to Date (In Area)	879
Total Labor to date (Out of Area)	117
Total Labor to Date	996

**LOCAL LABOR
VERIFIED EXEMPTION REQUEST**

*Applicant Name: Life Technologies Corporation, a Subsidiary of Thermo Fisher Scientific, Inc.

Contact: Mary McCormick

Phone (B): 716 464-0464

Phone (cell): N/A

Fax: N/A

e-mail: Mary.McCormick@thermofisher.com

Local Labor Defined

Local Labor is defined as individuals residing in Erie County, Niagara County, Chautauqua County, Cattaraugus County, Allegany County, Wyoming County, Genesee County, and Orleans County (collectively, the "Local Labor Area").

Local Labor Requirement

At least 90% of all Project employees of the general contractor, subcontractor, or subcontractor to a subcontractor (collectively, the "Workers") working on the Project Site must reside within the Local Labor Area. Companies do not have to be local companies as defined herein, but must employ local Workers residing within the Local Labor Area to qualify under the 90% local labor criteria.

It is understood that at certain times, Workers residing within the Local Labor Area may not be available with respect to a Project. Under this condition, the Company is required to contact the Agency to request a waiver of the Local Labor Requirement (the "Local Labor Waiver Request") based on the following circumstances: (i) warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers; (ii) specialized construction for which qualified Local Labor Area Workers are not available; or (iii) documented lack of Workers meeting the Local Labor Area requirement. The Agency shall evaluate the Local Labor Waiver Request and make its determination related thereto based upon the supporting documentation received with such waiver request.

Pursuant to the Local Labor Policy below are provisions outlining the categories of exemption.

REASON FOR REQUEST: (Attach additional sheets if necessary)

Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation action by only approved installers - **EXPLAIN** Please see attached.

Specialized construction in which a local contractor is not available - **EXPLAIN** Please see attached.

No local labor available for the project - **EXPLAIN** Please see attached.

*Applicant Signature: Michael K Michael

Date: July 24, 2023

Number of Workers Needing Verified Exemption (s): 117

Total number of workers on job site: 996

Send Completed Form to:

ECIDA - Attn: Soma Hawramee, Compliance Portfolio Manager
95 Perry Street, Suite 403
Buffalo, New York 14203

*only applicants may submit verified exemption requests

Life Technologies Corporation, a Subsidiary of Thermo Fisher Scientific, Inc.
ECIDA Project ID: 10564
LOCAL LABOR - VERIFIED EXEMPTION REQUEST

I. Company and Project Background

Pursuant to a resolution duly adopted on December 16, 2020, Life Technologies Corporation, a Subsidiary of Thermo Fisher Scientific, Inc. (the "Company"), was appointed as an agent of the Erie County Industrial Development Agency ("ECIDA") for purposes of undertaking an expansion project at the Company's 3175 Staley Rd, Grand Island, NY 14072 facility (the "Project"). As a condition of this appointment, the Company agreed to create 60 net new jobs, and invest at least \$76,500,000. As an appointed agent of the ECIDA, the Company is eligible to participate in a Payment-in-Lieu of Taxes ("PILOT") agreement and received an exemption of Sales Tax on certain purchases related to the Project.

The Life Technologies Corporation brand is one of the premier global suppliers of cell culture products. Cell culture products manufactured at the Grand Island facility are used for a wide variety of applications in basic and applied life sciences research and in medical, diagnostic, therapeutic, and large-scale industrial biotechnology applications. Such applications include research into biological processes, cellular nutrition and genetic analyses, Covid-19 research, cancer research, AIDS research, and genetically engineered pharmaceutical drug manufacturing. The Company's intention in undertaking the Project was to expand the footprint of its existing manufacturing facility and increase production to meet growing customer demand.

