Policy Committee

April 6th, 2017
8:30 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the March 9th, 2017 Policy Committee Minutes (Pages 2-9)

3. Project Matrix (Pages 10-17)

4. Project Presentations (Staff – Company Q&A)

   a. Aakron Rule (Pages 18-27)
   b. Sumitomo Rubber (Pages 28-37)
   c. Tecumseh Redevelopment, Inc. (Pages 38-49)
   d. Unifrax I, LLC (Pages 50-58)

5. Project Presentations (Staff & Company)

   a. Delaware Lodge, LLC (Masonic Lodge) (Pages 59-68)
   b. Double Eagle Kenmore, LLC (St. Paul's Parrish) (Pages 69-83)
   c. Shea's Seneca, LLC (Pages 84-103)

6. Project Amendments

   a. Pilgrim Village Assoc. LLC. (Pages 104-114)

7. Adjournment – Next Meeting May 4th, 2017 at 8:30 a.m.

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

MEETING: March 9, 2017, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Laura Smith, David J. State, Paul V. Vukelic and Maria Whyte

ABSENT: Rev. Mark E. Blue[1], Hon. Byron W. Brown, Hon. Johanna Coleman, Colleen DiPirro and Hon. Geoff Szymanski

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer; Robert G. Murray, Secretary

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist; Eric Burkhard, on behalf of Moog, Inc.; Rocco Termini, on behalf of R & M Leasing, LLC; Scott Fairbrother, on behalf of 791 Washington, LLC; Brendan Mehaffy, Executive Director, Office of Strategic Planning for the City of Buffalo

There being a quorum present at 8:35 a.m., the Policy Committee meeting was called to order by its Chair, Mr. Lipsitz.

MINUTES

The minutes of the February 2, 2017 Policy Committee meeting were presented. Upon motion made by Mr. Nellis, and seconded by Mr. Mudie, the aforementioned 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.

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[1] Mr. Blue participated via telephone conference call, however, he did not count for quorum purposes and is not considered present or eligible for purposes of voting on any action items.

PROJECT PRESENTATIONS

128 Pearl Street, LLC, 128 Pearl Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax exemption and mortgage recording tax exemption benefits project involving the redevelopment of the existing structure at 128 Pearl Street including the construction of seven apartments and approximately 950 sq. ft. of commercial/office space. Mr. Cappellino confirmed the retail component of the project represents 9% of the project costs, so retail prohibitions are not triggered.

Mr. Cappellino stated that in exchange for providing the sales tax exemption and mortgage recording tax exemption benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to 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. Project Amount = $1,840,427 85% = $1,564,362
Employment	2 years after project completion	Create 85% of Projected Projected = 1 85% = 1
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to policy
Unpaid Tax	Same as recapture period	Adherence to policy
Recapture Period	2 years after project completion	State and Local Sales Taxes Mortgage Tax

Ms. McDuffie commented on recent Policy Committee discussion about mixed-income properties but stated that she recognizes this project will not go forward without IDA financial assistance. Ms. McDuffie also stated she will be voting in favor of the project.

Ms. Whyte thanked the developer for their efforts and commented on her understanding that the building has been proposed for an affordable housing project in the past; however, those efforts were unsuccessful.

Ms. McDuffie moved and Mr. Mudie seconded to approve of the project. Mr. Lipsitz called for the vote and the project was unanimously approved.

Moog, Inc., 400 Jamison Road, Elma, New York. Mr. Cappellino reviewed this proposed sales tax and real property tax abatement benefits project involving the construction of 95,000 sq. ft. of assembling and test facilities for its military and commercial aircraft flight products.

Mr. Cappellino stated that in exchange for providing the sales 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 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 = $32,600,000 85% = $27,710,000
Employment	Coincides with 10-Year PILOT	Maintain Base = 251 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment = 287
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 Real Property Taxes, State and Local Sales Taxes

Mr. Lipsitz queried as to the average wage of the employees. Mr. Burkhard, on behalf of the company, responded that average wages for the new jobs will be approximately $84,000.

Ms. McDuffie thanked the company for their investment and noted that the company has a long and successful history of new investment and employment and has been an excellent contributor to the area.

Ms. McDuffie moved and Mr. Vukelic seconded to approve of the project. Mr. Lipsitz called for the vote and the project was unanimously approved.

R & M Leasing, LLC, 155 Chandler Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the redevelopment of the existing facility into incubator business space for Start Up NY companies and to provide two residential apartment units.

Mr. Cappellino confirmed the IDA sales tax benefits will only apply to the core and shell of the building.

Mr. Cappellino stated that in exchange for providing the sales tax and mortgage recording tax exemption benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to 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 = $10,591,000 85% = $9,002,350
Employment	Coincides with 7-Year PILOT	Maintain Base = 50 Create 85% of Projected = 20 85% = 17 Recapture Employment = 67
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as Recapture Period	Adherence to policy
Unpaid Tax	Same as Recapture Period	Adherence to policy
Recapture Period	2 Years After Project Completion	State and Local Sales Taxes Mortgage Recording Tax

Ms. Smith expressed her support for the project and commented upon the risky nature of the investment due to the fact that its proposed tenants, being new Start Up NY businesses, imposes start up and entrepreneurial risk unique to the new business tenants.

Ms. McDuffie concurred with Ms. Smith's comments and stated that she likes how the IDA's financial assistance can leverage the Start Up NY program for the benefit of the businesses and new jobs that will be created within the new facility.

At this point in time Mr. Termini, on behalf of the company, asked for a waiver of its job retention and job creation requirements because it is impossible for the landlord to guaranty the jobs for incubator startup businesses due to the large portion of companies in this category that fail, or end up being bought and moved out of the area. In such an event, Mr. Termini stated he would immediately look for new tenants.

Ms. McDuffie suggested that because this is new information and because the Policy Committee has not considered a waiver request in the past, it may be proper to table this matter. Ms. McDuffie also noted that the Agency has done spec projects, such as the Benderson projects, and noted that the landlord did pledge and commit to job creation in those situations at the outset.

Ms. Whyte suggested that the Policy Committee consider tabling the project because a waiver of job commitment has never been considered by the Policy Committee and Ms. Whyte expressed a concern that it could become a precedent for future projects.

Mr. Termini commented that the project is under a time constraint due to the fact that the current Start Up NY program is expiring and he needs to get project approvals prior to the anticipated Start Up NY termination date.

Ms. Smith asked if Mr. Termini is asking for a waiver or if he is asking to change the job creation and retention numbers to zero. In addition, Ms. Smith commented that spec buildings, such as the one Benderson has and is constructing, are perhaps not as risky as the incubator spec type project due to the larger base of tenants that could occupy the Benderson spec building in comparison to the unique space being put on the market by Mr. Termini.

Mr. Vukelic asked if Mr. Termini intends this space to always be incubator space. Mr. Termini responded in the affirmative. Mr. Vukelic then commented that startup companies typically have self-employed employees and the nature of start up space, such as the space provided by 43North, involves high tenant turnover.

Mr. Lipsitz stated that the question is whether the Policy Committee can waive job requirements. Mr. Lipsitz confirmed that the Policy Committee has not considered a waiver prior to this point.

Ms. Smith commented that the tenants that would occupy the Benderson spec building are different than the startup tenants that would occupy Mr. Termini's space, which would be characterized as high risk tenants. Ms. Smith then asked if the Policy Committee could send the project to the Board and let the Board make the waiver determination.

Mr. Cappellino confirmed that the Agency is under no obligation under the law that its applicants pledge to a specific job creation number such that, in Mr. Cappellino's opinion, it would be in the purview of the Committee to consider a waiver, at this point in time, and then later, perhaps the Committee would like to consider how it would handle incubator space in the future.

Mr. State asked if the project can be recommended to the Board for approval and then, if there is a job shortfall, the process would be to have the company come back before the Board to allow Mr. Termini to explain the shortfall and to allow the Board to consider such an explanation.

Mr. Cappellino responded that yes, this could be forwarded to the Board for approval and Mr. Termini, if there was a job shortfall, would be required to meet with the Board at that point in time and the Board would have discretion in analyzing and reviewing the situation.

Mr. Lipsitz asked Mr. Termini if he would be okay if the Policy Committee recommended approval with respect to the project and with respect to the number of jobs

retained and number of jobs to be created as stated within the application. Mr. Termini responded in the affirmative.

Ms. McDuffie moved and Ms. Whyte seconded to approve of the project as proposed. Mr. Lipsitz called for the vote and the project was unanimously approved.

PROJECT AMENDMENTS

791 Washington, LLC, 791 Washington Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project which was originally approved by the Board on August 24, 2016, noting that the project has been amended due to the loss of the Buffalo Public Schools Culinary Institute as a tenant to the facility. The loss of the tenant will result in decreased project costs from $79 million to approximately $68 million, a decrease in commercial space and an increase in residential apartment space, and a decrease in the projected number of jobs estimated to be created from 130 to 30. Other than those changes, the project remains as originally proposed by the company and as accepted by the Agency.

Mr. Cappellino explained that in exchange for providing the sales tax exemption and mortgage recording tax exemption benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to potential modification, recapture and/or termination of financial assistance as follows, and in particular, Mr. Cappellino noted that the material terms presented below reflect the amended project:

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 = $80,535,000 85% = $68,454,750
Employment	See Recapture Period	85% of Projected Jobs Projected Jobs = 30 Recapture Jobs = 25
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	See Recapture Period	Adherence to policy
Unpaid Tax	See Recapture Period	Adherence to policy
Recapture Period	2 Years After Project Completion	State and Local Sales Taxes Mortgage Recording Tax

In addition, Mr. Cappellino noted that the company is looking at providing an affordable housing component within its project.

Ms. McDuffie expressed satisfaction that the company is looking at placing affordable housing within the project and also noted that it is her understanding that the hotel is being targeted for Roswell Park and medical campus users as distinguished from being targeted for general users.

Ms. McDuffie moved and Mr. Nellis seconded to approve of the project.

Mr. State asked if the return on investment figure is changing due to the change in the scope of the project. Mr. Fairbrother, on behalf of the company, explained that the return on investment figure is decreasing due to the change in the size of the project but also noted that costs related to the project have similarly deceased.

Mr. Cappellino stated that staff has had several lengthy conversations with the developer regarding the inclusion of affordable housing within the project, and has learned that the company is looking at low income housing tax credit programs but because confirming the use of low income housing tax credits can take between 12-18 months to confirm, that program is not helpful.

Ms. Smith expressed a concern that mandating affordable housing will result in a loss of projects and particularly expressed a concern that the Policy Committee should not be making one off decisions with respect to affordable housing requirements.

Mr. Lipsitz then called for the vote and the project was then unanimously approved.

Curtiss Buffalo, Inc., 204-216 Franklin Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project that was original approved by the Agency on June 18, 2014, and noted that the company is asking for the original inducement resolution and project to be amended to account for increases in both the renovation and equipment budget to the original project to allow the developer to construct an additional 9,200 sq. ft. for an expanded roof top area and sidewalk café. Mr. Cappellino stated the increased benefit to the developer will be in the form of additional sales tax savings in the amount of $466,250. Other than the new and expanded construction as described herein there are no other changes to the project as proposed, however, the company has increased its job commitment from 30 to 55.

Mr. Cappellino stated that in exchange for providing the sales tax exemption and mortgage recording tax exemption benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to potential modification, recapture and/or termination of financial assistance as follows, and in particular, Mr. Cappellino noted that the material terms presented below reflect the amended project:

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Project Amount = $24,130,000 85% = $20,510,500
Employment	See Recapture Period	85% of Projected Jobs Projected Jobs = 55 85% of Projected Jobs = 46
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	See Recapture Period	Adherence to policy
Unpaid Tax	See Recapture Period	Adherence to policy
Recapture Period	The later of 2 Years after project completion or termination of Agent and Financial Assistance	Recapture of State and Local Sales Taxes and Mortgage Recording Tax

Ms. Whyte moved to approve of the project and thanked the company for proactively meeting with the Agency to address its cost increases prior to actually undertaking the construction. Ms. Whyte also noted that the company has pledged 25 new jobs in correlation to its new investment.

Ms. McDuffie seconded the motion to approve of the project and expressed her support for the project.

Mr. Vukelic expressed his support for the project.

Mr. Lipsitz called for the vote and the project was unanimously approved as proposed.

CITY OF BUFFALO HOUSING UPDATE

Mr. Mehaffy, Executive Director of the City of Buffalo's Office of Strategic Planning, provided an overview of the City's ongoing Buffalo housing opportunity strategy, which is a study being undertaken to analyze affordable housing resources and their role in creating mixed income diverse neighborhoods within the City of Buffalo.

There being no further business to discuss, the meeting was adjourned at 9:58 a.m.

Dated: March 9, 2017

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Robert G. Murray, Secretary

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	Project Amount	Jobs Retained	Factors		Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount
					Job Creation	Jobs Created					
1	TM Montante	Apr-13	$10,628,000	168	85% -New 70 jobs	82	Sales Tax		Period of PILOT 10 Years		$2,056,000
1	Niagara Blower	Apr-13	$1,035,000	110	85% -New 17 jobs	20	Sales Tax		5 years		$61,250
1	Swan Street	Apr-13	$13,664,000				Sales Tax		5 years	Adaptive Reuse	$591,000
1	Automated Machine Tech	May-13	$925,000	3	85% -New 1 jobs	1	Sales/ Mortgage Tax	YES	Period of PILOT 10 Years		$156,250
1	Mc Gard	May-13	$8,250,000	457	85% -New 19 jobs	22	Sales/ Mortgage Tax	YES	Period of PILOT 7 Years		$1,123,000
1	Ellicott - Arctic Freezer	May-13	$14,675,000				Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse	$634,000
1	HH Richardson	Jun-13	$55,153,782		85% -New 47 jobs	55	PILOT/SalesMortgage Tax	YES	Period of PILOT 10 Years	Retail Highly Distressed/Hotel Policy/Adaptive Reuse	$8,465,000
1	Simmers Crane	Jun-13	$1,710,000	30	85% -New 4 jobs	5	PILOT/SalesMortgage Tax	YES	Period of PILOT 10 Years		$388,000
1	Compass East	Jul-13	$21,086,889				Sales Tax	YES	2 years or Termination of Sales Tax	Retail Highly Distressed/Adaptive Reuse	$456,612
1	Frey the Wheelman	Jul-13	$1,050,000	8	85% -New 1 job	1	PILOT/SalesMortgage Tax	YES	Period of PILOT 7 Years		$478,600
1	OSC Equipment Services	Aug-13	$17,539,473	20	85% -New 9 job	10	PILOT/SalesMortgage Tax	YES	Period of PILOT 10 Years		$355,135
1	Calspan Corp - Phase II	Aug-13	$10,000,000	90	85% -New 4 job	4	Sales Tax	YES	2 years or Termination of Sales Tax		$393,750
1	Calspan Corp/Harper - Phase 1	Aug-13		75	85% -New 4 job	5	Sales Tax	YES	2 years or Termination of Sales Tax		$306,250
1	Zaepfel Dev. Wythe Will	Sep-13	$18,700,000	217	85% -New 29 jobs	34	PILOT/SalesMortgage Tax	YES	Period of PILOT 10 Years		$5,147,500
1	Bosche LLC	Oct-13	$5,800,000				Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse	$255,000
1	Upstate Niagara Coop.	Oct-13	$2,900,000	175			PILOT/Sales Tax	YES	Period of PILOT 7 Years		$265,000
1	API Heat Transfer	Nov-13	$1,732,134	287	85% -New 6 jobs	7	PILOT/Sales Tax	YES	Period of PILOT 10 Years		$187,000
1	Delaware North Co	Nov-13	$17,152,000	350	85% -New 55 jobs	64	Sales Tax	YES	2 years or Termination of Sales Tax		$807,000

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	Project Amount	Jobs Retained	Factors		Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount
					Job Creation	Jobs Created					
1	Custom Sheet Metal	Dec-13	$1,049,127	11	85% -New 2 jobs	2	PILOT/SalesMortgage Tax	YES	Period of PILOT 7 Years		$100,000
1	DNC 250 (Uniland)	Dec-13	$51,785,708	350	85% -New 55 jobs	64	PILOT/SalesMortgage Tax	YES - Including Hotel	Period of PILOT 7 and 10 years Retail/Parking 7 DNC Space 10	Retail Highly Distressed/No Sales Tax for Vacant Space Buildout	$10,017,000

