

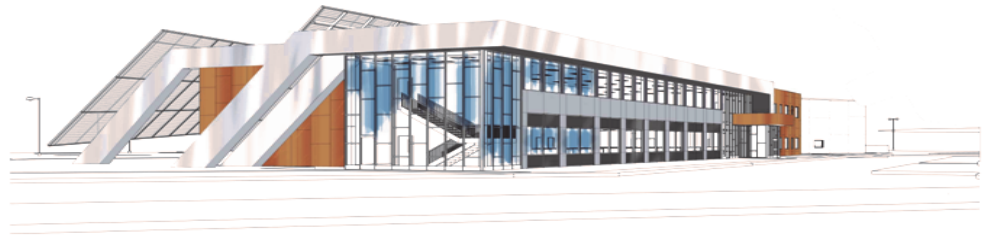
555 Riverwalk Parkway, LLC /TM Montante Development or an entity to be formed
\$10,628,000
INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **53 - real estate**

COMPANY INCENTIVES

- An estimated \$2,250,000 in tax credits through New York State's Excelsior Jobs Program. This investment in FTN by New York State is expected to return \$22 million of investment in the Buffalo Niagara region and will generate more new wages to spur local economic growth plus guaranteed job retention.
- Real property tax savings of approximately \$1,634,000. The company is eligible for the Agency's 10-year enhanced PILOT
- Sales tax savings of approximately \$352,000
- Mortgage recording tax savings equal to 1% of final mortgage amount



Project Title: 555 Riverwalk Parkway, LLC/TM Montante Development or an entity to be formed

Project Address: 555 Riverwalk Parkway
 Tonawanda, New York 14150
 (Kenmore-Town of Tonawanda Union Free School District)

SIC/NAICS: 6513/531110

Agency Request

A sales tax, mortgage tax and a real property tax exemption in connection with the construction of an approximately 88,000 sq. ft. facility.

Land Acquisition	\$ 770,000
New Building Construction	8,450,000
Soft Costs	888,100
Other (solar panels)	520,000
 Total Project Cost	 \$10,628,000

Company Description

TM Montante Development is a LEED accredited full service commercial developer of real estate and solar energy products. The company provides clients with a range of real estate and solar services including architectural design, construction, solar panel installation, property management, solar market entry solutions, financing and consulting. All of the company's services are provided to companies located in New York State.

Project Description

FTN is a worldwide freight forwarding services provider and subsidiary of FedEx Corp. FTN is a leading provider of full service customs brokerage, global ocean and air cargo distribution, North American transportation and other value added services involved in shipping goods.

In 2012, after receiving approval for the Excelsior Jobs Program from Empire State Development, and in anticipation of IDA assistance, FTN announced that New York State was the front runner for their "campus" project site search. The decision to expand in Western New York came after the company investigated sites both in Indiana and Tennessee. The company is headquartered in Memphis.

The developer is proposing to construct a new 88,000 sq. ft. facility on 14 acres in the Riverview Solar Technology Park for lease to FedEx Trade Networks Transportation and Brokerage, Inc. ("FTN").

The company has outgrown their current space on Ensminger Road which houses their offices and Kenmore Avenue where they lease warehouse space. Both of these locations are in the Town of Tonawanda.

555 Riverwalk Parkway, LLC /TM Montante Development or an entity to be formed

The new facility being constructed by Mr. Montante will consist of 88,000 sq. ft.; 33,000 sq. ft. will be devoted to office space and 55,000 sq. ft. to warehouse. The project will pursue Silver LEED certification and will incorporate a new form of solar; Building Integrated Photovoltaic (BIPV) that over the term of the lease will offset approximately 1 million kWh of fossil fuel based electricity. This is equivalent to consuming 80,000 gallons of gasoline.

FedEx has been approved by Empire State Development Corp. for the Excelsior Job Program which will provide Jobs Tax Credits, Investment Tax Credits, Research and Development Tax Credits as well as a Real Property Tax Credit.

It is anticipated the project will be completed in the first quarter of 2014.

Project Benefits

The company has 600 jobs in the region . The project will retain 168 jobs at the project location and will create 82 additional jobs.

Impact on Taxes

Current yearly taxes	Estimated New Assessed Value	Additional Revenue to taxing jurisdictions over 10-year PILOT period	Full taxes in first year after abatement period expires
\$0	\$1,985,750	\$104,282	\$173,812
Combined Tax Rate: \$87.53			

* New assessment is determined by taking 50% of construction budget and applying equalization rate.

Project Incentives

An estimated \$2,250,000 in tax credits through New York State's Excelsior Jobs Program. This investment in FTN by New York State is expected to return \$22 million of investment in the Buffalo Niagara region and will generate more new wages to spur local economic growth plus guaranteed job retention.

- Real property tax savings of approximately \$1,634,000
- Sales tax savings of approximately \$352,000
- Mortgage recording tax savings equal to 1% of final mortgage amount

Employment

<u>Regional Current</u> 600	<u>Regional Retained Jobs</u> 600	<u>Regional Year 2</u> 682
<u>Project Location Upon Completion</u> 168		<u>Year 2 (Project Location)</u> 250

Project History

- 03/28/2013 Public hearing conducted. Transcript on file at ECIDA
- 04/22/2013 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
- 04/22/2013 Lease/Leaseback Inducement Resolution presented to Board of Directors.

Recapture

Pursuant to Section 875 of New York GML and pursuant to Agency Policy, The Agency may recover or recapture from the company any state and local sales and use tax exemption benefit taken by the company that are in violation of the GML or Agency Policy.

At completion of project company must certify total investment made at the project and for the 10-year PILOT term confirm that company has met 85% of its projected FTE employment while maintaining 100% of its base employment.