Since the cell culture products manufactured at the Grand Island facility are a critical component of Covid-19 research, the Project's goal was to expand the facility's production capacity to support Operation Warp Speed. Operation Warp Speed was the federal government's initiative accelerating the development, manufacturing, and distribution of vaccines and other therapeutics to treat Covid-19 through public-private partnerships. Operation Warp Speed required that the Project be completed on an expedited timeframe to meet the nation's critical response efforts. With the accelerated timeline as its mandate the Company began the construction bid process for the Project.

II. Reason for Request

As an appointed agent of the ECIDA, the Company must meet certain requirements. One such requirement states that at least 90% of all general contractor, subcontractor, or subcontractor employees to a subcontractor working at the Project Site during the construction phase be comprised of "Local Labor". *Local Labor* is defined as individuals residing in Erie County, Niagara County, Chautauqua County, Cattaraugus County, Allegany County, Wyoming County, Genesee County, and Orleans County (collectively, the "Local Labor Area"). To date, the Company has reported a combined quarterly total of 879 out of 996 contractors as residing in the Local Labor Area, representing a utilization of 88.3% Local Labor for Phase I of the Project's construction. It is anticipated that the construction of the smaller Phase II of the Project, which is currently out to bid, will utilize Local Labor for its General Contractor.

The Company has undertaken its best efforts to meet the Local Labor target in its agreement with the ECIDA, however the circumstances prevented the Company from finding enough qualified labor inside the designated Local Labor Area. Local Labor was utilized where available for the level of skilled/complex work, schedule of completion, and availability of workforce allowed. Invitations to bid were submitted to multiple parties for each of the Project's discrete construction packages. As part of the bid solicitation process, the company's general contractor would review the subcontractor's capabilities, work history, ability to meet the project schedule, and history of meeting timelines and performing similar work successfully. Most of the bid process occurred in early 2021 and was impacted due to Covid, as many local subcontractors that were asked to bid on the project were unable to provide services due to a lack of available personnel and inability to meet project scope & timeline.

The Company respectfully requests the ECIDA's consideration of its Local Labor Waiver Request for the reasons stated below:

Warranty Restrictions

The majority of Project labor from outside of the Local Labor Area was related to the construction of the facility's roof because warranty requirements allowed for only GAF Certified vendors to be utilized to perform this work. The Company received significantly fewer responses than anticipated through its bid process for roofing vendors, due to the impacts of Covid-19 limiting vendor's ability to supply enough workforce to complete the job. Of the responses received, one was in Western New York and the remaining two were located outside of the Local Labor Area. The vendor located in Western New York was unable to do the work because they couldn't meet Operation Warp Speed's project timeline due to a lack of resources resulting from the Covid-19 Pandemic. Therefore, the Company was required to select a GAF Certified vendor from outside of the Local Labor Area to complete the Project. The vendor chosen is a GAF Certified President's Club member. Approximately 40 contractors (4% of all 996 contractors) were related to this construction.

Specialized Construction

The Project also contained multiple construction packages that required specialized construction for which local labor was not available. For example, approximately 11 contractors (1.1% of all 996 contractors) were related to the construction and installation of a modular cleanrooms. An important part of any life science related production, cleanrooms are environmentally controlled spaces that maintain a very low concentration of airborne particulates to prevent contamination. Modular cleanroom installations are typically highly specialized which limits those that can install them. The construction and installation of cleanrooms are generally undertaken by a small number of qualified providers nationwide. The Company was not able to identify a vendor from within the Local Labor Area to complete this work, and therefore had to utilize vendors from outside of the Local Labor Area.

Another highly specialized construction package was related to the shipment and rigging of Project equipment. Approximately 11 contractors (1.1% of all 996 contractors) were related to the transport, rigging, and installation of project equipment. The equipment manufacturer for the onsite blenders required the use of this particular vendor.