Count	Project Name	Approval Date	Project Amount	Jobs Retained	Factors		Clawback	Local Labor	Length of Term	Additional Findings	Incentive Amount
					Job Creation	Jobs Created					
Adaptive Reuse 2013 Sub Total 5			$110,379,671	0		55					$10,401,612
2013 Total (April - Dec) 20			$254,836,113	2351		376					$32,243,347

*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Credits etc

Project Matrix/Material Factors/Clawbacks

Count	Project Name			Material				Terms	Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount
		Approval Date	Project Amount	Investment	Job Retent	Jobs Retained	Jobs Created						
1	AMS Servicing , LLC	Jan-14	$2,504,300	85% threshold $2,128,655	100% Base 270 jobs	270	194		Sales Tax	YES	2 years after Termination of Sales Tax		$219,000
1	North American Salt	Jan-14	$7,300,000	85% threshold $6,205,000			7		PILOT/Sales Tax	YES	Period of PILOT 7 Years		$1,358,500
1	500 Seneca, LLC	Feb-14	$31,737,624	85% threshold $26,976,980	100% Base 20 jobs	20	13		Sales/ Mortgage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse Retail Highly Distressed/No Sales Tax for Vacant Space Buildout	$1,180,000
1	Elm-Michigan Holdings	Feb-14	$8,133,102	85% threshold $6,913,136	100% Base 19 jobs	19	1		Sales/ Mortgage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse Sales Tax Limited to Residential Buildout	$259,000
1	ARCO Lofts	Mar-14	$12,424,750	threshold $10,561,037				85% Construction 34 jobs	Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse	$416,000
1	9187 Group(173 Elm St)	Mar-14	$1,768,000	85% threshold $1,502,800				85% Construction 59 jobs	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Adaptive Reuse	$65,800
1	954 West Ferry LLC	May-14	$1,615,000	85% threshold $1,372,750				85% Construction 49 jobs	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Adaptive Reuse /No Sales Tax for Tennant Space Buildout	$64,500
1	Petrolift	Jun-14	$1,582,250	85% threshold $1,344,912			9		Sales Tax	YES	2 years or Termination of Sales Tax		$24,500
1	Derrick Corp.	Jun-14	$9,750,000	85% threshold $8,287,500	100% Base 477 jobs	477	9		PILOT/Sales Tax	YES	Period of PILOT 10 Years		$1,940,000
1	Flying Bison	Jun-14	$2,500,000	85% threshold $2,125,000	100% Base 5 jobs	5	4		PILOT/SalesMortgage Tax	YES	Period of PILOT 7 Years	No Sales Tax for Retail Tasting Room Buildout	$372,500
1	A. Titan	Jun-14	$4,215,000	85% threshold $3,582,750	100% Base 30 jobs	30	9		Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax		$106,750
1	Fisher Price	Jun-14	$8,000,000	85% threshold $6,800,000	100% Base 750 jobs	750			Sales Tax	YES	2 years or Termination of Sale Tax		$565,000
1	Curtis Buffalo	Jun-14	$18,100,000	85% threshold $15,385,000			29		Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Retail Highly Distressed/Adaptive Reuse	$685,000
1	Simmers Crane(Rev. 6/13)	Jun-14	$2,140,000	85% threshold $1,819,000	100% Base 30 jobs	30	5		PILOT/SalesMortgage Tax	YES	Period of PILOT 10 Years		$503,000
1	Conventus Partners	Jul-14	$10,000,000	85% threshold $8,500,000				85% Construction 21 jobs	Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Relied on ESD Job Requirement for AMRI	$472,000

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	Project Amount	Material: Investment	Material: Job Retent	Material: Jobs Retained	Material: Jobs Created	Terms	Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount
1	Orchard Heights	Jul-14	$28,600,000	85% threshold $24,310,000	100% Base 42 FT & 61 PT jobs	72	13		PILOT/SalesMortgage Tax	YES	Period of PILOT 7 Years	Assisted Living Care Facility	$1,790,000
1	Cameron Compression	Aug-14	$6,560,652	85% threshold $5,576,554	100% Base 584 jobs	584			Sales Tax	YES	2 years or Termination of Sales Tax	Includes Asset Sale Restriction	$183,000
1	Conserve	Aug-14	$1,400,000	85% threshold $1,190,000	100% Base 100 jobs	100	40		Sales Tax	N/A	2 years or Termination of Sales Tax	Purchase of Equipment Only No Labor Anticipated	$122,500
1	Unifrax 1, LLC (Firetower)	Aug-14	$33,000,000	85% threshold $28,050,000	100% Base 268 jobs	268	25		PILOT/SalesMortgage Tax	YES	Period of PILOT 10 Years		$1,273,000
1	Unifrax 1, LLC (NYCC)	Sep-14	$18,018,000	threshold $15,315,300			25		PILOT/Sales Tax	YES	Period of PILOT 10 Years		$1,208,580
1	Select One Holdings	Oct-14	$1,700,000	85% threshold $1,445,000	100% Base 14 FT & 2 PT jobs	15	6		PILOT/SalesMortgage Tax	YES	Period of PILOT 7 Years	Retail Highly Distressed/Adaptive Reuse/No Sales Tax for Vacant Space Buildout	$144,000
1	MacLean Curtis LLC	Oct-14			100% Base 165 jobs	165			PILOT	N/A	Period of Remaining PILOT 6 Years	Assumption of Existing PILOT	$346,800
1	1391 Hertel, LLC	Dec-14	$5,411,625	85% threshold $4,599,881			4		Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse	$236,000
1	Niagara Street Buffalo	Dec-14	$11,663,462	85% threshold $9,913,942			4		Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse	$420,846
1	483 Main Street	Dec-14	$1,065,000	85% threshold $905,250			2	85% Construction 22 jobs	Sales Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse	$35,000

Count	Project Name	Approval Date	Project Amount	Material: Investment	Material: Job Retent	Material: Jobs Retained	Material: Jobs Created	Terms	Clawback	Local Labor	Length of Term	Additional Findings	Incentive Amount
								Construction Jobs					
Adaptive Reuse 2014 Sub Total 10			$93,618,563			54	59						$3,506,146
2014 Total 25			$229,188,765			2805	399						$13,991,276

*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Cre

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	Project Amount	Investment	Material Factors: Jobs Retained	Material Factors: Job Creatio	Material Factors: Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Pay Equity
1	Derrick Corp.	Jan-15	$1,150,000	85% threshold $977,500	477			PILOT/Sales Tax	YES	Period of PILOT 7 Years		$139,000	
1	Lazarus Properties	Jan-15	$2,483,000	85% threshold $2,110,550		85% -New 9 jobs	11	Sales/ Mortgage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse	$92,000	
1	North American Salt	Mar-15	$8,100,000	85% threshold $6,685,000		85% -New 6 jobs	8	PILOT/Sales Tax	YES	Period of PILOT 7 Years	Amendment of January 2014 Approval	$1,428,500	
1	9271 Group 960 Busti	Apr-15	$6,960,000	85% threshold $5,916,000		85% -New 1 job	1	Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse/Retial Highly Distressed Finding	$339,000	
1	MSBP- 251 Main	Apr-15	$8,195,110	85% threshold $6,965,843	6	85% -New 1 job	1	Sales/ Mortgage Tax	YES	2 years or Termination of Sales Tax	Adaptive Reuse	$413,000	
1	Phoenix Brewery	Apr-15	$7,565,000	85% threshold $6,430,250		85% -New 1 job	1	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Adaptive Reuse	$316,000	
1	Broadway Industrial Park	Apr-15	$6,480,000	85% threshold $5,508,000		85% -New 30 job	35	PILOT/Sales Tax	YES	Period of PILOT 7 Years	Spec Space/ Warehouse/ Manufacturing	$898,000	
1	500 Seneca LLC	May-15	$35,675,400	85% threshold $30,324,090	20	85% -New 13 job	15	Sales/ Mortgage Tax	YES		Adaptive Reuse/ Amendment of February 2014 Approval	$1,550,000	
1	Gordon Companies	May-15	$1,825,000	85% threshold $1,551,259	82	85% -New 5 job	6	PILOT/Sales Tax	YES	Period of PILOT 7 Years		$217,500	
1	432 Abbott, LLC	Jun-15	$4,570,000	85% threshold $3,884,500		85% -New 3 job	3	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Adaptive Reuse	$94,250	
1	500 Parker, LLC	Jun-15	$3,458,192	85% threshold $2,939,463		85% -New 2 job	2	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Adaptive Reuse	$78,800	
1	Orchard Heights Inc	Jul-15	$18,698,569	85% threshold $15,893,783	75	85% -New 11 job	14	PILOT/Sales Mortgage Tax	YES	Period of PILOT 7 Years		$2,468,672	
1	95 Pirson (MJ Mech)	Aug-15	$3,304,500	85% threshold $2,808,825	142	85% -New 26 job	31	PILOT/Sales Mortgage Tax	YES	Period of PILOT 10 Years		$860,250	
1	Sodexo	Aug-15	$6,076,002	85% threshold $5,164,600	511			Sales Tax	YES	Period of PILOT 10 Years		$467,000	

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	Project Amount	Investment	Material Jobs Retained	Factors Job Creatio	Factors Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Pay Equity
1	Uniland(Sodexo)	Aug-15	$21,058,095	85% threshold $17,899,380	511			PILOT/Sales Mortgage Tax	YES	Period of PILOT 10 Years		$3,921,440	
1	Shevlin Land & Cattle	Sep-15	$1,700,000	85% threshold $1,445,000	70	85% -New 8 job	10	PILOT/Sales Tax	YES	Period of PILOT 7 Years		$239,625	YES
1	240 Kensington LLC	Oct-15	$5,781,000	85% threshold $4,913,850		85% -New 1 job	1	PILOT/Sales Mortgage Tax	YES	Period of PILOT 10 Years	Market Rate Senior Housing Project	$478,750	YES
1	722 Group, Ellicott Dev.	Oct-15	$5,760,000	85% threshold $4,896,000		85% -New 2 job	2	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Adaptive Reuse	$216,500	YES
1	Flexovit USA, Inc..	Nov-15	$8,020,887	85% threshold $6,817,753	45	85% -New 30 job	36	PILOT/Sales Tax	YES	Period of PILOT 10 Years		$531,000	YES
1	486 Elmwood Buffalo LLC	Nov-15	$1,482,850	85% threshold $1,260,422		85% -New 2 job	2	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax		$29,470	YES
1	Garrett Leather Corp.	Dec-15	$4,100,000	85% threshold $3,485,000	32	85% -New 8 job	10	Sales Tax	YES	2 years or Termination of Sale Tax		$70,000	YES
1	Pilgrim Village Assoc.	Dec-15	$94,778,000	85% threshold $80,561,300	4	85% -New 30 job	31	Sales/ Mortgage Tax	YES	2 years or Termination of Sale Tax	Mixed Use Affordable Housing	$1,913,281	YES

Count	Project Name	Approval Date	Project Amount	Investment	Material Jobs Retained	Factors Job Creatio	Factors Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	Incentive Amount	Pay Equity
Adaptive Reuse 2015 Sub Total	8		$74,666,702		26		36					$3,099,550	
2015 Total	22		$257,221,605		1975		220					$16,762,038	
Adaptive Reuse 2013 -15 Total	23		$278,664,936		80		150					$17,007,308	
2013-15 Total	67		$741,246,483		7131		995					$62,996,661	

*Incentive Amount does not include other public incentives ie: 485-a, Historic Tax Credits, etc

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval D	Project Amount	Investment	Jobs Retained	Factors: Job Creation	Factors: Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Pay Equity
1	Triad Recycling	Jan-16	$2,993,000	85% threshold $2,544,050		85% -New 2 jobs	3	PILOT/Sales Mortage Tax	YES	Period of PILOT 7 Years		$149,300	YES
1	Alt Store, LLC	Jan-16	$6,900,000	85% threshold $5,865,000		85% -New 27 jobs	32	Sales Tax	YES	2 years after Termination of Sales Tax		$393,750	YES
1	Upstate Pharmacy	Mar-16	$310,000	85% threshold $263,500	70	85% -New 8 jobs	10	Sales Tax	YES	2 years after Termination of Sales Tax		$27,125	YES
1	Buell Ave Benderson	May-16	$5,380,000	85% threshold $4,573,000		85% -New 30 jobs	35	PILOT Sales Tax	YES	Period of PILOT 7 Years		$765,500	YES
1	Great Lakes Orho	Jun-16	$5,005,230	85% threshold $4,254,446	221	85% -New 8 jobs	9	PILOT Sales Tax	YES	Period of PILOT 10 Years		$1,132,131	YES
1	Kohler Awning	Jun-16	$850,000	85% threshold $722,500	50	85% -New 1 jobs	1	PILOT/Sales Mortage Tax	YES	Period of PILOT 7 Years		$107,500	YES
1	Shell Fab	Aug-16	$2,735,000	85% threshold $2,324,750	45	85% -New 8 jobs	10	PILOT/Sales Mortage Tax	YES	Period of PILOT 7 Years		$344,469	YES
1	Trico	Aug-16	$90,490,542	85% threshold $76,916,960		85% -New 110 jobs	130	Sales Mortage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse Retail Findings	$3,562,375	YES
1	Calspan	Aug-16	$7,070,000	85% threshold $6,009,500	113	85% -New 9 jobs	11	PILOT/Sales Mortage Tax	YES	Period of PILOT 10 Years		$1,061,375	YES
1	Rosina Foods	Oct-16	$1,544,000	85% threshold $1,312,400	217	85% -New 3 jobs	4	PILOT Sales Tax	YES	Period of PILOT 7 Years		$82,100	YES
1	Iroquois Bar	Oct-16	$920,000	85% threshold $782,000	65	85% -New 2 jobs	2	PILOT/Sales Mortage Tax	YES	Period of PILOT 7 Years		$179,400	YES
1	Alexandre Apart	Nov-16	$4,269,606	85% threshold $3,629,165		85% -New 4 jobs	5	Sales Mortage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse	$161,125	YES
1	Flexo Transparent	Dec-16	$6,150,000	85% threshold $5,227,500	115	85% -New 5 jobs	6	PILOT/Sales Mortage Tax	YES	Period of PILOT 7 Years		$353,750	YES

Count	Project Name	Approval D	Project Amount	Investment	Jobs Retained	Factors: Job Creation	Factors: Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	Incentive Amount	Pay Equity
Adaptive Reuse 2016 Sub Total	2			$94,760,148		0	135					$3,723,500	
2016 Total	13			$134,617,378		896	258					$8,319,900	

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval D	Project Amount	Investment	Jobs Retained	Factors: Job Creation	Factors: Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Pay Equity
1	Latina Foods	Jan-17	$10,000,000	85% threshold $ 8,500,0000	172	85% -New 4 jobs	5	Sales Tax	YES	2 years after Termination of Sales Tax		$131,250	YES
1	Garden Plaza, 570 Assoc	Feb-17	$20,745,000	85% threshold $ 16,633,250		85% -New 105 jobs	124	PILOT Sales Tax	YES	Period of PILOT 7 Years		$2,547,303	YES
1	Pine Pharmaceuticals	Feb-17	$5,600,000	85% threshold $ 4,760,000	15	85% -New 10 jobs	12	PILOT/Sales Mortage Tax	YES	Period of PILOT 10 Years		$1,188,250	YES
1	128 Pearl (St. Paul's)	Mar-17	$1,840,427	85% threshold $ 1,564,362		85% -New 1 jobs	1	Sales Mortage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse	$78,992	YES
1	Moog	Mar-17	$32,600,000	85% threshold $ 27,710,000	251	85% -New 36 jobs	42	PILOT Sales Tax	YES	Period of PILOT 10 Years		$3,575,000	YES
1	R&M Lease(Pierce Arrow)	Mar-17	$10,591,000	85% threshold $ 9,002,350	50	85% -New 17 jobs	20	PILOT/Sales Mortage Tax	YES	2 years after Termination of Sales Tax	Start Up NY	$188,428	YES
1	791 Washington(Trico)	Mar-17	$80,535,000	85% threshold $ 68,454,750		85% -New 25 jobs	30	Sales Mortage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse	$3,253,325	YES
1	Curtis Buffallo	Mar-17	$24,130,000	85% threshold $ 20,510,500		85% -New 46 jobs	55	Sales Mortage Tax	YES	2 years after Termination of Sales Tax	Adaptive Reuse	$1,123,750	YES

Count	Project Name	Approval D	Project Amount	Investment	Jobs Retained	Factors: Job Creation	Factors: Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	Incentive Amount	Pay Equity
Adaptive Reuse 2017 Sub Total	3		$106,505,427		0		86					$4,456,067	
2017 Total	8		$186,041,427		488		289					$12,086,374	

Aakron Rule
$2,670,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 321999

COMPANY INCENTIVES

- Approximately $234,000 in real property tax savings
- Approximately $96,260 in sales tax savings
- Up to 1% of the final mortgage amount. It is estimated the mortgage will be $2,620,000 for a savings of $26,200.

