

PUBLIC HEARING SCRIPT

**Laborers Way 1, LLC and/or Individual(s)
or Affiliate(s), Subsidiary(ies), or Entity(ies)
formed or to be formed on its behalf Project**

Public Hearing to be held on September 5, 2024 at 10:00 a.m.,
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Tony Masiello – Masiello, Martucci & Associates

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Andy 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 Laborers Way 1, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, August 22, 2024.

☒ 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 310 Ship Canal Parkway, City of Buffalo, Erie County, New York (the "Land"), (ii) the construction on the Land of an approximately 75,000+/- sq. ft. cannabis cultivation facility to be utilized for the production, packaging and distribution of cannabis (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 Agency has acquired a leasehold interest in the Facility and leased the Facility back to the Company. The Company will operate the Facility during the term of the lease. Under previous agreements between the Agency and the Company, the Agency provided the Company with certain financial assistance with respect to the Project and the Facility in the form of (i) sales and use tax exemptions, and (ii) a mortgage recording tax exemption, each consistent with the policies of the Agency, and (iii) a partial real property tax abatement.

The Company has submitted an update to its Application requesting that the Agency provide the Company with an increase in sales and use tax exemptions (as so increased, the “Financial Assistance”) in connection with the construction of the Improvements and the acquisition and installation of the Equipment in and around the Facility. The Agency contemplates that it will provide the Financial Assistance to the Company in connection with the construction of the Improvements and the acquisition and installation of the Equipment in the form of sales and use tax exemptions consistent with the policies of the Agency.

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 at 4:00 p.m. on September 24, 2024. 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.

Tony Masiello, Masiello, Martucci & Associates. I am a consultant representing Zephyr Partners. Zephyr is the Managing Member of the project applicant, Laborers Way 1, and is a southern California based real estate developer with local ties to Buffalo through its CEO, Brady Termini. As a reminder, the applicant appeared before the board in August 2022 and formally entered into an Agent and Financial Assistance Project Agreement with the ECIDA in September 2022. The applicant is now seeking board approvals for an increase to the sales and use tax exemptions that were previously approved by the board.

Some history on the project In August 2022, Zephyr's subsidiary acquired 73 acres of land in the Lakeside Commerce Park located in southern Buffalo from the Buffalo Urban Development Corporation. The project applicant, Laborers Way 1, sits on approximately 5 net acres within the park and is in the first phase of a multi-phased project that will ultimately create an approximate 1 million square foot industrial cannabis campus. The first phase includes the construction of two buildings totaling approximately 75,000 square feet that will be utilized for manufacturing, cultivation, packaging and distribution. The facility will focus on both adult-use and medicinal cannabis consistent with New York State laws and the Office of Cannabis Management regulations. And 100% of the products produced at the facility will be sold within New York State.

The project is currently under construction with an estimated completion date in early 2025. The project has experienced delays due to the longer than expected design layouts for the interior improvements to the facilities. Additionally, the project has incurred higher than previously estimated construction costs due to the cost of the interior buildout and inflation on materials and labor. Regarding tenancy, the applicant executed a lease with RIV Capital US Real Estate who will sublease the property upon substantial completion of the development to Etain. Etain is a vertically integrated cannabis company operating in the state of New York and was one the of the original five registered organizations licensed to sell medical cannabis in New York State. In December 2023, Etain was approved to transition to an adult-use operator. In July 2023, Etain received approval from the Office of Cannabis Management to add the subject facility to their license upon receipt of a certificate of occupancy to operate in the facility. Once the first phase is fully operational, the facility is anticipated to produce 50 new permanent jobs plus temporary construction jobs. The permanent jobs will include roles such as cultivation laborers, product development specialists, maintenance technicians, packaging technicians, administrative staff, and marketing professionals.

To conclude, we are very thankful for the opportunity to reapply for the ECIDA's financial assistance programs. We would like to thank the ECIDA staff for diligently working with us throughout the application process and the board for considering our application. Thank you.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:08 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

September 5, 2024 at 10:00 a.m.,
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203
regarding:

**Laborers Way 1, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 310 Ship Canal Parkway, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Tony Masiello	Masiello, Martucci & Associates 438 Main St #500 Buffalo, NY 14202	X