

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

**DATE AND PLACE:** October 3, 2024 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

**PRESENT:** Denise Abbott, A.J. Baynes, Rev. Mark E. Blue, Gregory R. Inglut, Richard Lipsitz, Jr., Dr. Susan McCartney, Brenda W. McDuffie, Hon. Glenn R. Nellis, Laura Smith and Lavon Stephens

**EXCUSED:** Hon. April Baskin, Hon. Byron W. Brown, Zachary Evans and David J. State

**OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O'Keefe, Vice President of Operations; Grant Lesswing, Director of Business Development; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Michelle Moore, Compliance Associate, Elizabeth Hughes, Esq., Harris Beach PLLC and Robert G. Murray, Esq., as General Counsel/Harris Beach PLLC

**GUESTS:** Yessica Vasquez on behalf of the City of Buffalo; Josh Veronica on behalf of Buffalo Niagara Partnership; William Hanes on behalf of Hanes Supply and Robert Kapilevich on behalf of Pfannenber

There being a quorum present at 9:01 a.m., the Meeting of the Policy Committee was called to order by Chair Lipsitz.

Mr. Lipsitz welcomed new committee member, Greg Inglut, as a newly appointed Policy Committee member.

**MINUTES**

The minutes of the August 1, 2024 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Dr. McCartney, the Policy Committee meeting minutes were unanimously approved.

**PROJECT MATRIX**

Mr. Cappellino presented the project matrix to the Committee. Mr. Lipsitz directed that the report be received and filed.

## PROJECT PRESENTATION

Hanes Supply Inc., 55 James E. Casey Drive, Buffalo, New York 14206. Ms. O'Keefe presented this proposed sales and use tax and real property tax abatement benefits project consisting of the construction of a 56,575 SF addition to the existing 55,000 SF facility for additional warehouse/production uses as the company has outgrown their current space.

Ms. O'Keefe confirmed that Hanes Supply Inc. is seeking approximately \$776,535 in assistance including sales tax exemption and real property tax exemption. Annual payroll at the site upon project completion is projected at \$7,000,000. The resulting cost benefit is 141:1 so for every \$1 of incentives the community benefit is \$141 in payroll & tax revenue. For Erie County, for every \$1 of incentives the community benefit is \$182 in benefits to the community.

Ms. McDuffie queried about the company's anticipated participation in the EIP Program.

Mr. Hanes responded on behalf of the company.

At this point in time, Mr. Blue and Ms. Abbott joined the meeting.

Mr. Baynes queried if the Buffalo growth includes consolidating other facilities. Mr. Hanes responded that the Buffalo facility is growing on its own and without any consolidation with other facilities.

Mr. Stephens queried as to the types of new jobs that may be created and Mr. Hanes responded accordingly and noted its primarily relies on social media and word of mouth for hiring opportunities.

Mr. Stephens stated that Work Force Buffalo will be able to help locate potential new employees.

General discussion ensued.

Ms. Smith commended the company for its efforts to utilize the Agency's EIP policies.

Ms. O'Keefe stated that in exchange for providing the sales and use tax and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

### Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$6,000,000 85% = \$5,100,000
Employment	Coincides with 10-Year PILOT	Maintain Base = 87 FTE Create 85% of Projected Projected = 10 FTE 85% = 8 FTE Recapture Employment = 95 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
Recapture Period	Coincides with 10-Year PILOT	Recapture of state and local sales taxes and real property tax

Ms. Smith moved and Mr. Nellis seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Mr. Lipsitz called for the vote and the motion was then unanimously approved.

Pfannenbergl Realty USA Inc., 13595 Broadway, Alden, New York 14004. Ms. O’Keefe presented this proposed sales and use tax benefits project involving the moving of their facility to Alden and the renovation of an existing 143,000 square-foot manufacturing facility for office related uses and for renovation of manufacturing space for operations, testing lab purposes, and to accommodate operations and future growth including upgrades to loading docks and the creation of quality warehousing space.

Ms. O’Keefe confirmed that Pfannenbergl Realty USA Inc. is seeking approximately \$176,750 in assistance including sales tax exemption. Total annual payroll is projected at \$7,000,000 upon project completion. The resulting cost benefit is 199:1 so for every \$1 of incentives the community benefit is \$199 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$349 in benefits to the community.

Ms. O’Keefe stated that in exchange for providing the sales and use tax benefit, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:


### Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$11,500,000 85% = \$9,775,000
Employment	2 years after project completion	Maintain Base = 104 FTE Create 85% of Projected Projected = 36 FTE 85% = 30 FTE Recapture Employment = 134 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	2 years after project completion	Adherence to policy
Unpaid Tax	2 years after project completion	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes

Ms. Abbott moved and Rev. Blue seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Mr. Lipsitz called for the vote and the motion was then unanimously approved.

There being no further business to discuss, the meeting was adjourned at 9:38 a.m.

Dated: October 3, 2024

  
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 Elizabeth A. O'Keefe, Secretary