PROJECT BENEFITS

- The project will generate approximately $62,000 of revenue to the local taxing jurisdictions over the abatement period representing $11,000 to the County of Erie, $3,000 to the Town of Akron, $14,000 to the Village of Akron, $34,000 to the Akron Central School District

EMPLOYMENT

- Current Jobs = FT 142 / PT 6
- Projected Jobs = FT 155 / PT 6
- The project is anticipated to create 13 new jobs two years after project completion

PROJECT HISTORY

- 02/21/2017 - Public hearing held. Transcript attached.
- 04/26/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Aakron Rule

Project Address: 8 Indianola Avenue
Akron, New York 14001
(Akron CSD)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the expansion of the company's existing manufacturing operations.

New Building Construction	$1,450,000
Renovation	$ 265,000
Manufacturing Equipment	$ 500,000
Non-Manufacturing Equipment	$ 100,000
Soft Costs/Other Costs	$ 355,000
Total Project Cost	$2,670,000
85%	$2,269,500

Company Description

Aakron Rule was incorporated in New York State in January of 1967. Its first products included school rulers, office rulers, and yardsticks. In 1968, they entered the promotion products industry. Today Aakron Rule is the largest manufacturer of wooden rulers and yardsticks in the world and offer over 130 different items. The majority of the company's products are distributed within the U.S. with limited sales to international customers. 96% of the company's sales are to customers located outside of New York State.

Project Description

Aakron Rule currently occupies 77,000 sq. ft. within the Village of Akron. The proposed project involves the re-configuration of operations which will allow the company to become more energy efficient and also improve production capabilities. The company will be adding an additional 25,000 sq. ft. which will expand its existing warehouse and molding operations. The company will also be acquiring additional machinery and equipment.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-Year Abatement Period	Additional City Revenue over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	$1,015,000	$11,000	$50,000	$29,600
Combined Tax Rate: $29				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Total project Amount = $2,670,000 85% = $2,269,500
Employment	Coincides with 10-Year PILOT	Maintain Base = 145 Create 85% of Projected Projected = 13 85% = 11 Recapture Employment: 156
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 Taxes

Recapture applies to:

- State and Local Sales Taxes
- Real Property Taxes
- 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 project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has maintained 145 employees and created 11 new jobs at the facility iii) adhere to local labor policy during construction period and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.

ADDENDUM TO PROJECT LOG

AAKRON RULE

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County per capita income: $28,512 Company estimated average salary of jobs to be retained: $34,736 Company estimated average salary of jobs to be created: $32,368
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside Erie County and within NYS: 1% Outside NYS and within U.S.: 96%
In Region Purchases (% of overall purchases)	All vendors and raw materials are purchased from firms located outside of Erie County.
Research & Development Activities	Approximately 5% of the company's costs are devoted to research and development.
Investment in Energy Efficiency	New machinery that is being purchased are much more accurate and use less energy to operate. New electric machinery uses less oil to operate which in turn means less fossil fuels being consumed.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The land is zoned for industrial and manufacturing uses.
LEED/Renewable Resources	NA
Retention/Flight Risk	The company operates another plant in Bakewell, Tennessee which is capable of sustaining immediate expansion. The State of Tennessee has offered incentives to shift manufacturing and printing operations.
MBE/WBE Utilization	N/A
Workforce Access – Proximity to Public Transportation	N/A

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-Aakron Rule 2017

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$1,715,000	$1,015,000	$8.39	$7.79	$15.98

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10	$547	$791	$1,622	$2,960	$29,597	$26,638
2	10	$547	$791	$1,622	$2,960	$29,957	$26,638
3	10	$547	$791	$1,622	$2,960	$29,957	$26,638
4	20	$1,094	$1,581	$3,244	$5,919	$29,957	$23,678
5	20	$1,094	$1,581	$3,244	$5,919	$29,957	$23,678
6	20	$1,094	$1,581	$3.244	$5,919	$29,957	$23,678
7	30	$1,641	$2,372	$4,866	$8,879	$29,957	$20,718
8	30	$1,641	$2,372	$4,866	$8,879	$29,957	$20,718
9	30	$1,641	$2,372	$4,866	$8,879	$29,957	$20,718
10	30	$1,641	$2,372	$4,866	$8,879	$29,957	$20,718
TOTAL		$11,489	$16,604	$34,061	$62,155	$295,974	$233,819

***** 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 (Tax Credits, Grants, ESD Incentives, etc.)
$2,670,000	$233,819	$96,260	$26,200	$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 13.3 %

Internal Report: Aakron Rule - Aakron Rule

Table 1: Basic Information

Project Name	Aakron Rule
Project Industry	(321) Wood Product Manufacturing
Municipality	Akron Village
School District	Akron
Project Cost	$2,670,000
Construction Budget	$1,715,000
Direct Employment Expected	13
Direct Labor Income	$420,784
Direct Construction Jobs	13
Direct Construction Labor Income	$659,117
Total Labor Income	$1,079,901

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$63,087
Sales Tax Revenue	$109,987
State	
Income Tax Revenue	$251,600
Sales Tax Revenue	$92,620
TOTAL Estimated Revenue	**$517,295**

Table 3: Estimated Project Incentives*

Property Tax Savings	$248,820
Sales Tax Savings	$97,344
Mortgage Tax Savings	$26,200
TOTAL Estimated Incentives	**$372,364**

Table 4: Employment Breakdown

Project	
Direct**	13
Indirect***	4
Induced****	5
Construction	
Direct	13
Indirect	5

Table 5: Ratios

Benefit to Cost Ratio	**1.4:1**
Overall ROI	**23.6:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

Aakron Rule Corp. 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 February 21, 2017 at 9:00 a.m.,
at the Village of Akron Village Hall located at 21 Main Street (Board Room), Akron, NY 14001

ATTENDANCE

Edmund Burke, Jr Resident
Chris Sullivan, Aakron Rule
George Van Cleef, Akron Rule

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

Hearing Officer: *Welcome. This public hearing is now open; it is 9:00 a.m. My name is Beth O'Keefe. I am the 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.*

☒ **2. PURPOSE:** Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Aakron Rule Corp. 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, February 10, 2017.*

☒ **3. PROJECT SUMMARY:** Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a leasehold interest in parcel(s) of land located at 3 Oak Street, Village of Akron, Town of Newstead, Erie County, New York (the "Land") improved thereon with an existing 12,000+/- SF warehouse building (the "Existing Improvements"), which will be improved with side and back additions totaling 25,000+/-*

SF (the "Improvements") to be utilized for manufacturing/processing, warehouse and office space, and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements, and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits, mortgage recording 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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on March 21, 2017. There are no limitations on written comments.*

☒ **5. PUBLIC COMMENT**: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

The Hearing Officer calls on those who raise their hand.

Edmund Burke, Village of Akron resident. I am hoping that the ECIDA can see fit to award a tax exemption to retain this vibrant business within our community and assist it to grow in whatever capacity possible. It's a pleasure to see the increase in business that they are undergoing with the number of cars that I have seen over the past 42 years. I have seen increased parking and activity. The previous business used to be a button plant. Aakron Rule seems very prosperous and may it continue to grow.

Chris Sullivan, AAkron Rule. We at Aakron look forward to working with the ECIDA as well as other agencies on this project and we are honored to continue our growth within the community as it has for over 50 years as Ed mentioned. The growth is obviously seen by its residents and we hope to continue to expand with this project with adding new jobs and increase in sales and business and growth to the community as well as the creation and retention of these jobs set forth.

George Van Cleef, Aakron Rule. I am looking forward to the expansion of the building and hiring new people to make our company more profitable and work out for everybody in the area.

☒ **6. ADJOURNMENT.**

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

SIGN IN SHEET
PUBLIC HEARING

February 21, 2017, at 9:00 a.m.
at the Village of Akron Village Hall located at 21 Main Street (Board Room), Akron, NY 14001
regarding:

Aakron Rule Corp. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 3 Oak Street, Akron, New York

Name	Company and/or Address	X box to speak/ comment
Edmund Burke, Jr.	Village of Akron Resident	X
Chris Sullivan	Aakron Rule	
George Van Cleef	Aakron Rule	

Sumitomo Rubber
$9,709,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 3326211

COMPANY INCENTIVES

- Approximately $800,000 in real property tax savings.
- Approximately $245,000 in sales tax savings.

EMPLOYMENT

- The project is anticipated to retain 1,241 Jobs.

PROJECT HISTORY

- 03/29/2017– Public hearing held. Transcript attached.
- 04/26/2017-ECIDA Board adopts a Negative Declaration in accordance with SEQRA.
- 04/26/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Sumitomo Rubber

Project Address: 10 Sheridan Drive
Tonawanda, New York 14150
(Kenmore-TTN UFSD)

Agency Request

A sales tax and real property tax abatement in connection with the expansion of the company's manufacturing operations.

New Building Addition	$3,609,000
Infrastructure	$ 500,000
Manufacturing Equipment	$5,000,000
Non-Manufacturing Equipment	$ 200,000
Soft Costs	$ 400,000
Total Project Cost	$9,709,000
85%	$8,252,650

Company Description

Sumitomo Rubber USA manufacturers and sells a wide range of automotive tires in the US and internationally. The Tonawanda plant produces over 4 million tires annually for a variety of applications such as passenger cars, trucks, buses and motorcycles. 100% of sales are to customers located outside of New York State.

The company's global headquarters are located in Kobe, Japan.

Project Description

Fueled by the demand for increased manufacturing capacity, Sumitomo will be constructing a 35,000 sq. ft. expansion to its existing manufacturing operations in the Town of Tonawanda. The expanded production capability will increase tire production from 5,000 tires per day to 10,000 per day by the year 2019.

The project lays the foundation for future growth in the North American market and will allow Sumitomo to strive to be competitive and maintain and expand operations at the Tonawanda plant.

This 35,000 sq. ft. expansion represents phase one of a two phase project.

Employment Impact

Retained Jobs 1,241

Estimated New Tax Revenue

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
N/A	$1,100,000	$31,000	$184,000	$102,000
Combined Tax Rate: $93.00				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Project Amount = $9,709,000 85% = $8,252,650
Employment	Coincides with 10-year PILOT	Maintain Base: 1,241
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	10 Year PILOT Term	Real Property Taxes State and Local Sales Taxes

Recapture applies to:

- Real Property Taxes
- State and Local Sales Taxes

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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has maintained 1,241 employees at the facility; iii) its adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.

ADDENDUM TO PROJECT LOG

SUMITOMO RUBBER

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County per capita income: $28,879 Company estimated average salary of jobs to be retained: $67,000
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside NYS and within U.S.: 100%
In Region Purchases (% of overall purchases)	8% of total annual supplies, raw materials and vendors services are purchased from firms located within Erie County.
Research & Development Activities	N/A
Investment in Energy Efficiency	It is likely that the new machinery and equipment will demonstrate energy efficiency benefits.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The land is currently zoned for industrial use.
LEED/Renewable Resources	NA
Retention/Flight Risk	The company's global headquarters are located in Japan and the company operates plants throughout the world. The company has stated the project is reasonably necessary to prevent it moving out of New York State and if the decision was ever made to move the location, it would most likely be out of the country.
MBE/WBE Utilization	N/A
Workforce Access – Proximity to Public Transportation	Facility is on bus route #35 Sheridan

April 26, 2017

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-Sumitomo 2017

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$4,109,000	$1,100,000	$13.30	$30.61	$49.24

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	$1,463	$3,367	$5,416	$10,246	$102,465	$92,219
2	10%	$1,463	$3,367	$5,416	$10,246	$102,465	$92,219
3	10%	$1,463	$3,367	$5,416	$10,246	$102,465	$92,219
4	20%	$2,926	$6,734	$10,832	$20,493	$102,465	$81,972
5	20%	$2,926	$6,734	$10,832	$20,493	$102,465	$81,972
6	20%	$2,926	$6,734	$10,832	$20,493	$102,465	$81,972
7	30%	$4,389	$10,101	$16,249	$30,739	$102,465	$71,726
8	30%	$4,389	$10,101	$16,249	$30,739	$102,465	$71,726
9	30%	$4,389	$10,101	$16,249	$30,739	$102,465	$71,726
10	30%	$4,389	$10,101	$16,249	$30,739	$102,465	$71,726
		$30,723	$70,709	$113,744	$215,176	$1,024,650	$809,473

***** 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 (Tax Credits, Grants, ESD Incentives, etc.)
$9,709,000	$809,473	$245,000	$0	$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 10.8 %

Internal Report: Sumitomo Rubber - Sumitomo Rubber

Table 1: Basic Information

Project Name	Sumitomo Rubber
Project Industry	(332) Fabricated Metal Product Manufacturing
Municipality	Kenmore Village
School District	Kenmore-Town of Tonawanda
Project Cost	$9,109,000
Construction Budget	$3,609,000
Direct Employment Expected	1,241
Direct Labor Income	$83,147,000
Direct Construction Jobs	26
Direct Construction Labor Income	$1,387,028
Total Labor Income	$84,534,028

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$201,395
Sales Tax Revenue	$17,757,948
State	
Income Tax Revenue	$48,684,220
Sales Tax Revenue	$14,954,062
TOTAL Estimated Revenue	**$81,597,624**

Table 3: Estimated Project Incentives*

Property Tax Savings	$794,310
Sales Tax Savings	$245,394
TOTAL Estimated Incentives	**$1,039,704**

Table 4: Employment Breakdown

Project	
Direct**	1,241
Indirect***	655
Induced****	836
Construction	
Direct	26
Indirect	10

Table 5: Ratios

Benefit to Cost Ratio	**78.5:1**
Overall ROI	**1362.7:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

Sumitomo Rubber USA, 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 March 29, 2017 at 9:30 a.m.,
at the Town of Tonawanda's Town Hall located at 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, NY 14217

ATTENDANCE

Mary Kasprzak – Sumitomo Rubber USA, Inc.
William Jackson – Sumitomo Rubber USA, Inc.
Hon. Joseph Emminger – Supervisor, Town of Tonawanda

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

Hearing Officer: *Welcome. This public hearing is now open; it is 9:30 a.m. My name is Beth O'Keefe. I am the 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.*

☐ **2. PURPOSE**: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Sumitomo Rubber USA, 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 Saturday, March 18, 2017.*

☒ **3. PROJECT SUMMARY**: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a leasehold interest in a parcel of land located at 3333 River Road, Town of Tonawanda, Erie County, New York (the "Land") to be improved thereon with building addition totaling 35,000+/- SF (the "Improvements") to be utilized for*

increased tire manufacturing space, and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and the Improvements, the "Facility").

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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on April 25, 2017. There are no limitations on written comments.*

☒ **5. PUBLIC COMMENT:** Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

Hon. Joseph Emminger - Supervisor, Town of Tonawanda – I am here on behalf of the entire Town of Tonawanda Board whom wholeheartedly endorse this application by Sumitomo Rubber. Sumitomo Rubber has been a great corporate citizen of the Town on Tonawanda for decades. They are one of our larger employers in the Town and this expansion project and their continued ways to incorporate the Town of Tonawanda in their success is greatly appreciated by the Town and we not only wholeheartedly endorse this project, we are also here to assist them in any way possible that we can and are looking forward to the start and completion of this project.