Lack of Local Labor Available for Project

Lastly, the Project was also severely impacted by resource constraints brought on by the Covid-19 pandemic. Although the Company provided its general contractor with a list of preferred local vendors with which the Company had a positive work history, these resource constraints necessitated that the Company look outside of the local area to find labor to meet its project requirements. At the time that the Company placed many of these construction packages out to bid in early 2021, there were a number of concerns regarding labor shortages and supply chain issues. Generally, for each construction package placed out to bid, the Company's general contractor only received on average between one and three bids. Under traditional circumstances, the Company would expect to receive closer to nine bids per construction package. The Company received so few responses that it reached out to these specific local vendors to request that they bid on portions of the project. These limitations on the overall labor pool significantly impacted the company's ability to identify and contract with local vendors to provide steel for the Project and the chemical treatment of the facilities flooring.

Life science manufacturing facilities require floor surfaces that are specially treated to be chemical resistant, easily sanitized for hygienic reasons, and able to withstand abrasive wear and tear. Approximately 26 contractors (2.6% of all 996 contractors) were related to the installation and chemical treatment of the Project sites flooring. For this particular construction package, the Company only received two bids, one from a local vendor and the other from a vendor outside of the Local Labor Area. It should be noted, the Company anticipated receiving six to seven bids for this aspect of the project. Because of the size and scale of the Project, the Company required 25,000 Sq. Ft. of resilient flooring, the local vendor placing the bid was not capable of fulfilling the scope within the required timeline. This was in large part due to constraints on the availability of local labor.

Similarly, concerns regarding labor availability and supply chain shortages also played a significant factor in the selection of a structural steel vendor. Approximately 23 contractors (2.3% of all 996 contractors) were related to the construction of structural steel and other miscellaneous steel projects. As with many other aspects of the Project, the Company received fewer than the anticipated number of bids. Of the three bids received two were from vendors located in Western New York, and one was from a vendor located outside of the state.

The local vendors bidding on the construction package related to structural and other miscellaneous steel were not able to provide the Company a level of assurance that supply chain and labor shortages would not cause undue delay on the Project. As previously stated, this Project was in support of Operation Warp Speed and therefore had an accelerated project schedule. Therefore, the company selected the steel vendor located outside of New York. This vendor was selected because of they could guarantee their supply chain and labor would not impact project delivery schedule.

III. Conclusion

As of the First Quarter 2023, the Company has utilized approximately 88.3% local labor for the expansion of its facility. The company estimates that of the 11.7% nonlocal labor utilized, 4% is related to Warranty Issues; 2.2% are related to Specialized Construction, and 4.9% (11.1% in total) are related to an overall lack of local labor. The stringent regulatory environment in which life science manufacturing facilities operate requires highly skilled contractors and subcontractors which can make it difficult for those unfamiliar with the industry to meet the necessary standards. This, coupled with the restrictive labor market brought on by the Covid pandemic, has caused the Company to seek service providers from outside the local labor base. It is for these above stated reasons that the Company respectfully requests that the ECIDA's consideration of its Local Labor Waiver Request. The Company remains committed to its partnership with the Erie County Industrial Development Agency and hope you will consider our request.

**Life Technologies Corporation- West Expansion
\$90,000,000
INDUCEMENT RESOLUTION**

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 3254
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$2,187,500 in sales tax savings • Approximately \$226,000 in real property tax savings
EMPLOYMENT
<ul style="list-style-type: none"> • Current Jobs - 818 • Projected New Jobs - 60 • Total Jobs After Project Completion: 878 • Annual payroll: \$52,400,000 • Estimated salary of jobs to be created: \$45,875 • Estimated salary of jobs to be retained: \$59,940
PROJECT HISTORY
<ul style="list-style-type: none"> • 11/24/2020 - Public hearing held. • 12/16/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 12/16/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Life Technologies Corporation-West Expansion (subsidiary of Thermo Fisher Scientific, Inc.)

Project Address: 3175 Staley Road
Grand Island, New York 14072
(Grand Island Central School District)

Agency Request

A sales tax and real property tax exemption in connection with the construction of a 50,000 sq. ft. addition to the company's existing facility.

