

VIA EMAIL AND US MAIL

April 4, 2016

John Cappellino, Executive Vice President
Karen Fiala, Manager, Tax Incentives
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: 135 Buell Avenue at Genesee, Cheektowaga, New York

Dear Karen and John:

This letter is in follow-up to our conversation concerning the proposed building to be constructed at 135 Buell Avenue at Genesee, Cheektowaga, NY ("Genesee"). As we discussed, Benderson Development is proposing to build a new 100,000 square foot building to be leased to potential manufacturing and warehouse tenants. Benderson is prepared to invest approximately \$5,400,000.00 by constructing this building.

This project is similar to our project approved by the ECIDA at Broadway Development in Cheektowaga. The benefits received at Broadway over the past decade have been paramount to the success of that project. Construction of the most recent approved portion of the Broadway project has commenced and Benderson continues to speak with proposed tenants while anticipating a successful project. Likewise, the success of the project at Genesee will also hinge on receiving IDA benefits and will enable Benderson to provide newly-built, first class manufacturing and warehouse space at competitive rental rates.

Benderson is proposing to invest in this project, rather than allocating its resources to other projects, because of the continued increase in demand for this type of building, which, when coupled with receiving IDA incentives, will allow us to competitively construct and market the Genesee building. Even more evident today than when the Broadway project was approved, there is ever increasing demand for more manufacturing and warehouse space in the metro Buffalo area. This fact was highlighted in a recent January 29, 2016, Buffalo Business First article entitled "Vacant office, industrial and retail space continues to decrease in Buffalo" (copy attached). As noted in the article, the lack of inventory for warehouse, distribution and light manufacturing facilities may be at record levels. The Genesee project is aimed at meeting this need. Accordingly, Benderson will be exclusively targeting warehouse, distribution and light manufacturing uses at this site as opposed to retail. The ECIDA has recognized how projects such as the Genesee building can advance job opportunities and the continued demand for warehouse, distribution and light manufacturing space should make the Genesee project a strong candidate for ECIDA involvement.



BENDERSON
DEVELOPMENT

570 DELAWARE AVENUE
BUFFALO, NEW YORK 14202
716.886.1100.P 716.886.2269.F

Benderson is confident this project will lead to increased job opportunities and will commit to job creation goals as part of the ECIDA approval. While employment figures for the development will ultimately depend on the type of business that will lease space in the development, Benderson can commit to 35 full time jobs for this new building. Although the average salary for these positions will vary depending upon the specific uses, Benderson estimates that the average annual salary will be \$30,000.

Therefore, given Benderson's track record of success in developing similar projects which focus on much needed manufacturing and warehouse space, Benderson believes the ECIDA should support the Genesee project. The long-term employment benefits, ability to encourage new companies to bring jobs to the area and providing for existing companies to have viable *and readily available* manufacturing and warehouse space in which they can expand their businesses, make this project a perfect candidate for the ECIDA to provide tax incentives.

Thank you for your cooperation in this matter. I look forward to discussing this project with you further.

Sincerely,

BENDERSON DEVELOPMENT COMPANY, LLC

John N. Kicinski, Counsel
(716) 878-9400

CC: Eric Recoon, VP of Development and Leasing

cog/jnk
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Genesee

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name	Trahwen-G, LLC
Applicant Address	7978 Cooper Creek Boulevard
Applicant Address 2	Suite 100
Applicant City	University Park
Applicant State	Florida
Applicant Zip	34201
Phone	(941) 359-8303
Fax	(941) 359-1836
E-mail	
Website	www.benderson.com
Federal ID#	
NAICS Code	531190
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	Benderson Development Company, LLC
Federal ID#	
State and Year of Incorporation/Organization	New York
List of stockholders, members, or partners of Real Estate Holding Company	Ronald Benderson, Shaun Benderson and David H. Baldauf

Individual Completing Application

Name	Christianne Gawel
Title	Legal Assistant
Address	570 Delaware Avenue
Address 2	
City	Buffalo
State	New York
Zip	14202
Phone	(716) 878-9656

Fax

(716) 886-2269

E-Mail

ChristianneGawel@benderson.com

Company Contact (if different from individual completing application)

Name John Kicinski
Title Counsel
Address 570 Delaware Avenue
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 878-9400
Fax (716) 886-2269
E-Mail JohnKicinski@benderson.com

Company Counsel

Name of Attorney John Kicinski
Firm Name Benderson Development Company, LLC
Address 570 Delaware Avenue
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 878-9400
Fax (716) 886-2269
E-Mail JohnKicinski@benderson.com

Identify the assistance being requested of the Agency

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)

Business Organization

Type of Business Limited Liability Company
Type of Ownership
Year Established 2009
State of Organization New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

100% owned by Benderson Properties, Inc.

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

Applicant is a commercial real estate developer with over 60 years of experience. A portion of Applicant's portfolio consists of office/warehouse/industrial space. Applicant has a proven track record of developing successful projects such as Broadway Development Park

Estimated % of sales within Erie County Unknown

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

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

Estimated % of sales outside the U.S. Unknown

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

Unknown

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Cheektowaga

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

Yes

In which Municipality will the proposed project be located

Cheektowaga

Address

135 Buell Avenue, Cheektowaga, NY 14225

If the Proposed Project is located in a different Municipality 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 Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

92.03-1-30

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

\$41,757.28

Assessed value of land

\$1,110,000

Assessed value of building(s)

n/a- vacant land

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Cheektowaga

School District of Project Site

Cheektowaga

Does the Applicant or any related entity currently hold fee title to 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?