William Jackson - Vice President of Human Resources, Sumitomo Rubber USA, Inc. - I just want to say that the company appreciates the efforts of the ECIDA and the Town of Tonawanda as Joe has just mentioned. We have been a part of the fabric of life here for decades. We hope to continue to be the fabric of life for many decades to come. Many of our employees live here locally and in town. Being a large employer we also draw from all over Western New York. The final thing I will say is we have been a good corporate citizen. We want to continue to be a good corporate citizen and this project allows us to continue to compete in a highly competitive industry where cost and efficiency matter and we are proud to put into place the infrastructure and equipment that will allow us to continue to be a contributing member of this community.

Mary Kasprzak – Chief Financial Officer, Sumitomo Rubber USA, Inc. – I would just like to say thank you very much for seeing us today and for helping us through the application process. We are somewhat new to some of this and it's very much appreciated. I have been with Sumitomo for a while and newly promoted, when they took over ownership. They are very good people to work for and they are doing a lot of exciting things over at the facility. We have hired new young people looking to the future. We redid the offices and put in a new computer system that goes live April 1. So, we have a lot to do this week. But, a lot of exciting things happening that are good for the employees and for our town and our community. Again, thank you.

☒ **6. ADJOURNMENT.**

As there were no further comments, the Hearing Officer closed the public hearing at 9:45 a.m.

SIGN IN SHEET
PUBLIC HEARING

March 29, 2017, at 9:30 a.m.
at the Town of Tonawanda's Town Hall located at 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, NY 14217
regarding:

Sumitomo Rubber USA, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 3333 River Road, Tonawanda, New York

Name	Company and/or Address	X box to speak/ comment
Mary Kasprzak	Sumitomo Rubber USA, Inc. P.O. Box 1109 Buffalo, New York 1424	X
William Jackson	Sumitomo Rubber USA, Inc. P.O. Box 1109 Buffalo, New York 1424	X
Hon. Joseph Emminger	Town of Tonawanda Supervisor 2919 Delaware Avenue Kenmore, New York 14217	X

Tecumseh Redevelopment, Inc.
$3,455,556
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately $175,000 in sales tax savings.

PROJECT HISTORY

- 03/28/2017-Public hearing conducted. Transcript attached.
- 04/26/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Tecumseh Redevelopment, Inc.

Project Address: 2303 Hamburg Turnpike
Lackawanna, New York 14218
(Lackawanna CSD)

Agency Request

A sales tax savings in connection with the capping of land and related infrastructure improvements for shovel ready commercial and light industrial development.

Capping	$3,455,556
Total Project Cost	$3,455,556

Company Description

Tecumseh Redevelopment is a wholly-owned subsidiary of ArcelorMittal USA, the US steel manufacturing corporation. Tecumseh purchased the non-steel making assets of Bethlehem Steel Corporation in Lackawanna out of bankruptcy in 2003.

Project Description

The project consists of the construction of a 12" thick slag cover over approximately 100 acres of the former Bethlehem Steel site. The project includes clearing, subgrade, preparation, placement of a plastic demarcation layer and a 12" cap over the subgrade, construction related stormwater controls, community air monitoring and related engineering and documentation under the Brownfield Cleanup Program. ECIDA benefits will be in the form of a sales tax savings on the materials required in capping the property.

The proposed project is related to the land purchase agreement being negotiated between the applicant and the Buffalo and Erie County Industrial Land Development Corporation ("ILDC").

Erie County has spent and appropriated for future expenditures, millions of dollars to improve rail and road access and utility infrastructure for the benefit of the real property and the ILDC has, as a condition of its purchase of the real property, negotiated with Tecumseh for the environmental remediation of the real property, with the goal of creating a twenty-first century commercial/industrial park, with tri-modal access and with pre-certified New York State tax incentives.

The sales tax benefit will directly benefit the ILDC as the savings will be passed on to the ILDC in the form of a reduced purchase price.

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: $3,455,556 85% : $2,937,222
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Unpaid Tax Policy	Through Project Completion	Adherence to policy
Equal Pay Policy	Through Project Completion	Adherence to policy
Recapture Period	Project Completion	

Recapture applies to:

- State and Local Sales Taxes

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 project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) adherence to local labor policy during construction and iii) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.

ADDENDUM TO PROJECT LOG FOR COMMUNITY DEVELOPMENT PRJOECT
Tecumseh Redevelopment, Inc.

Evaluative Criteria	Notes
Distressed census tract	Project is located in census tract 174 and is designated as an Empire Zone which and is considered highly distressed under the state statute
Age of structure	The majority of the project site has been demolished
Elimination of slum and blight	The capping of the project land will allow for future development of the site
Building or Facility Vacancy	N/A The vast majority of the buildings that were located on the site have been demolished.
Redevelopment supports or aligns with regional or local development plans	The project complies with the investment and growth criteria of the Framework for Regional Growth. The Framework states that investment should be targeted to "developed areas" and "regional centers"
Environmental or safety Issues	The site is located in the NYS Brownfield Cleanup Program.
LEED/Renewable resources	N/A
Building or site has historic designation	N/A
Site or structure has delinquent property or other local taxes	Taxes are current
MBE/WBE Utilization	N/A
Project/Developer's return on investment	N/A
Impediments to conventionally financing project	N/A
Transit oriented development	N/A, however once the site is redeveloped transit access is through Lackawanna #42

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-Tecumseh Redevelopment, Inc.

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$3,455,556	N/A			

*Apply equalization rate to value
N/A

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption

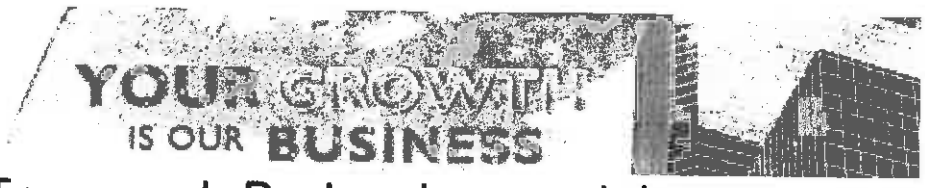
***** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff**

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 (Tax Credits, Grants, ESD Incentives, etc.)
$3,455,556	N/A	$175,000	$0	$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 5.1 %



Internal Report: Tecumseh Redevelopment, Inc. - Tecumseh Redevelopment, Inc.

Table 1: Basic Information

Project Name	Tecumseh Redevelopment, Inc.
Project Industry	(531) Real Estate
Municipality	Lackawanna City
School District	Lackawanna
Project Cost	$3,455,556
Construction Budget	$3,455,556
Direct Employment Expected	0
Direct Labor Income	$0
Direct Construction Jobs	25
Direct Construction Labor Income	$1,328,055
Total Labor Income	$1,328,055

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$1,572,628
Sales Tax Revenue	$23,794
State	
Income Tax Revenue	$66,193
Sales Tax Revenue	$20,037
TOTAL Estimated Revenue	**$1,682,651**

Table 3: Estimated Project Incentives*

Property Tax Savings	$0
Sales Tax Savings	$151,181
TOTAL Estimated Incentives	**$151,181**

Table 4: Employment Breakdown

Project	
Direct**	0
Indirect***	0
Induced****	0
Construction	
Direct	25
Indirect	9

Table 5: Ratios

Benefit to Cost Ratio	**11.1:1**
Overall ROI	**23:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

Tecumseh Redevelopment 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 March 28, 2017 at 9:00 a.m. at the City of Lackawanna City Hall, at 714 Ridge Road (Council Chambers), Lackawanna, New York 14218

ATTENDANCE

Drew Shapiro, City of Lackawanna

Fran Lafferty, Retired

Bob Baker, Citizen

Paul Werthman, Turnkey Environmental

Frank E. Krakowski, City of Lackawanna

:

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

Hearing Officer: *Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the 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.*

☒ 2. **PURPOSE**: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Tecumseh Redevelopment 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, March 17, 2017.*

☒ **3. PROJECT SUMMARY**: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a 105+/- acre portion of land located at 2303 Hamburg Turnpike, City of Lackawanna, Erie County, New York (the "Land"); (ii) the remediation of the Land under the NYSDEC Brownfield Cleanup Program for shovel-ready commercial and light industrial development (the "Improvements"), and (iii) the leasing, acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property to be utilized for the remediation of the Land (the "Equipment," and collectively with the Land and the Improvements, the "Facility").*

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits.

☒ **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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on April 25, 2017. There are no limitations on written comments.*

☒ **5. PUBLIC COMMENT**: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

Paul Werthman, President of Benchmark Restoration/Turnkey Environmental Restoration – We are the consultants for the owners of the property Tecumseh Redevelopment, Inc. We have been involved with the project and the site since 2003 when Tecumseh acquired it out of bankruptcy from the bankrupt Bethlehem Steel company. This sales tax exemption is primarily for the slag materials that are going to be used for the cover for roughly have of the 105 acres and the purpose of the tax exemption which we fully endorse. I helped my client write the application to the ECIDA seeking the sales tax exemption basically because it will reduce the purchase price of the property. It will be reduced because the price of the property includes the cover system that's going to be installed by my company on behalf of Tecumseh as part of the sale to the Erie County IDA. We fully endorse the sales tax exemption as it will be for the benefit of the ECIDA, Erie County and for future developers of the property.

Bob Baker – I am a local resident. I grew up here and went to Canisius High School, went to college in LA and moved back here and worked for FedEx for ten years. When Mayor Griffin was around I think I still have the oldest plans here submitted for development on the outer harbor waterfront. My only interest was I went to school in LA and saw the waterfront done right as one main entity. It was not privately owned as it was developed as one theme and it is very nice with the public in mind. Buffalo was known as the boom town in the 1900s. Bethlehem Steel was a great contribution to our City. In a nutshell, we have inherited what is left over of the booming industrial complex and know we are in the phase of cleaning it up and redeveloping it. So, what I wanted to weigh in on today is the process and the brownfield clean up. My question is, what will be done to the rest of the outer part? I just spoke with the Commissioner and he said, basically we can't really do anything because no one is going to buy it. Tecumseh owns that property and I would like to see some future consideration to remediate it by either reclaiming it by dredging it out. Either to dump it in the barge, in the State dump site, in the lake or put the materials somewhere else and return it to the water. Let's not leave it as an eyesore. As you guys are aware, the rest of the public likes our waterfront and wonder Western New York needs another industrial park. We are going to have a nice industrial site with the ECIDA but, why not do something with the rest of it. Let's not leave it a mess. So, either reclaim it to water or take it away. This is where Tecumseh being the owners come in and would have to do this because they own the property. I just asked why can't we get federal funding to clean up that site and I was told it's not going to happen because I am not the owner. So, I would like to perhaps work with the owners and see if we could come up with ideas to move forward on remediation of that outer site. That was my main interest to keep the doors open here for the rest of that and if that inner part is going to be developed, the last 105 acres. Let's have something beyond that. Something nice that the public will give you credit for. Let's do it right and not leave a mess

Paul Werthman - The 105 acres is part of a 417 acre-site it is what we are calling a business park phase 1, 2, 3 and A1. All the 471 acres are in the brownfield cleanup program and most of it well all the sub surface has been cleaned up. What we are talking about here today is the 105 acres. A portion of it is going to get a cover system and will be sold to the Erie County IDA with a certificate of completion that it is clean, shovel ready and ready to build on for industrial and commercial purposes. The rest of the 417 acres is also zoned for light,

medium and heavy industrial and is earmarked for those kinds of uses. The remainder of the property roughly 600-acres does not need anything and is not subject to any cleanup. The rest of it is what we call the corrective measures study area and it is subject to cleanup under the RCRA corrective measures because there was hazardous waste. There are 40 different disposal areas on the site many of which we have cleaned up between Tecumseh and the DEC. Quite frankly the worst has already been cleaned up. A few remain and we are still in the process of negotiating with the DEC to clean up the rest of that 600-acre parcel.

Bob Baker – Is there any surface liquid ruminant remaining?

Paul Werthman – No there is not. Most of the ground water has been taken care of so, it will not migrate into Lake Erie. We have taken care of everything that was in the ground water that was basically getting away from the site.

Bob Baker – Oh ok

Paul Werthman – Now what we are left with are some residuals in the slag fill that are about to implement another remedy which we call OB4 which is the old coke gas bottle products. We did an intro remedial measure there and basically cleaned up the ground water. This is the final version of it and expansion of our ground water pump and treatment system. There was a very comprehensive investigation of the site. It took years and millions of dollars spent to investigate everything there. There is a corrective measures study that details all of that and a copy of it is at the public library. So, yes there is a plan to clean up the rest of the property and the rest of the property is not unusable but, until a final remedy has been selected for all those 42 different areas we really can't redevelop the area around them.

Bob Baker – So is it a work in progress

Paul Werthman – It's not like the whole 600 acres is contaminated because it is not. The contaminated portion probably represents 5% of it. Yes, it is a work in progress

Bob Baker – It was a steel mill and the ruminants aren't exactly liquid contaminant?

Paul Werthman - You got 600 acres of slag and you got little pockets of disposal within this

Bob Baker – Regarding this beyond what we are talking about today the section here the outer part to be exact. Are there any plans for that by Tecumseh?

Paul Werthman – Plans, no because again you must have a final remediation plan, implement the remedy and then develop the property. We will work with the City and come up with zoning and what could be developed out there. But, we really can't do that until this is complete.

Bob Baker – That was my main concern and I applaud your efforts

Paul Werthman – For the rest of it consider it a work in progress to be determined at a later date.

Fran Lafferty – On the 400 acres here that you are talking about. I used to work here and to me that whole area is contaminated.

Paul Werthman – It is and that is what I call OB4 the coke plant byproducts area. There is ground water contamination that we are pumping part of it and we are going to expand that, collect it and treat it.

Fran Lafferty – I worked in all of the coke ovens and blast furnaces. I pulled bricks in all of them. Thank you.

☒ 6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

SIGN IN SHEET
PUBLIC HEARING

March 28, 2017 at 9:00 a.m. at the City of Lackawanna City Hall,
at 714 Ridge Road (Council Chambers), Lackawanna, New York 14218 regarding:

Tecumseh Redevelopment Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 2303 Hamburg Turnpike, City of Lackawanna, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Drew Shapiro	City of Lackawanna 714 Ridge Road Lackawanna, New York 14218	
Fran Lafferty		X
Bob Baker	6894 Creekview Drive Lockport, New York 14031	X
Paul Werthman	Turnkey Environmental	X
Frank E. Krakowski	City of Lackawanna 714 Ridge Road Lackawanna, New York 14218	

Unifrax 1, LLC North Youngman
$26,000,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 321999

COMPANY INCENTIVES

- Approximately $879,000 in real property tax savings
- Approximately $371,437 in sales tax savings

PROJECT BENEFITS

- The project is will generate approximately $240,000 of revenue to the local taxing jurisdictions over the abatement period representing $34,000 to the County of Erie, $79,000 to the Town of Tonawanda & $127,000 to the Kenmore-TTN UFSD.

EMPLOYMENT

- Current - 0
- New Jobs Projected - 25
- Total Jobs after project completion - 25
- Additional Company Employment in Tonawanda:
- 360 Fire Tower Drive-319
  600 Riverwalk-116

PROJECT HISTORY

- 9/17/2014 - The Project is consistent with the mitigation measures set forth in the DGEIS, FGEIS, and the Findings Statement that were prepared for the Project and as such, no further SEQR review is required for the Project pursuant to 6 N.Y.C.R.R. Section 617.10(d)(1).
- 3/20/2017– Public hearing held. Transcript attached.
- 4/26/2017– Lease/Leaseback Inducement Resolution presented to the Board of Directors.

PROJECT INVESTMENT TOTAL

Project Investment Totals:

1988 - $4,250,000
2000 - $2,200,000
2011 - $3,035,000
2015 - $13,000,000

Project Title: Unifrax 1, LLC

Project Address: North Youngmann Commerce Center Business Park
Tonawanda, New York 14150
(Kenmore-TTN UFSD)

Agency Request

A sales tax and real property tax abatement in connection with the construction of an 83,000 sq. ft. manufacturing facility in the North Youngmann Commerce Center.

New Construction	$5,700,000
Infrastructure	600,000
Manufacturing Equipment	15,800,000
Non-Manufacturing Equipment	150,000
Soft Costs	1,750,000
Total Project Cost	$24,000,000
85%	$20,400,000

Company Description

Unifrax is a manufacturer of high-temperature insulation products. Unifrax fiber products are used to solve application problems in the ferrous and non-ferrous metals, industrial chemicals, petroleum products, power generation, ceramic, glass, automotive, fire protection, aerospace, appliance and other industries.