New Building Addition	\$36,200,000
Renovations	\$ 7,200,000
Manufacturing Equipment	\$25,000,000
Non-Manufacturing Equipment	\$ 500,000
Soft Costs/Other	\$21,100,000
Total Project Cost	\$90,000,000
 85%	 \$76,500,000

Company Description

Life Technologies, formerly known as Grand Island Biological was established in 1962 in Grand Island. Over the decades the company has undergone ownership changes including in November, 2008 when Life Technologies was created from the merger of Invitrogen Corporation and Applied Biosystems, Inc. In 2014, the acquisition of Life Technologies by Thermo Fisher Scientific, Inc. was completed, with Life Technologies Corporation remaining as a corporation and becoming part of the Life Sciences Solutions Group of Thermo Fisher Scientific.

The company is one of the premier global suppliers of cell culture products. These products are used for a wide variety of applications in basic and applied life sciences research and in medical, diagnostic, therapeutic, and large scale industrial biotechnology applications.

52% of the company's sales are to customers located outside of New York State and 45% outside the United States.

Project Description

Life Technologies' current facility in Grand Island is approximately 300,000 sq. ft. The proposed expansion project would increase the company's footprint by 50,000 sq. ft. The new facility will be utilized for the production of liquid animal origin free (AOF) products.

Along with the purchase of approximately \$25M of manufacturing equipment, the company will also be making improvements to 12,000 sq. ft. of existing space.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-year abatement period	Additional Local Revenue over 10-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$1,000,000	\$11,700	\$48,000	\$28,600
Combined Tax Rate: \$28.16				

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 = \$90,000,000 85% = \$76,500,000
Employment	Coincides with 10-year PILOT	Maintain base: 818 Create 85% of Projected Projected = 60 85% = 51 Recapture Employment = 869
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	Coincides with 10-year PILOT	Real Property Taxes and State and Local Sales Taxes

Recapture applies to:
State and Local Sales Taxes
Real Property Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 818 FTE and created an additional 60 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION**

Life Technologies Corporation – Use of Local Labor Waiver

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, September 27, 2023 at 12:00 p.m.

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

**RESOLUTION AUTHORIZING A WAIVER OF THE LOCAL LABOR
WORKFORCE CERTIFICATION POLICY AS APPLICABLE TO THE LIFE
TECHNOLOGIES CORPORATION**

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, on December 16, 2020, the Agency authorized the provision of certain financial assistance to Life Technologies Corporation (“Life Technologies”) in the form of a real property tax abatement and a sales and use tax exemption benefit (the “Life Technologies Financial Assistance”) with respect to Life Technologies’ application for financial assistance submitted to the Agency for its project (the “Life Technologies Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in an approximately 1 +/- acre parcel of land located 3175 Staley Road, Town of Grand Island, Erie County, New York (the “Land”); (ii) the construction and equipping of a manufacturing facility addition totaling 50,000+/- SF to the existing manufacturing plant for the production of animal origin free (“AOF”) and Advanced Granulation Technology (“AGT”) products and reconfiguration of existing space (the “Improvements”); and (iii) the acquisition and installation by Life Technologies in and around the Land and Improvements of certain items of machinery, equipment and other related personal property (collectively, the “Equipment” and, collectively with the Land and the Improvements, the “Facility”); and

WHEREAS, as a condition precedent of receiving the Life Technologies Financial Assistance, the Agency required that Life Technologies comply with and adhere to the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period of the Life Technologies Project; and

WHEREAS, adherence to the Local Labor Workforce Certification Policy was memorialized in that certain Agent and Financial Assistance Project Agreement dated as of February 9, 2021, by and between the Agency and Life Technologies; and

WHEREAS, the Local Labor Workforce Certification Policy requires that at least 90% of all project employees of the general contractor, subcontractor, or subcontractor to a subcontractor

(collectively, the “Workers”) working on the Life Technologies Project must reside within the Local Labor Area consisting of the counties of Erie, Niagara, Chautauqua, Cattaraugus, Allegany, Wyoming, Genesee, and Orleans (the “Local Labor Area”); and