No

Describe the present use of the Proposed Project site

n/a- vacant land

Please provide narrative of project (new build, renovations, 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)

Applicant looks to construct a new free standing building totaling approximately 100,000 square feet. We are looking to start construction on the building in Summer of 2016 with a completion date of approximately Summer, 2018. The building will be constructed on spec and Applicant is actively working on identifying tenants for the buildings. Moreover, it is not feasible to wait to build until after tenants have been identified because businesses are often not willing or able to wait until a developer will complete its building to expand to new locations or start their businesses. Therefore, in an effort to be responsive to the needs of the market it is best to have completed spec buildings ready to be fitted to a proposed tenant's needs quickly. This new building would create first class, clean and productive light industrial space at moderate rental costs ideally suited to start-up and expansion minded businesses. This new building should stimulate economic activity and create additional employment opportunities for Erie county residents and will serve as a further catalyst for future growth. The IDA benefits will be paramount to the success of this project by enabling Benderson to provide newly-built, first class light industrial space at competitive rental rates.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The proposed building, which, when coupled with receiving IDA incentives, will allow us on a spec basis to construct and market the Development. There are significant risks and costs involved in building the proposed building and Applicant would not be able to proceed without factoring in ECIDA involvement. Benderson is proposing to invest in this project, rather than allocating its resources to other projects, because of the continued increase in demand for this type of building, which, when coupled with receiving IDA incentives, will allow us to competitively construct and market the Genesee building. Even more evident today than when the Broadway project was approved, there is ever increasing demand for more manufacturing and warehouse space in the metro Buffalo area. This fact was highlighted in a recent January 29, 2016, Buffalo Business First article entitled "Vacant office, industrial and retail space continues to decrease in Buffalo". As noted in the article, the lack of inventory for warehouse, distribution and light manufacturing facilities may be at record levels. The Genesee project is aimed at meeting this need. The ECIDA has recognized how projects such as the Genesee building can advance job opportunities and the continued demand for warehouse, distribution and light manufacturing space should make the Genesee project a strong candidate for ECIDA involvement. Applicant estimates it will invest approximately \$5.4 million dollars factoring in projected tenant improvements to build the spec buildings. Further, the carrying costs involved once the building has been constructed make a spec project such as this implausible without ECIDA benefits. There is a strong demand for more manufacturing and warehouse space in the Buffalo metro area. Following the recession, new development of the nature proposed has been virtually non-existent. This has enabled demand to grow while existing market supply nears capacity.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use

M1- Light Industrial

Describe required zoning/land use, if different

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

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

No

If yes, please explain

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

Yes

If yes, please provide a copy.

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 0 square feet acres

New Building Construction

\$ 4,300,000 100,000 square feet

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$ 1,025,000

Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

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

\$ 0

Soft Costs: (professional services, etc.)

\$ 55,000

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 5,380,000

Project Refinancing; estimated amount (for refinancing of existing debt only)

\$ 0

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

No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge)

\$ n/a

Lender Name, if Known

n/a

Equity

n/a

Construction Cost Breakdown:

Total Cost of Construction

\$ 5,325,000.00 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 2,600,000.00

% sourced in Erie County

95%

% sourced in State

100% (including Erie County)

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

\$ 2,600,000.00

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

\$ 227,500.00

For proposed facility please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0
Specify Other	100,000 square feet	\$ 5,380,000	100

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking

n/a

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

6/1/2016

End date : Estimated completion date of project

9/1/2018

Project occupancy : estimated starting date of operations

9/1/2017

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

Yes

Has the Project received site plan approval from the appropriate planning department?

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion	Net total new jobs
Full time	0	0	35	35
Part time	0	0	0	0
Total	0	0	35	

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

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

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 1,050,000

Estimated average annual salary of jobs to be retained

\$ 30,000

Estimated average annual salary of jobs to be created

\$ 30,000

Estimated salary range of jobs to be created

From

\$ 30,000

To \$ 30,000

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

No

If yes, please explain and identify out-of-state locations investigated

What competitive factors led you to inquire about sites outside of New York State?

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

<BLANK>

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

Do you anticipate applying for any other assistance for this project?

No

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

Section III: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

No

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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Section VI: 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.

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 or abandonment of an existing facility?

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 VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program? No

What is the age of the structure (in years)? 0

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

If vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

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

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

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

Does the site have historical significance? <BLANK>

Are you applying for either State/Federal Historical Tax Credit Programs? No

If yes, provide estimated value of tax credits \$

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

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

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

Section VIII: Senior Citizen Rental Housing Projects

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

Has the project received written support from the city, town or village government in which it is located?

Describe the location of the project as it relates to the project's proximity to the town / village / city center or to a recognized hamlet.

Is the project consistent with the applicable municipal master plan?

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project's return on investment?

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

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: Retail Determination

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.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 0 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

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

Will the project be operated by a not-for-profit corporation? No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? No

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

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? No

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

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? No

If yes, explain

Is the project located in a Highly Distressed Area? No