With corporate headquarters in Tonawanda, Unifrax has three U.S. manufacturing facilities—Tonawanda and Sanborn, New York and New Carlisle, Indiana.

Unifrax acquired three leading North American vacuum forming businesses in 2011 with manufacturing facilities in Ohio and specializing in the development, manufacture and sale of fiber-based value add shapes.

The company employs more than 2,200 people worldwide with 23 manufacturing facilities and various regional and sales locations in the US, Europe, Asia, South Africa and Latin America.

Project Description

Unifrax has been making a polycrystalline fiber product which is currently being manufactured in Japan and demand for this product is outpacing production capacity. After consideration was given to expanding in the UK or Czech Republic to site a new plant at one of the company's other global locations, it was decided to construct the new plant at the Tonawanda location which is adjacent to the company's existing operations.

A new 83,000 sq. ft. manufacturing plant will be constructed in the North Youngmann Commerce Center. In addition, over $15,000,000 will be expended equipping the plant.

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 = $24,000,000 85% of total project amount = $20,400,000
Employment	Coincides with 7-Year PILOT term	Projected Jobs: 25 85% of projected jobs = 21
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Unpaid Taxes	Same as Recapture Period	Adherence to Policy
Pay Equity	Same as Recapture Period	Adherence to policy
Recapture Period	Coincides with 7-Year PILOT term	Recapture of Real Property Taxes, State and Local Sales Taxes

Recapture applies to:

- Real property taxes
- State and Local Sales Taxes

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 project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company will create 21 jobs iii) adhere to local labor policy during construction phase and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.

ADDENDUM TO PROJECT LOG

UNIFRAX 1, LLC NORTH YOUNGMANN

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County per capita income: $28,879 Company estimated average salary of jobs to be created: $50,400
Regional Wealth Creation (% sales/customers outside area)	Sales: Outside NYS and within U.S.: 61% Outside U.S.: 39%
In Region Purchases (% of overall purchases)	Approximately 18% of total annual supplies, raw materials and vendors services are purchased from firms located within Erie County.
Research & Development Activities	New product development is conducted at the site.
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The land is currently zoned for industrial use.
LEED/Renewable Resources	NA
Retention/Flight Risk	Consideration was given to expand at other corporate locations in the UK and Czech Republic before siting the new plant in the Town of Tonawanda.
MBE/WBE Utilization	N/A
Workforce Access – Proximity to Public Transportation	Facility is on bus route #35 Sheridan

April 26, 2017

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-Unifrax 2017

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$6,300,000	$1,716,000	$13.30	30.61	$49.24

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	$2,282	$5,252	$8,449	$15,984	$160,000	$143.861
2	10%	$2,282	$5,252	$8,449	$15,984	$160,000	$143,861
3	20%	$4,564	$10,505	$16,899	$31,969	$160,000	$127,876
4	20%	$4,564	$10,505	$16,899	$31,969	$160,000	$127,876
5	30%	$6,846	$15,758	$25,348	$47,953	$160,000	$111,892
6	30%	$6,846	$15,758	$25,348	$47,953	$160,000	$111,892
7	30%	$6,846	$15,758	$25,348	$47,953	$160,000	$111,892
		$34,234	$78,790	$126,744	$239,768	$1,118,918	$879,150

***** 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 (Tax Credits, Grants, ESD Incentives, etc.)
$24,000,000	$879,000	$371,437	$0	$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 5.2 **%**

Internal Report: Unifrax 1, LLC - Unifrax 1, LLC

Table 1: Basic Information

Project Name	Unifrax 1, LLC
Project Industry	(321) Wood Product Manufacturing
Municipality	Tonawanda Town
School District	Kenmore-Town of Tonawanda
Project Cost	$24,000,000
Construction Budget	$6,300,000
Direct Employment Expected	25
Direct Labor Income	$1,262,075
Direct Construction Jobs	46
Direct Construction Labor Income	$2,421,245
Total Labor Income	$3,683,320

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$320,498
Sales Tax Revenue	$284,050
State	
Income Tax Revenue	$755,324
Sales Tax Revenue	$239,200
TOTAL Estimated Revenue	**$1,599,072**

Table 3: Estimated Project Incentives*

Property Tax Savings	$1,264,060
Sales Tax Savings	$371,875
TOTAL Estimated Incentives	**$1,635,935**

Table 4: Employment Breakdown

Project	
Direct**	25
Indirect***	8
Induced****	10
Construction	
Direct	46
Indirect	17

Table 5: Ratios

Benefit to Cost Ratio	**1:1**
Overall ROI	**14:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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PUBLIC HEARING SCRIPT

Unifrax I 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 March 20, 2017 at 9:00 a.m.,
at the Town of Tonawanda Town Hall, 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, New York 14217

ATTENDANCE

David Ricketts – Unifrax, Sr. Project Manger
Hon. Joseph Emminger, Supervisor, Town of Tonawanda

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

Hearing Officer: *Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the 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.*

☒ **2. PURPOSE:** Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Unifrax I 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 Friday, March 10, 2017.*

☒ **3. PROJECT SUMMARY:** Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a portion of land located in the North Youngmann Commerce Center, Town of Tonawanda, Erie County, New York (the "Land") to be improved thereon with a 83,000+/- SF manufacturing facility comprising 67,500+/- SF of production space for the manufacturing of polycrystalline fiber product, 13,000+/- SF of warehouse space, and 2,500+/- SF of general office space (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and Improvements, the "Facility").*

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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on April 25, 2017. There are no limitations on written comments.*

☒ **5. PUBLIC COMMENT:** Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

David Ricketts – Sr. Project Manager, Unifrax 1. LLC. – It's our intention to construct an 83,000-sq. ft. facility in the North Youngmann Commerce Center in the Town of Tonawanda. We are doing this for the purpose of producing polycrystalline fiber that will be used in the production of catalytic converter mats. We are looking to employ roughly 25 people to begin with and we are hoping to expand employment in the future.

Hon. Joseph Emminger, Supervisor, Town of Tonawanda – I am here to say that the Town of Tonawanda wholeheartedly endorses Unifrax and its expansion over into our North Youngmann Commerce Center. Unifrax has been a great corporate partner for decades and when they approached us to expand in the North Youngmann Commerce Center we were thrilled mainly because they are keeping jobs not only in the Town of Tonawanda, but they are also keeping jobs in the United States. So, we will work diligently with Unifrax and whatever needs to be done and we will make sure this project, working alongside them, is successful.

☒ **6. ADJOURNMENT.**

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

SIGN IN SHEET
PUBLIC HEARING

March 20, 2017, at 9:00 a.m.
at the Town of Tonawanda Town Hall, 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, New York 14217
regarding:

Unifrax I LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: North Youngmann Commerce Center, Tonawanda, New York

Name	Company and/or Address	X box to speak/ comment
David Ricketts	Unifrax 330 Fire Tower Drive Tonawanda, NY 14150	X
Hon. Joseph Emminger	Town of Tonawanda Town Hall 2919 Delaware Avenue Kenmore, New York 14217	X

Delaware Lodge, LLC
$1,246,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately $10,000 in mortgage recording tax savings.
- Approximately $49,350 in sales tax savings.

PROJECT HISTORY

- No Public hearing required since benefit amount less than $100,000.
- 04/26/2017-ECIDA Board adopts a Negative Declaration in accordance with SEQRA.
- 04/26/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Delaware Lodge, LLC

Project Address: 173 Delaware Road
Kenmore, New York 14217
(Kenmore-TTN UFSD)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the redevelopment and adaptive reuse of the former Delaware Masonic Lodge.

Acquisition	$ 175,000
Renovation	$ 940,000
Soft Costs	$ 131,000
Total Project Cost	$1,246,000
85%	$1,059,100

Company Description

Greg and Cheryl Rodems have established Delaware Lodge, LLC for the purpose of acquiring and renovating the former Delaware Masonic Lodge. Mr. Rodems owns Rodems Construction Company in Orchard Park which was established in 2003.

Project Description

The Masonic Lodge was built in 1930 and has been vacant for over 5 years. The project will include the renovation of the existing structure and upon completion will house seven 1 and 2 bedroom apartments. One bedroom apartments will be approximately 700 sq. ft. and rent for approximately $1,100 per month while the 2 bedroom apartments would average 1,500 sq. ft. and rent for approximately $1,900 per month.

Utilities in the building have been shut off or disconnected which has accelerated the building's deterioration.

The Village of Kenmore Board of Trustees approved the project as a planned unit development, only the second of its kind after a recent NY law allowed for municipalities to have greater impact on local zoning for projects such as this.

At this point it is anticipated that a part time building maintenance person will be made available on an as needed basis.

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Project Amount = $1,246,000 85% = $1,059,100
Employment	N/A	
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Pay Equity	Same as Recapture Period	Adherence to Policy
Unpaid Tax	Same as Recapture Period	Adherence to Policy
Recapture Period	2 Years After Project Completion	Mortgage Tax State and Local Sales Taxes

Recapture applies to:

- Mortgage Tax
- State and Local Sales Taxes

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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) adherence to ECIDA local labor policy during construction and iii) adherence to unpaid tax and pay equity policies for the recapture term.

ADDENDUM TO PROJECT LOG
Delaware Lodge, LLC

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 86 which is not considered distressed.
Age of Structure	The building was constructed in the 1930's.
Elimination of slum and blight	The Lodge has been vacant for over 6 years.
Building or Facility Vacancy	The facility has been vacant for the past 6 years. It is used only on a limited basis for sporadic church events.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth. The Village of Kenmore Board of Trustees approved the project as a planned unit development, only the second of its kind after a recent NY law allowed for municipalities to have greater impact on local zoning for projects such as this.
Environmental or Safety Issues	Based on an environmental review, asbestos containing material has been located in the floor tiles, pipe wrap, carpeting and certain walls and radiator openings.
LEED/Renewable resources	NA
Building or site has historic designation	N/A
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	N/A
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project	The developer indicates in its application that the presence of asbestos has caused the total project costs to exceed the current rental market.
Transit oriented development	The facility is on Delaware Route #25

April 26, 2017

ADAPTIVE REUSE REPORT
Delaware Lodge, LLC

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment	The building was constructed in the mid 1930's.
Structure has been vacant or underutilized for a minimum of 3 years (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)	The structure has been vacant for 6 years.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class	No income is being generated as the structure is vacant.
Project is in compliance with the investment and growth criteria of the Framework for Regional Growth	The Framework states that investment should be targeted to "developed areas" and "regional centers". This project falls within the developed area as designated by the Regional Framework. In addition, the Village of Kenmore Board of Trustees approved the project as a planned unit development which allows for municipalities to have greater impact on local zoning for projects such as this.
Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)	The building is in a state of disrepair, contains asbestos within the floor tiles, pipe wrap and around the radiators and must be updated to new safety standards. The developer has submitted an ROI which indicates below average rate of return on the investment.
Demonstrated support of local government entities	The Mayor of the Village of Kenmore has provided a letter of support.
OTHER FACTORS TO CONSIDER:	
Structure or site presents significant public safety hazard and or environmental remediation costs	Based on an environmental review, asbestos containing material have been located in the floor tiles, pipe wrap and radiators. Updated mechanicals and fires suppression systems will be installed.
Site or structure is located in a distressed census tract	The property is located in Census Tract 86 which is not considered distressed.

Structure presents significant costs associated w/ building code compliance.	Update mechanical/electrical/plumbing systems as well as new safety systems will need to be installed.
Site or structure is presently delinquent in property tax payments	Taxes are current.

Dated: April 26, 2017

Return on Investment

Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

The National Development Council, which has experience financing projects in higher risk urban areas across the Northeast, uses 10% - 12% as a benchmark rate of return for urban high risk projects.

Empire State Development financing officials when reviewing similar projects in the City of Buffalo have used 12% as an acceptable ROI for development projects.

Adaptive Reuse Projects

Many Adaptive Reuse Projects are hampered by upfront development costs that are not typical in new build green field development projects. These upfront costs can hinder the ability of the projects to attract financing, and provide cash flow. The upfront costs associated with site contamination, asbestos removal, code compliance, structural deficiencies can make Adaptive Reuse projects difficult to undertake and attract private investment and financing, particularly in real estate markets where rental values are relatively low. Historically real estate projects in the region are difficult to undertake, local real estate developers have indicated that the typical ROI investors and developers seek to achieve in mixed use development projects are in the 10% - 12% range, although they can run higher for projects with significant risk.

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value $49,350
- ECIDA Mortgage Recording Tax Abatement approximate value $10,000
- Property Tax Program 485-a through the City of Buffalo over 12 years

ROI

Delaware Lodge, LLC has submitted a pro-forma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 6.40%

Stated ROI for the project with ECIDA assistance is 6.87%

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-Delaware Lodge, LLC

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$940,000	N/A			

*Apply equalization rate to value
N/A

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

***** 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 (Tax Credits, Grants, ESD Incentives, etc.)
$1,246,000	N/A	$49,350	$10,000	$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 4.7 **%**

Internal Report: Delaware Lodge, LLC - Delaware Lodge, LLC

Table 1: Basic Information

Project Name	Delaware Lodge, LLC
Project Industry	(531) Real Estate
Municipality	Kenmore Village
School District	Kenmore-Town of Tonawanda
Project Cost	$1,246,000
Construction Budget	$940,000
Direct Employment Expected	0
Direct Labor Income	$0
Direct Construction Jobs	7
Direct Construction Labor Income	$361,265
Total Labor Income	$361,265

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$219,781
Sales Tax Revenue	$6,472
State	
Income Tax Revenue	$18,006
Sales Tax Revenue	$5,451
TOTAL Estimated Revenue	**$249,710**

Table 3: Estimated Project Incentives*

Property Tax Savings	$0
Sales Tax Savings	$49,875
Mortgage Tax Savings	$10,000
TOTAL Estimated Incentives	**$59,875**

Table 4: Employment Breakdown

Project	
Direct**	0
Indirect***	0
Induced****	0
Construction	
Direct	7
Indirect	2

Table 5: Ratios

Benefit to Cost Ratio	**4.2:1**
Overall ROI	**12.3:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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OFFICE OF MAYOR

2919 Delaware Avenue, Kenmore, NY 14217

Patrick Mang
Mayor

Phone: (716) 873-5700
www.vi.kenmore.ny.us

November 17, 2015

Erie County Industrial Development Agency
275 Oak Street
Buffalo, NY 14203

Re: 173 Delaware Road, Kenmore, NY 14217
a/k/a the former Masonic Lodge

To Whom It May Concern:

The Village of Kenmore would like to give its support for the redevelopment of 173 Delaware Road, pending standard municipal reviews.

This property has been vacant for quite some time, and has been the subject of several violation notices as the exterior and yard maintenance are not maintained. It would be a benefit to the entire community to see this property redeveloped.

If you should have any questions, or need additional information, please contact me at 716/873-5700.

Sincerely,

Patrick Mang
Mayor, Village of Kenmore

Double Eagle Kenmore, LLC
$4,250,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Up to $40,000 in mortgage recording tax savings
- Approximately $175,000 in sales tax savings.

EMPLOYMENT

- The project is anticipated to create 2 jobs.

PROJECT HISTORY

- 03/29/2017– Public hearing held. Transcript attached.
- 04/26/2017-ECIDA Board adopts a Negative Declaration in accordance with SEQRA.
- 04/26/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Double Eagle Kenmore, LLC

Project Address: 45 Victoria Boulevard
Kenmore, New York 14217
(Kenmore-TTN UFSD)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the redevelopment and adaptive reuse of the former St. Paul's school building.

Acquisition	$ 500,000
Renovation	$2,500,000
Building Addition	$ 300,000
FF & E	$ 250,000
Soft Costs	$ 700,000
Total Project Cost	$4,250,000
85%	$3,612,500

Company Description

Double Eagle Kenmore, LLC was established to undertake the proposed project and is owned equally by Larry Bicz and Ken Vasile.

Project Description

The redevelopment plan for 45 Victoria Boulevard involves the conversion of the former 50,000 sq. ft. St. Paul school building into 37 market rate apartments. The makeup of the units will be 28 1-bedroom units, eight 2-bedroom units and one loft apartment. Average square feet of the apartments are 700 sq. ft. and the rents will be approximately $1,000 per month.