WHEREAS, the Local Labor Workforce Certification Policy recognizes that at certain times, Workers residing within the Local Labor Area may not be available and under this condition, Life Technologies is permitted to request a waiver from the Local Labor Area based upon the following circumstances: (i) warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers, (ii) specialized construction for which qualified Local Labor Area Workers are not available, or (iii) documented lack of Workers meeting the Local Labor Area requirement; and

WHEREAS, on July 24, 2023, Life Technologies provided written correspondence to the Agency (the “Life Technologies Correspondence”) informing the Agency that the Life Technologies general contractor has had difficulty meeting the 90% local labor workforce requirement, describing its good faith efforts to identify and employ local laborers, confirming that the Company has reported a combined quarterly total of 88.3% local labor rate, and requesting that the Agency grant a waiver from the Local Labor Policy due to: (i) warranty requirements obligating Life Technologies to utilize GAF Certified roofing contractors, where the only local GAF Certified RFP respondent for the roofing work was not able to complete work on the Life Technologies Project due to COVID-19 related staffing issues; (ii); demonstrated lack of availability of local labor area candidates due to the impacts of the COVID-19 pandemic; (iii) the lack of local specialized labor required for certain portions of the construction; and (iv) the expedited construction timeframes prescribed by Operation Warp Speed, the federal government’s initiative to accelerate the development, manufacturing and distribution of vaccines and other therapeutics to treat COVID-19, disqualifying otherwise qualified candidates due to labor shortages arising out of the COVID-19 pandemic; and

WHEREAS, on September 14, 2023, the Agency’s Policy Committee reviewed and discussed the Life Technologies Correspondence and the Life Technologies request for a waiver from the Local Labor Policy 90% requirement, said waiver request fitting within all three permitted circumstances warranting a waiver from the Local Labor Requirement, being (i) warranty issues related to installation of specialized equipment or materials whereby the manufacture requires installation by only approved installers, (ii) specialized construction for which qualified Local Labor Area Workers are not available, and (iii) documented lack of workers meeting the Local Labor Area requirement; and

WHEREAS, at such meeting, the Policy Committee unanimously resolved to recommend that the Agency grant the requested waiver as herein described.

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

Section 1. The Agency finds that Life Technologies is requesting that the Agency grant a waiver from the Agency’s Local Labor Workforce Certification Policy based on all three permissible exceptions to the use of local labor, being: (i) warranty issues related to installation of specialized equipment or materials whereby the manufacture requires installation by only

approved installers, (ii) specialized construction for which qualified Local Labor Area Workers are not available, and (iii) documented lack of workers meeting the Local Labor Area requirement.

Section 2. Based upon representations and materials provided by Life Technologies, Agency staff review and consideration of same, and the Policy’s Committee recommendation to grant the Local Labor Area Policy waiver, the Agency confirms: (i) the existence of warranty issues relative to the construction of the roof; (ii) the lack of local construction workers specialized in the construction of modular clean rooms, a component part of the Life Technologies Project; and (iii) that Life Technologies has documented a lack of local workers meeting the Local Labor Area requirement.

Section 3. The Agency hereby approves of the Life Technologies request for a waiver of the Local Labor Area Policy as herein described based on (i) warranty issues related to installation of specialized equipment or materials whereby the manufacture requires installation by only approved installers, (ii) specialized construction for which qualified Local Labor Area Workers are not available, and (iii) documented lack of workers meeting the Local Labor Area requirement.

Section 4. This resolution shall take effect immediately.

Dated: September 27, 2023



**ECIDA & RDC Board of Directors
Monthly Meeting Schedule - 2024
4th Wednesday of the Month except for November & December
at 12:00 p.m.**

January 24

February 28

March 27

April 24 (Annual Meeting)

May 22

June 26

July 24

August 28

September 25

October 23

November 20

December 18