Tenants are anticipated to be comprised mostly, if not wholly, of Kenmore residents who belong to the St. Paul's Parish.

The developers see this project as an option for residents looking to downsize from larger homes in the area which in turn makes their home available for new owners.

The Village of Kenmore Board of Trustees approved the project as a planned unit development, only the second of its kind after a recent NY law allowed for municipalities to have greater impact on local zoning for projects such as this.

As a school building this property has been exempt since the early 1900's. The acquisition of the building by the developer will return the property to the tax rolls.

Employment Impact

Projected Jobs 2 (two years after project completion)

Estimated New Tax Revenue

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 12-Year 485-a Abatement Period	Additional Local Revenue over 12-Year 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	$500,000	$80,000	$118,000	$66,000
Combined Tax Rate: $132				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Project Amount = $4,250,000 85% = $3,612,500
Employment	2 Years After Project Completion	Create 85% of Projected: Projected: 2 85%: 2
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Pay Equity	Same as Recapture Period	Adherence to Policy
Unpaid Tax	Same as Recapture Period	Adherence to Policy
Recapture Period	2 Years After Project Completion	Mortgage Recording Tax State and Local Sales Taxes

Recapture applies to:

- Mortgage Recording Tax
- State and Local Sales Taxes

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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has 2 employees at the facility; iii) its adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.

ADDENDUM TO PROJECT LOG
Double Eagle Kenmore, LLC

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 87 which is considered highly distressed under the State statute.
Age of Structure	The building was constructed in the 1920's.
Elimination of slum and blight	The school building has been substantially vacant for over 6 years.
Building or Facility Vacancy	The facility has been vacant for the past 6 years. It is used only on a limited basis for sporadic church events.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth. The Village of Kenmore Board of Trustees approved the project as a planned unit development, only the second of its kind after a recent NY law allowed for municipalities to have greater impact on local zoning for projects such as this.
Environmental or Safety Issues	Based on an environmental review, asbestos containing material has been located in the floor tiles, pipe wrap, window caulking and roof flashing. Updated mechanicals and fires suppression systems will be installed.
LEED/Renewable resources	NA
Building or site has historic designation	The property is listed on National Register and the developer is working with SHPO on the plan for redevelopment.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	N/A
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project	The developer indicates in its application that there are knowns and unknowns in rehabbing an older school building and retrofitting it for updated uses. Additional costs are incurred for known asbestos remediation and the additional costs to bring the facility up to current safety standards.
Transit oriented development	The facility is on Delaware Route #25

April 26, 2017

ADAPTIVE REUSE REPORT
Double Eagle Kenmore, LLC

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment	The building was constructed in the mid 1920's.
Structure has been vacant or underutilized for a minimum of 3 years (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)	The structure has been vacant for 6 years and used only sporadically for church events.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class	No income is being generated as the structure is vacant.
Project is in compliance with the investment and growth criteria of the Framework for Regional Growth	The Framework states that investment should be targeted to "developed areas" and "regional centers". This project falls within the developed area as designated by the Regional Framework. In addition, the Village of Kenmore Board of Trustees approved the project as a planned unit development which allows for municipalities to have greater impact on local zoning for projects such as this.
Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)	The facility will need extensive repairs to comply with modern building code requirements. The functional obsolescence of the building requires new electrical and mechanical systems installed.
Demonstrated support of local government entities	The Mayor of the Village of Kenmore has provided a letter of support.
OTHER FACTORS TO CONSIDER:	
Structure or site presents significant public safety hazard and or environmental remediation costs	Based on an environmental review, asbestos containing material has been located in the floor tiles, pipe wrap, window caulking and roof flashing. Updated mechanicals and fires suppression systems will be installed.
Site or structure is located in a distressed census tract	The property is located in Census Tract 87 which is considered highly distressed under the State statute.

Structure presents significant costs associated w/ building code compliance.	Update mechanical/electrical/plumbing systems as well as new safety systems will need to be in stalled.
Site or structure is presently delinquent in property tax payments	The property is currently exempt from paying property tax.

Dated: April 26, 2017

Return on Investment

Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

The National Development Council, which has experience financing projects in higher risk urban areas across the Northeast, uses 10% - 12% as a benchmark rate of return for urban high risk projects.

Empire State Development financing officials when reviewing similar projects in the City of Buffalo have used 12% as an acceptable ROI for development projects.

Adaptive Reuse Projects

Many Adaptive Reuse Projects are hampered by upfront development costs that are not typical in new build green field development projects. These upfront costs can hinder the ability of the projects to attract financing, and provide cash flow. The upfront costs associated with site contamination, asbestos removal, code compliance, structural deficiencies can make Adaptive Reuse projects difficult to undertake and attract private investment and financing, particularly in real estate markets where rental values are relatively low. Historically real estate projects in the region are difficult to undertake, local real estate developers have indicated that the typical ROI investors and developers seek to achieve in mixed use development projects are in the 10% - 12% range, although they can run higher for projects with significant risk.

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value $62,492
- ECIDA Mortgage Recording Tax Abatement approximate value $16,500
- Property Tax Program 485-a through the Village of Kenmore for 12 years

ROI

Double Eagle, LLC has submitted a pro-forma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 9.65%

Stated ROI for the project with ECIDA assistance is 10.19%

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-Double Eagle Kenmore, LLC

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$2,800,000	N/A			

*Apply equalization rate to value
N/A

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

***** 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 (Tax Credits, Grants, ESD Incentives, etc.)
$4,250,000	N/A	$175,000	$40,000	$1,584,110

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 37.2 %

Internal Report: Double Eagle Kenmore, LLC - Double Eagle Kenmore, LLC

Table 1: Basic Information

Project Name	Double Eagle Kenmore, LLC
Project Industry	(531) Real Estate
Municipality	Kenmore Village
School District	Kenmore-Town of Tonawanda
Project Cost	$4,250,000
Construction Budget	$2,800,000
Direct Employment Expected	2
Direct Labor Income	$62,419
Direct Construction Jobs	20
Direct Construction Labor Income	$1,076,109
Total Labor Income	$1,138,528

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$981,999
Sales Tax Revenue	$47,174
State	
Income Tax Revenue	$121,361
Sales Tax Revenue	$39,725
TOTAL Estimated Revenue	**$1,190,259**

Table 3: Estimated Project Incentives*

Property Tax Savings	$0
Sales Tax Savings	$175,000
Mortgage Tax Savings	$40,000
TOTAL Estimated Incentives	**$215,000**

Table 4: Employment Breakdown

Project	
Direct**	2
Indirect***	2
Induced****	1
Construction	
Direct	20
Indirect	7

Table 5: Ratios

Benefit to Cost Ratio	**5.5:1**
Overall ROI	**22:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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1899-1999
Kenmore

OFFICE OF MAYOR

2919 Delaware Avenue, Kenmore, NY 14217

Patrick Mang
Mayor

Phone: (716) 873-5700
www.vi.kenmore.ny.us

March 14, 2017

Attn: Karen Fiala
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, New York 14203

Re: Double Eagle Development
Parish Place Apartments
45 Victoria, Kenmore NY

Dear Ms. Fiala,

The Village of Kenmore would like to give its support for the redevelopment of 45 Victoria Boulevard (the former St. Paul's School).

The Village has been working with the Developer to ensure that the property can be used as residential apartments, with community space because we believe that this project will greatly benefit the Kenmore community. We believe that the Planned Unit Development created for this project will ensure that its use and appearance will fit into the surrounding neighborhood. Certainly, if the building were to remain vacant, it would become dilapidated and an attractive nuisance to the neighborhood. It would be a benefit to the entire Kenmore community to see this property redeveloped and used.

If you should have any questions, or need additional information, please contact me at 716/873-5700.

Sincerely,

Patrick Mang
Mayor, Village of Kenmore

ST. PAUL'S RC CHURCH

33 Victoria Boulevard
Kenmore, New York 14217 (716) 875-2730 Fax: (716) 877-3874
cnye@stpaulchurchken.org

Carolyn M. Nye, Business Administrator

March 15, 2017

To Whom It May Concern:

Three years ago I received a knock on my door inquiring about the status of the school and would we possibly be interested in selling it. The initial response was no but after a while and thinking about the benefits that were being offered the pastor at that time and myself decided to look into it.

The sale of the school building could only be achieved by meeting several criteria. Will the parish of St. Paul's be able to find a meeting place and office facilities, how does the sale impact the neighborhood and the Village of Kenmore and could we get a fair amount for the sale?

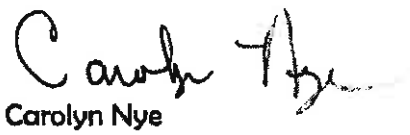
By utilizing and reconfiguring the rectory space and the church we devised a plan with the help of an architect, which would renovate the existing buildings and add new space between them to give us a more inclusive, handicap friendly user space for our aging population and a modern facility to take us into the future.
The amount received from the sale helped us start the project while we secured funding for the rest.

Before any of this could take place, the parish had to see what the impact would be on the Neighborhood and the Village. We held a few meetings with the area residence and the parishioners to get their feedback, conducted a feasibility study with our people and spoke to many, many member of the community including the planning board of the village and the Mayor's office

The results of all this was an overwhelming positive reaction. The neighbors were happy that the beloved school that was closed 7 years prior would not go into blight and was going to be refurbished in a positive way. The parishioners agreed that having the building made into apartments would bring new members into the congregation as well as allowing for some of our own members the opportunity to rent an apartment.

We are in the early stages of this adventure but I see a bright future for all involved. All the criteria have been met and we look forward to many years of a harmonious relationship with Double Eagle Kenmore.

Sincerely,



Carolyn Nye

PUBLIC HEARING SCRIPT

Double Eagle Kenmore, 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 March 29, 2017 at 9:00 a.m.,
at the Town of Tonawanda's Town Hall located at 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, NY 14203

ATTENDANCE

Hon. Joseph Emminger, Supervisor Town of Tonawanda
Todd Potter – Legal Counsel, Grashow Long
Lawrence Bicz – Double Eagle Kenmore, LLC

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

Hearing Officer: *Welcome. This public hearing is now open; it is 9:00 a.m. My name is Beth O'Keefe I am the 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.*

☒ **2. PURPOSE**: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Double Eagle Kenmore, 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 Saturday, March 18, 2017.*

☒ **3. PROJECT SUMMARY**: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a leasehold interest in a 0.75+/- acre parcel of land located at 45 Victoria Boulevard in the Town of Tonawanda, Village of Kenmore, Erie County, New York (the "Land") improved thereon with the vacant former St. Paul's School building (the "Existing Improvements"), (ii) the construction of a 2,700+/-*

SF addition and renovation, upgrading and equipping of the Existing Improvements and the aforementioned addition on the Land to accommodate approximately 37 market-rate apartments consisting of approximately 28 one-bedroom units, 8 two-bedroom units and 1 loft unit (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption 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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on April 25, 2017. There are no limitations on written comments.*

☒ **5. PUBLIC COMMENT**: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.*

Hon. Joseph Emminger - Supervisor, Town of Tonawanda – I am here on behalf of the entire Town of Tonawanda Board whom wholeheartedly endorse this application for Double Eagle Kenmore, LLC. to renovate and convert the former St. Paul's School which we can view right

outside the window as we speak. This has created a lot of buzz over the last 18 months or so when the project was announced by the developer. It certainly will be a great addition not only for the Village of Kenmore but for the entire community of Tonawanda and we wholeheartedly endorse it.

Lawrence Bicz – President, Double Eagle Kenmore, LLC/Double Eagle Development – I have purchased the building and I am the developer. This has been a long process. I am also a community member. We have had the full support of the community, The Village of Kenmore, The Town of Tonawanda and the School Board with the different programs that are necessary. There are immense costs in refurbishing these schools. Ken Ton is experiencing a glut of school buildings and they are aware between the School Board, The Village and The Town of Tonawanda of a couple different programs including the ECIDA tax incentives that would make it viable to do this project. In the 30 years that I have been in real estate I have never experienced the cost associated with this type of rehabilitation. So, each and every program that we could apply for we have including historic tax credits and we surely appreciate the support of not only the previous mentions but the Village, the community and we look forward to moving forward really soon. Thank you.

☒ 6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

SIGN IN SHEET
PUBLIC HEARING

March 29, 2017, at 9:00 a.m.
at the Town of Tonawanda's Town Hall located at 2919 Delaware Avenue
(Town Board Conference Room #21), Kenmore, NY 14203
regarding:

Double Eagle Kenmore, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 45 Victoria Boulevard, Kenmore, New York

Name	Company and/or Address	X box to speak/ comment
Hon. Joseph Emminger	Town of Tonawanda Supervisor 2919 Delaware Avenue Kenmore, New York 14217	X
Todd Potter	Grashow Long 19687 Wehrle Drive Williamsville, New York 14221	
Lawrence Bicz	Double Eagle Kenmore, LLC 47 Victoria Blvd. Kenmore, New York 14217	X

Shea's Seneca, LLC
$9,041,730
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 53110

COMPANY INCENTIVES

- Up to 1% of the final mortgage amount. At this time, the estimated amount of the mortgage is $7,000,000 for a savings of $70,000.
- Approximately $371,727 in sales tax savings.
- The company will be utilizing the City's 485-a exemption program for the real property tax abatement.

EMPLOYMENT

- The project is anticipated to create 4 FT / 27 PT additional jobs (two years after project completion).

PROJECT HISTORY

- 3/13/2017 - City of Buffalo, as lead agency, adopts negative declaration.
- 3/27/2017 - Public Hearing held. Transcript attached.
- 4/26/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Shea's Seneca, LLC

Project Address: 2178 Seneca Street
Buffalo, New York 14210
(Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of an existing building.

Land & Building Acquisition	$ 540,000
Renovation	$7,080,521
Soft Costs	$1,421,209
Total Project Cost	$9,041,730
85%	$7,685,470

Company Description

Shea's Seneca is an LLC formed by Jake Schneider, Kathryn Schneider, Andrew Dorn and Matthew Dorn.

Project Description

The proposed project entails the adaptive reuse of the historic Shea's Seneca Building in the heart of the South Buffalo Seneca Street neighborhood commercial corridor. The building is 48,000 sq. ft. and stands as the largest and most prominent building along the entire street from the Buffalo River to the City line.

The property is considered a neighborhood icon and is the largest structure along the commercial corridor. The redevelopment plan includes approximately 25 apartments and approximately 20,000 sq. ft. of commercial space. Lease rates for the apartments will range from $900—$1,400.

Commercial tenants include a non-profit community theater group (5,000 sq. ft.) that will be sharing space with other non-profit performance groups, a banquet facility (11,000 sq. ft.) and approximately 3,000 sq. ft. of space designated for neighborhood retail business yet to be identified.

Impact on Taxes

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional City Revenue Over 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
$10,500	$3,500,000	$271,000	$189,000	$117,000
Combined Tax Rate: $33 Current Assessment: $311,500				

Retail Determination

Project Use	Sq. Ft.	Cost	% of Project Cost
Residential	29,257	$5,507,318	61%
Commercial/Retail	18,776	$3,534,413	39%
Total	48,033	$9,041,731	100%

According to State law, if more than 1/3 of the cost of the total project is devoted to retail uses, the IDA must make a retail finding. This requires a sign off by the County Executive.

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: $9,041,730 85% : $7,685,470
Employment	See Recapture Period	Projected Jobs: 4 FT/27 PT Create 85% of projected 85% = 14 FTE's
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Unpaid Tax Policy	See Recapture Period	Adherence to policy
Equal Pay Policy	See Recapture Period	Adherence to policy
Recapture Period	2 years after project completion	State and Local Sales Taxes Mortgage Tax

Recapture applies to:

- State and Local Sales Taxes
- Mortgage Recording Taxes

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 equal to or greater than 85% of the amount proposed; ii) confirm company has 14 FTE's at the facility; iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

ADDENDUM TO PROJECT LOG
SHEA'S SENECA, LLC

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 10 which is highly distressed.
Age of Structure	The building was constructed in the early 1930's.
Elimination of slum and blight	The investment of over $7,000,000 into this distressed area along with other development taking place within the vicinity, will help to enhance the overall South Buffalo area.
Building or Facility Vacancy	Except for a small variety store which operates in a portion of the facility, the building is vacant.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth. The Framework states that investment should be targeted to "developed areas" and "regional centers"
Environmental or Safety Issues	There is the presence of asbestos in the facility which will be abated. In addition, all new mechanicals and safety systems will be installed.
LEED/Renewable resources	NA
Building or site has historic designation	The property is listed on National Register and the developer is working with SHPO on the plan for redevelopment.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	N/A
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project	Due to the historic nature of the property, it is significantly more expensive to renovate the facility while maintaining its historic integrity.
Transit oriented development	This property is served by the Seneca Street #15 bus

April 26, 2017

ADAPTIVE REUSE REPORT

Shea's Seneca

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment	The building was constructed in the 1930's.
Structure has been vacant or underutilized for a minimum of 3 years (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)	The only activity on the premises is a small variety store which operates in a portion of the facility.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class	The only income being generated is from the store noted above and is approximately $2,500 per month. They have vacated the premises as of the end of 2016.
Project is in compliance with the investment and growth criteria of the Framework for Regional Growth	The Framework states that investment should be targeted to "developed areas" and "regional centers". This project falls within the developed area as designated by the Regional Framework.
Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)	The property has many redevelopment challenges like most older and underutilized/vacant historic structures. Additional costs are related to the restoration and replacement of significant historical details (terra cotta and masonry restoration, intricate plaster work and moldings, restoration of terrazzo floors, restoration of historic windows, etc. that requires specialized trades and costlier product. In addition, the property's location along an economically depressed commercial corridor outside of the downtown core requires the project to adjust its rents (revenue) downward in order to respond to the specific neighborhood sub-market,

Demonstrated support of local government entities	Support letters have been received from the following individuals: Mayor Byron Brown, Mark Schroeder, Comptroller, Congressman Brian Higgins, Christopher Scanlon, President Pro Tempore, South District Councilmember, Senator Tim Kennedy, Assemblyman Mickey Kearns.
OTHER FACTORS TO CONSIDER:	
Structure or site presents significant public safety hazard and or environmental remediation costs	There is the presence of asbestos in the facility which requires remediation. In addition, all new mechanicals will be installed as well as upgrades to safety systems.
Site or structure is located in a distressed census tract	The property is located in Census Tract 10 which is highly distressed.
Structure presents significant costs associated w/ building code compliance.	The structure requires a significant investment to stabilize the building and make it code compliant. The property contains contaminated material that will ultimately have to be remediated. New mechanical, electrical, fire suppression and plumbing systems must be installed in a manner consistent with the historic character of the building.
Site or structure is presently delinquent in property tax payments	Taxes are current

Dated: April 26, 2017

Shea's Seneca

Return on Investment

Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

The National Development Council, which has experience financing projects in higher risk urban areas across the Northeast, uses 10% - 12% as a benchmark rate of return for urban high risk projects.

Empire State Development financing officials when reviewing similar projects in the City of Buffalo have used 12% as an acceptable ROI for publicly assisted development projects.

Adaptive Reuse Projects

Many Adaptive Reuse Projects are hampered by upfront development costs that are not typical in new build green field development projects. These upfront costs can hinder the ability of the projects to attract financing, and provide cash flow. The upfront costs associated with site contamination, asbestos removal, code compliance, structural deficiencies can make Adaptive Reuse projects difficult to undertake and attract private investment and financing, particularly in real estate markets where rental values are relatively low. Historically real estate projects in the region are difficult to undertake, local real estate developers have indicated that the typical ROI investors and developers seek to achieve in mixed use development projects are in the 10% - 12% range, although they can run higher for projects with significant risk.

Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value $371,727
- Approximately a $70,000 in mortgage tax savings
- Approximately $2,316,000 in historic tax credits
- Grant in the amount of $125,000

ROI

Pierce Arrow, LLC as submitted a pro forma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance 8.55%
Stated ROI for the project without ECIDA and other tax credits and grants is 7.86%

Historic Status
The building is listed on the National Register of Historic Places.

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-Shea's Seneca, LLC

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*		County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$7,080,521	N/A				

*Apply equalization rate to value
N/A

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

***** 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 (Tax Credits, Grants, ESD Incentives, etc.)
$9,041,730	N/A	$371,727	$70,000	$2,441,731

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 31.8 %

Internal Report: Shea's Seneca, LLC - Shea's Seneca, LLC

Table 1: Basic Information

Project Name	Shea's Seneca, LLC
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District	Buffalo
Project Cost	$9,041,730
Construction Budget	$7,080,521
Direct Employment Expected	17
Direct Labor Income	$530,561
Direct Construction Jobs	52
Direct Construction Labor Income	$2,721,219
Total Labor Income	$3,251,780

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$1,038,689
Sales Tax Revenue	$285,852
State	
Income Tax Revenue	$711,300
Sales Tax Revenue	$240,717
TOTAL Estimated Revenue	**$2,276,557**

Table 3: Estimated Project Incentives*

Property Tax Savings	$0
Sales Tax Savings	$371,023
Mortgage Tax Savings	$70,000
TOTAL Estimated Incentives	**$441,023**

Table 4: Employment Breakdown

Project	
Direct**	17
Indirect***	20
Induced****	11
Construction	
Direct	52
Indirect	19

Table 5: Ratios

Benefit to Cost Ratio	**5.2:1**
Overall ROI	**53.9:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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CITY OF BUFFALO

BYRON W. BROWN

MAYOR

March 20, 2017

Mr. Steven W. Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Schneider Development LLC
Shea's Seneca Building

Dear Ms. Weather:
The City of Buffalo supports Schneider Development LLC's application to the Erie County Industrial Development Agency to redevelop the historic Shea's Seneca building located at 2178 Seneca St. in South Buffalo. This mixed-use development is a welcomed enhancement to the Seneca Street corridor and is of great historical significance as it is one of three Shea's theaters remaining out of the eight originally constructed in the Buffalo Niagara Region.

Seneca Street in South Buffalo is an essential commercial corridor in the City of Buffalo that in recent years has struggled with high levels of vacancy and underutilization. Reviving this iconic structure and rehabilitating it into 25 apartment units, a 130 seat theater, commercial and retail space will undoubtedly serve as a major catalyst for jump starting the economic revitalization of this proud and long-established commercial corridor.

Given the property's rich historical and architectural significance, sheer size, and prominent location at the heart of a commercial corridor in need of reinvestment, it's both a vital piece of this neighborhood's future and a prime example of the type of neighborhood revitalization projects that are encouraged throughout the City of Buffalo.

Sincerely,

Byron W. Brown

Byron W. Brown
Mayor

MICHAEL P. KEARNS
Assemblyman 142nd District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

COMMITTEES
Banks
Cities
Housing
Oversight, Analysis & Investigation

County Executive Mark Poloncarz

Edward A Rath Office Building

95 Franklin St 16th Floor

Buffalo, NY 14202

September 12, 2016

Dear County Executive Poloncarz:

I write in strong support of Schneider Development's ECIDA Adaptive Reuse Application for the Shea's Seneca project located at 2178 Seneca Street. The structure has been grossly underutilized and boarded up for many years and currently serves as a stark and highly visible symbol of the economic decline of this once thriving commercial corridor in the heart of South Buffalo.

Given the building's scale, architectural and historic significance, and central location on Seneca Street, its redevelopment would be a major catalyst in the revitalization of the entire commercial corridor and surrounding neighborhood. Assisting in the redevelopment of this property is a perfect example of what the Adaptive Reuse Policy was designed to accomplish.

Schneider Development has been actively engaging neighborhood stakeholders, elected officials, and the University and Buffalo in an effort to coalesce a larger more comprehensive strategy to drive the ongoing revitalization of Seneca Street and the surrounding neighborhood. We view them as a strong partner in our efforts to revive this long-established and important area of the City.

Sincerely,

Michael P. Kearns

Assemblyman 142nd District

ALBANY OFFICE: Room 431 Legislative Office Building, Albany, New York 12248 • 518-455-4691
DISTRICT OFFICE: 1074 Union Road, West Seneca, NY 14224 • 716-608-6099
EMAIL: kearnsm@nyassembly.gov

THE SENATE
STATE OF NEW YORK

RANKING MINORITY MEMBER
COMMERCE, ECONOMIC DEVELOPMENT & SMALL BUSINESS
INFRASTRUCTURE & CAPITAL INVESTMENTS
COMMITTEES
BANKS
CULTURAL AFFAIRS, TOURISM, PARKS & RECREATION
ENERGY & TELECOMMUNICATIONS
FINANCE
INSURANCE
TRANSPORTATION

TIMOTHY M. KENNEDY
SENATOR, 63RD DISTRICT

ALBANY OFFICE:
ROOM 506
LEGISLATIVE OFFICE BUILDING
ALBANY, NEW YORK 12247
(518) 455-2426 OFFICE
(518) 426-6851 FAX

DISTRICT OFFICE:
2239 SOUTH PARK AVENUE
BUFFALO, NEW YORK 14220
(716) 826-2683 OFFICE
(716) 826-2793 FAX

E-MAIL ADDRESS:
KENNEDY@NYSENATE.GOV

September 16, 2016

The Honorable Mark C. Poloncarz
Erie County Executive
95 Franklin Street, #1600
Buffalo, NY 14202

Dear County Executive Poloncarz:

I write in strong support of Schneider Development's Erie County Industrial Development Agency (ECIDA) Adaptive Reuse Application for the Shea's Seneca project located at 2178 Seneca Street. The structure has been grossly underutilized and boarded up for several years and currently serves as a stark and highly visible symbol of the economic decline of this once thriving commercial corridor in the heart of South Buffalo

Given the building's scale, architectural and historic significance, and central location on Seneca Street, its redevelopment would be a major catalyst in the revitalization of the entire commercial corridor and surrounding neighborhood, helping to attract additional investment into the area. When complete, new residential apartments will be added, in addition to new banquet and nonprofit theater space, providing an opportunity to bring new residents and visitors to Seneca Street. Assisting in the redevelopment of this property is a perfect example of what the Adaptive Reuse Policy was designed to accomplish, and approving this application would help bring this project to realization.

Additionally, Schneider Development has been actively engaging neighborhood stakeholders, elected officials, and the University and Buffalo in an effort to coalesce a larger more comprehensive strategy to drive the ongoing revitalization of Seneca Street and the surrounding neighborhood. Seeking input from the community demonstrates commitment to the redevelopment of Seneca Street, and ensures that the community has a stake in the redevelopment of a historic Buffalo landmark.

For these reasons, I strongly support Schneider Development's ECIDA Adaptive Reuse Application for the Shea's Seneca project. I look forward to working together to bring redevelopment to the Seneca Street area of South Buffalo. Should you have any questions, as always, I welcome your call.

Sincerely,

Timothy M. Kennedy

Timothy M. Kennedy
New York State Senator, 63rd District

The Buffalo Common Council

CHRISTOPHER P. SCANLON
SOUTH DISTRICT COUNCIL MEMBER
65 NIAGARA SQUARE, 1401 CITY HALL
BUFFALO, NY 14202-3318
PHONE: (716) 851-5169 ♦ FAX: (716) 851-4294
E-mail: cscanlon@city-buffalo.com

CHAIRMAN
FINANCE
TRANSPORTATION
WATERFRONT DEVELOPMENT
COMMITTEES
BUDGET
CIVIL SERVICE
LEGISLATIVE ASSISTANTS
PEGGY SHEA
JUSTIN STEINWANDEL

September 9, 2016

Mark Poloncarz, Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, NY 14202

Dear County Executive Poloncarz:

I would like to express my strong support of Schneider Development's ECIDA Adaptive Reuse Application for the Shea's Seneca project located at 2178 Seneca Street. The structure has been grossly underutilized and boarded up for many years and currently serves as a stark and highly visible symbol of the economic decline of this once thriving commercial corridor in the heart of South Buffalo.

Given the building's scale, architectural and historic significance, and central location on Seneca Street, its redevelopment would be a major catalyst in the revitalization of the entire commercial corridor and surrounding neighborhood. Assisting in the redevelopment of this property is a prime example of what the Adaptive Reuse Policy was designed to accomplish.

Schneider Development has been actively engaging neighborhood stakeholders, elected officials, and the SUNY at Buffalo in an effort to coalesce a larger more comprehensive strategy to drive the ongoing revitalization of Seneca Street and the surrounding neighborhood. We view them as a strong partner in our efforts to revive this long-established and important area of the district I was elected to represent.

If you have any questions or comments, please contact me at 851-5169 or cscanlon@city-buffalo.com.

Sincerely,

Christopher P. Scanlon
President Pro Tempore
South District Councilmember

CITY OF BUFFALO

DEPARTMENT OF
AUDIT AND CONTROL

1225 CITY HALL
BUFFALO, NEW YORK 14202
716-851-5255

MARK J. F. SCHROEDER
COMPTROLLER

ANNE FORTI-SCIARRINO, CPA
FIRST DEPUTY COMPTROLLER

GREGG SZYMANSKI, CPA
DEPUTY COMPTROLLER
INVESTMENT & DEBT MANAGEMENT

WILLIAM FERGUSON, CPA
DEPUTY COMPTROLLER
CITY ACCOUNTANT

KEVIN KAUFMAN, CPA
DEPUTY COMPTROLLER
CITY AUDITOR

September 12, 2016

Honorable Mark C. Poloncarz
Erie County Executive
Edward A. Rath County Office Building
95 Franklin Street, 16th Floor
Buffalo, New York 14202

Dear County Executive Poloncarz: / Mark

I am writing in strong support of Schneider Development's ECIDA Adaptive Reuse Application for the Shea's Seneca project located at 2178 Seneca Street. The structure has been grossly underutilized and boarded up for many years and currently serves as a stark and highly visible symbol of the economic decline of this once thriving commercial corridor in the heart of South Buffalo.

Given the building's scale, architectural and historic significance, and central location on Seneca Street, its redevelopment would be a major catalyst in the revitalization of the entire commercial corridor and surrounding neighborhood. Assistance in the redevelopment of this property is a perfect example of what the Adaptive Reuse Policy was designed to accomplish.

Schneider Development has been actively engaging neighborhood stakeholders, elected officials, and the University and Buffalo in an effort to coalesce a larger more comprehensive strategy to drive the ongoing revitalization of Seneca Street and the surrounding neighborhood. I view them as a strong partner in our efforts to revive this long-established and important area of the City.

As you may know, the revival of Seneca Street is an effort that has been a top priority of mine throughout my career in public service. The redevelopment of the Shea's Seneca building is paramount to that effort, and I fully support Schneider Development's Adaptive Reuse Application for the property. Thank you for your consideration.

Sincerely,

Mark J.F. Schroeder

Mark J.F. Schroeder
Comptroller

BRIAN HIGGINS
26TH DISTRICT, NEW YORK

COMMITTEE ON HOMELAND SECURITY
RANKING MEMBER
SUBCOMMITTEE ON
COUNTERTERRORISM AND INTELLIGENCE
SUBCOMMITTEE ON
EMERGENCY PREPAREDNESS,
RESPONSE, AND COMMUNICATIONS

COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON THE
MIDDLE EAST AND NORTH AFRICA
SUBCOMMITTEE ON EUROPE,
EURASIA, AND EMERGING THREATS

Congress of the United States
House of Representatives
Washington, DC 20515–3226

2459 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
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(202) 226-0347 (FAX)

726 EXCHANGE STREET
SUITE 601
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(716) 852-3501
(716) 852-3929 (FAX)

640 PARK PLACE
NIAGARA FALLS, NY 14301
(716) 282-1274
(716) 282-2479 (FAX)
higgins.house.gov

September 12, 2016

Mr. Steve Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Support for Schneider Development's Adaptive Reuse application for the redevelopment of the Shea's Seneca

Dear Mr. Weathers:

It is my understanding that Schneider Development has submitted or will soon submit an application to the Agency under its Adaptive Reuse program. I am pleased write to convey my support for this project generally and this application specifically.

I commend Jake Schneider and his team for having the vision to see the potential in this long-neglected structure and the possibilities in this this under-appreciated commercial strip. The rehabilitation of this massive, historic structure promises to be a catalyst and the anchor for the redevelopment of Seneca Street.

I respect the challenges which structures like this pose to neighborhoods, to municipalities, to prospective developers like Mr. Schneider and to economic development professional like yourself. That is why, as a Member of the Assembly, I authored the legislation enabling the Section 485-A Mixed-Use Property Tax Exemption, and why as a Member of Congress I have continually fought for reauthorization of and funding for the Federal Historic Preservation Tax Credit program. This is exactly the type of redevelopment anticipated by each of those programs and by your agency's Adaptive Reuse program.

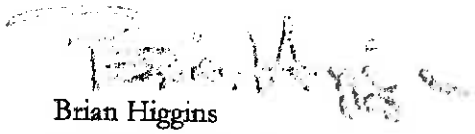
Specifically, this project meets precisely each of the six "required criteria" enumerated in the IDA's 2008 Adaptive Reuse Policy. Further, while this mixed-use development includes some retail space, it clearly does not run afoul of the prohibition against incenting retail development in Section 862 of the General Municipal Law. Erie County's Census Tract 10, in which the building is situate, has a poverty rate of 20.7% according to the U.S. Census Bureau's 2014 American Community Survey, the most current survey. As such, Census Tract 10 is a "highly distressed area" according to the

PRINTED ON RECYCLED PAPER

specific definition set forth in the General Municipal Law, and therefore development projects in Census Tract 10 are not subject to the retail prohibition.[1]

Again, this is an outstanding project being advanced by a high-quality developer which meets all of the important public policy objectives of the Adaptive Reuse program and the complementary programs to which the developer has applied or will apply. I am pleased to support this project and pleased to commend it to you.

Sincerely,



Brian Higgins
Member of Congress

[1] I do not posit that this is the only basis under which this project may be exempt from the retail prohibition.

PUBLIC HEARING SCRIPT

Shea's Seneca, 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 March 27, 2017 at 10:00 a.m.,
at the Erie County Industrial Development Agency's offices located at
95 Perry Drive, Suite 403, Buffalo, New York 14203

ATTENDANCE

Jake Schneider, Schneider Development

Matt Hartrich, Schneider Development

☒ **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 Grant Lesswing. I am the 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.*

☒ **2. PURPOSE:** Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Shea's Seneca, 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, March 16, 2017.*

☒ **3. PROJECT SUMMARY:** Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a 1.62+/- acre parcel of land located at 2178 Seneca Street in the City of Buffalo, Erie County, New York (the "Land") together with an existing 48,000+/- SF building thereon known as the historic Shea's Seneca (the "Existing*

Improvements"), (ii) the construction and/or renovation, upgrading and equipping of the Existing Improvements thereon into a mixed-use project consisting of 29,257+/- SF of 25 residential apartments and 18,776+/- SF of commercial retail space, together with on-site parking allocated between commercial and residential tenants (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption 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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on April 25, 2017. There are no limitations on written comments.*

☒ **5. PUBLIC COMMENT**: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes*

Jake Schneider, Schneider Development – We are thrilled to be bringing this project before the ECIDA asking for theses incentives which are critical to the viability of our project

because of the unique nature of the adaptive reuse and historic properties. We are also undertaking this adaptive reuse of a historic structure that was created by Michael Shea in 1929. Michael Shea had a great theater emporium in Buffalo. At one time, he had nine different facilities across the Western New York landscape. Three of his structures remain today which include; Downtown Shea's Buffalo, North Park Theater and Shea's Seneca Street. This will be an approximately 9M dollar project that will result in the restoration of this historic building into a mixed-use property that will include 21 new apartments largely on the second floor and partially on the first floor. There will also be a new banquet facility that be run by Billy and Molly Koessler who are very successful restaurant owners in Buffalo. There will also be a second-generation theater company making their home in the new 136 seat black box theater. There will also be some additional store front space along the Seneca Street elevation added that we have already had very successful initial discussions with some tenants there.

We have a lot of good feedback from the elected officials in South Buffalo and a lot of cooperation. I know that the community in general has been very excited about the revitalization of this building. We are hoping that the Shea's Seneca project will act as a catalyst for the greater development and revitalization of the commercial corridor of Seneca Street that once was a very vital corridor in South Buffalo. There are other developers looking at this neighborhood. There is great density, great housing stock, an Olmstead Park across the street and great institutions like Mercy Hospital and Trocaire College. These are the things that drew us to this neighborhood and we are really excited about the project.

☒ **6. ADJOURNMENT.**

As there were no further comments, the Hearing Officer closed the public hearing at 10:15 a.m.

SIGN IN SHEET
PUBLIC HEARING

March 27, 2017, at 10:00 a.m.
at the Erie County Industrial Development Agency's offices located at
95 Perry Drive, Suite 403, Buffalo, New York 14203
regarding:

Shea's Seneca, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 2178 Seneca Street, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Jake Schneider	Schneider Development 443 Delaware Avenue Buffalo, New York 14202	X
Matt Hartrich	Schneider Development 443 Delaware Avenue Buffalo, New York 14202	

Pilgrim Village Associates, III, LP, ("PVIII"), Campus Square Housing Development Fund Company, Inc. ("HDFC") and Pilgrim Village Associates IV L.P. ("PVIV")
$95,907,387
Amendatory Inducement Resolution

ELIGIBILITY

- NAICS Section - 53110

COMPANY INCENTIVES

- Approximately $2,100,000 in sales tax savings.

EMPLOYMENT

- Current Jobs = 4
- Projected Jobs = 35

PROJECT HISTORY

- 11/15/14 -City of Buffalo adopts a Negative Declaration in accordance with SEQRA.
- 12/2/15 - TEFRA Public hearing held. Transcript attached.
- 12/16/2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.
- 03/29/2017 - Public hearing held. Transcript attached.
- 04/26/2017 - Lease/Leaseback Amendatory Inducement Resolution presented to Board.

Project Title: Pilgrim Villages Associates, III, LP, (PVIII"), Campus Square Housing Development Fund Company, Inc. ("HDFC") and Pilgrim Village Associates IV L.P. ("PVIV")

Project Address: 903 Ellicott Street, Buffalo, New York 14209
(Buffalo City Schools)

Amended Agency Request

A sales tax savings in connection with the demolition and reconstruction of the Pilgrim Village Housing complex. IDA benefits are limited to only the affordable housing units being renovated and constructed.

	Overall Project Budget		Affordable Units Only
Land and Building Acquisition	$6,800,000		$5,990,030
New Building Construction	$60,348,835	(housing and parking ramp)	$42,002,925
Soft Costs	$28,758,552		$14,251,396
Total Project Cost	$95,907,387		$62,244,351

Company Description

The applicant and its related entities were formed by Mark H. Trammell as the general partner and McGuire Campus Square, LLC as the special limited partner.

Project Description

Pilgrim Village was built in 1980 and consists of a 90-unit subsidized housing complex located in the City of Buffalo and bounded by Michigan, Best, North and Ellicott Streets. The redevelopment of Pilgrim Village is a carefully planned urban redevelopment strategy which will reposition one of Buffalo's private Section 8 housing developments into a multi-use, mixed-income, multigenerational living center.

The first phase of Pilgrim Village's redevelopment is known as Campus Square. It involves the demolition of five buildings comprising 25 affordable units. In its place will be a 161 unit, mixed income apartment complex comprised of 106 affordable and 55 market rate units. In addition, 57 existing affordable apartments will undergo renovation. When complete, Pilgrim Village will have 218 total apartments of which 163 will be affordable. A new parking structure is also planned. It should be noted that no tenants will be displaced by the project.

The location of the project is near the Buffalo Niagara Medical Campus - within walking distance from Buffalo General and Roswell Park. Public transportation, including bus and light rail are located nearby.

As noted above, ECIDA sales tax benefits will be limited to the renovation of the affordable housing units only.

Offered below is a breakdown of the project's housing components:

Type of Unit	Monthly Rent
Low Income (60% of median income) Studios, 1, 2 & 3 Bedroom's	$650-$906
Student Affordable (90% of Median Income) Studios, 2, 3 & 4 bedroom's	$517-$711 Per Student
Market Rate - Studios, 1,2, 3 & 4 Bedroom's	$969-$3,591

Income limits & rental rates are regulated through HUD's Section 8 guidelines

Offered below is the project budget broken out by the affordable and market rate components of the project.

	Affordable	Market Rate	Total
Units	163	55	218
Project Budget	$62,244,351	$33,633,036	$95,907,387

COMMERCIAL SPACE:

In connection with the development of Campus Square - Phase I, approximately 37,000 sq. ft. of commercial space will be made available which will house a small grocery store, barber shop, dental office and coffee shop.

In addition to the commercial tenants, two cultural institutions central to the African American community in Buffalo will relocate to the Campus Square. They are the Muhammad School of Music and Miss Barbara's School of Dance.

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment for Affordable Portion of Project	At Project Completion	Investment Amount Equal to or Greater Than 85% of Project Amount. Total Project Amount = $62,244,351 85% = $52,907,698
Employment	See Recapture Period	Maintain Base = 4 31 Projected 85% of Projected = 26 Recapture Jobs = 30
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Pay Equity	See Recapture Period	Adherence to Pay Equity Policy
Recapture Period	2 Years after Project Completion	Recapture of State and Local Sales Taxes and Mortgage Recording Taxes

Recapture applies to:
State and Local Sales Taxes

Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales tax and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA's Policy Committee to recapture the local share of sales tax and mortgage recording tax.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that the company has maintained base jobs and created 85% of projected jobs iii) adherence to local labor policy iv) adherence to pay equity policy.

ADDENDUM TO PROJECT LOG FOR COMMUNITY DEVELOPMENT PRJOECT

PILGRIM VILLAGE ASSOCIATES

Evaluative Criteria	Notes
Distressed census tract	Project is located in census tract 168 and is considered highly distressed.
Age of structure	The buildings were constructed in the 1980's
Elimination of slum and blight	It is the intention of the project to help meet the need for affordable, clean and safe housing for workers, students and seniors from the BNMC and the adjoining neighborhoods. The property is in the Brownfield Cleanup Program.
Building or Facility Vacancy	N/A
Redevelopment supports or aligns with regional or local development plans	The project complies with the investment and growth criteria of the Framework for Regional Growth. The Framework states that investment should be targeted to "developed areas" and "regional centers"
Environmental or safety Issues	N/A
LEED/Renewable resources	N/A
Building or site has historic designation	N/A
Site or structure has delinquent property or other local taxes	Taxes are current
MBE/WBE Utilization	N/A
Project/Developer's return on investment	N/A
Impediments to conventionally financing project	N/A
Transit oriented development	Public transportation, including bus and light rail are located nearby.

April 26, 2017

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-Pilgrim Village Associates, LLC

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
$42,002,925	N/A			

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

***** 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 (Tax Credits, Grants, ESD Incentives, etc.)
$62,244,351	N/A	$2,100,000	$0	$39,000,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 66% **%**

Internal Report: Pilgrim Village Associates, LLC - Pilgrim Village Associates, LLC

Table 1: Basic Information

Project Name	Pilgrim Village Associates, LLC
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District	Buffalo
Project Cost	$95,907,387
Construction Budget	$60,348,835
Direct Employment Expected	31
Direct Labor Income	$967,494
Direct Construction Jobs	441
Direct Construction Labor Income	$23,193,546
Total Labor Income	$24,161,040

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	$13,279,457
Sales Tax Revenue	$847,894
State	
Income Tax Revenue	$2,205,760
Sales Tax Revenue	$714,016
TOTAL Estimated Revenue	**$17,047,126**

Table 3: Estimated Project Incentives*

Property Tax Savings	$0
Sales Tax Savings	$2,640,262
TOTAL Estimated Incentives	**$2,640,262**

Table 4: Employment Breakdown

Project	
Direct**	31
Indirect***	37
Induced****	20
Construction	
Direct	441
Indirect	160

Table 5: Ratios

Benefit to Cost Ratio	**6.5:1**
Overall ROI	**30.6:1**

* Figures over 10 years and discounted by 3.49%
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.
*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.
**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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CITY OF BUFFALO

BYRON W. BROWN

MAYOR

March 20, 2017

Mr. Steven W. Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Pilgrim Village Associates III, L.P. & Campus Square Housing Development Fund Company, Inc.
Pilgrim Village Apartments

Dear Mr. Weathers:

The City of Buffalo supports Pilgrim Village Associates III, L.P.'s application to the Erie County Industrial Development Agency to redevelop the existing Pilgrim Village subsidized housing complex into a mixed-use, mixed-income, multigenerational living center bound by Michigan, Best, North and Ellicott streets in Buffalo. We believe this carefully planned urban redevelopment project is a welcomed addition to the growing number of development efforts on and along the Buffalo Niagara Medical Campus.

As Buffalo continues to thrive and prosper it is essential that there is development that is beneficial to everyone in the City, no matter their economic status. It is also important that lower income residents do not get displaced when large scale development projects are executed. This venture is a prime example of urban development that is inclusive and responsible. Once completed the complex will host 217 apartments, 71% being affordable for workers, students and senior citizens, displacing none of the tenants of the existing apartment building. This mixed-use project will also house 42,000 sq. ft. of commercial space on the first floor including a grocery store, restaurant, dental office and coffee shop. Additionally, the complex will be home to two cultural institutions, The Muhammad School of Music and The Miss Barbara School of Dance.

Buffalo is on the rise. There is a multitude of new residential and commercial development popping up from the Downtown Central Business District to commercial corridors and neighborhoods. Creating mixed-income and multigenerational communities that are open to everyone plays a key role in reducing poverty and promoting equality. Projects like the Pilgrim Village Apartments ensure that the benefits of Buffalo's Renaissance can be felt by every resident in the city.

Sincerely,

Byron W. Brown

Byron W. Brown
Mayor

65 NIAGARA SQUARE / 201 CITY HALL / BUFFALO, NY 14202-3392 / (716) 851-4841 / FAX: (716) 851-4360 / www.city-buffalo.com

PUBLIC HEARING SCRIPT

Pilgrim Village Associates III, L.P., Pilgrim Village Associates IV, L.P. and Campus Square Housing Development Fund Company, 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 March 29, 2017 at 11:00 a.m.,
at the Erie County Industrial Development Agency's offices
located at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE

Mark Trammell, Pilgrim Village Associates

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

Hearing Officer: *Welcome. This public hearing is now open; it is 11:00 a.m. My name is Grant Lesswing. I am the 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.*

☒ **2. PURPOSE**: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Pilgrim Village Associates III, L.P., Pilgrim Village Associates IV, L.P. and Campus Square Housing Development Fund Company, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its/their 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 Saturday, March 18, 2017*

☒ **3. PROJECT SUMMARY**: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) an approximately 12+/- acre parcel of land (the "Land") located at 1100 Michigan Avenue and 903 Ellicott Street in the City of Buffalo, Erie County and the*

improvements thereon currently known as Pilgrim Village Apartments (the "Existing Improvements"); (ii) the demolition of 5 existing buildings comprising 25 affordable units, (iii) rehabilitation by the Company of the 57 remaining affordable units, (iv) the construction on the Land of a six-story apartment complex comprised of 92 affordable units to be owned by the Company and 69 other units and 42,000+/- SF of commercial space and site improvements to be owned by Trammell Campus Square, LLC or an affiliate thereof (the "Improvements"), all to constitute a residential rental project consisting of 218 rental units and related amenities; (v) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (the "Equipment" and together with the Land, the Existing Improvements, and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption 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. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on April 25, 2017. There are no limitations on written comments.*

☒ **5. PUBLIC COMMENT**: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a 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 comments to 5 minutes, and if possible, 3 minutes.

Mark Trammell, Pilgrim Village Associates - I am here today representing Pilgrim Village Associates. The project involves the acquisition, rehabilitation and new construction on a 12-acre site. The project will include affordable residential units, market rate residential units and commercial units. The new construction as well as the rehabilitation of some of the existing units. The location is approximate to our Medical Campus here in Buffalo, New York and it's a project I am looking forward to starting and completing.

☒ **6. ADJOURNMENT.**

As there were no further comments, the Hearing Officer closed the public hearing at 11:15 a.m.

SIGN IN SHEET
PUBLIC HEARING

March 29, 2017, at 11:00 a.m.
at the Erie County Industrial Development Agency's offices located at
95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

Pilgrim Village Associates III, L.P., Pilgrim Village Associates IV, L.P. and Campus Square Housing Development Fund Company, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its/their behalf

Project Location: 1100 Michigan Avenue and 903 Ellicott Street, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Mark Trammell	Pilgrim Village 91 Nora Lane Buffalo, New York 14209	