

Erie County Industrial Development Agency
Meeting of the Membership
January 24, 2018
@ 9:00 a.m.
95 Perry Street
5th Floor ESD Conference Room
Buffalo, New York 14203



1.0 Call to Order

1.1 Call to Order Meeting of the Membership

1.2 Welcome New Board Members:

Hon. Patrick Burke, Chair, of the Economic Development Committee

Hon. Brian Kulpa, Supervisor – Town of Amherst

2.0 Approval of Minutes:

2.1 Approval of Minutes of December 20, 2017 Meeting of Membership **(Pages 2-8)**

3.0 Reports / Action Items / Information Items:

3.1 Assistant Treasurer Banking Resolution **(Page 9)**

3.2 2017 Tax Incentive Induced/Closing Schedule/Backlog Report **(Pages 10-12)**

4.0 Amendatory Inducement Resolutions:

4.1 2855 Clinton Street/Shell Fab **(Pages 13-23)**

4.2 Conventus **(Pages 24-29)**

5.0 Management Team Reports:

6.0 Adjournment - Next Meeting – February 21, 2017 @ 9:00 a.m.

**MINUTES OF THE MEETING
OF THE
MEMBERSHIP OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)**

- DATE AND PLACE:** December 20, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203
- PRESENT:** Rev. Mark E. Blue, James F. Doherty, Hon. Joseph H. Emminger, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, David L. Lowrey, Brenda W. McDuffie, Hon. Glenn R. Nellis, John J. Mudie, Louis Panzica, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche and Paul V. Vukelic
- EXCUSED:** Hon. Diane Benczkowski, Hon. Byron W. Brown, Dottie Gallagher-Cohen, Tyra Johnson, and Hon. Barry A. Weinstein
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Maria Whyte, Deputy County Executive and Lisa Hicks on behalf of Emerson Huron LLC

At 9:00 am, there being a quorum present, Ms. McDuffie called the meeting to order.

MINUTES

The minutes of the November 29, 2017 meeting of the members were presented. Mr. Lipsitz moved, and Mr. Lorigo seconded, to approve of the meeting minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the financial statements for November 2017 noting that the balance sheet shows that the Agency finished the month with total assets of \$33.5 million and net assets of \$21.4 million. The monthly income statement shows operating revenues of \$64,000, being behind budget for the month by \$142,000. November operating expenses were under budget by \$41,000, as a result of favorable variances in almost all expense categories. Considering solely operating revenues and operating expenses, there was net loss of \$137,000 for November. However, after costs for strategic initiatives and depreciation, there was a net loss of \$661,000 for the month, mainly as a result of the UDAG funds being granted to the ILDC for the Bethlehem Steel land purchase. On a year-to-date basis, the income statement reflects operating revenues of \$2.6 million which is \$290,000 ahead of budget for the year. The

driver of that variance is administrative fees, which at \$1.9 million, are in excess of budget by \$278,000 through November. Operating expenses of \$2.5 million are below budget by \$340,000. Net special project grant revenue of \$323,000 brings net income for the year to \$379,000. After factoring in strategic investments and depreciation, there is a year-to-date net loss of \$6.9 million. Ms. McDuffie directed that the report be received and filed.

2017 Tax Incentive Induced/Closed Schedule/Estimated Real Property Tax Impact. Ms. Fiala presented this report noting that 25 projects received inducements in 2017. Mr. Lipsitz questioned Ms. Fiala as to the number of projects induced in 2017 compared to 2016. Ms. Fiala responded that the Agency induced 13 projects in 2016. Mr. Lipsitz then responded that the Agency has an approximate 100% increase in induced projects in 2017 over the amount of 2016. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update. Mr. Lipsitz noted that the Policy Committee reviewed the two projects that are before the Board today and recommended approval of the projects as proposed.

Insurance Brokerage RFQ Recommendations. Ms. Profic reviewed the Agency's Professional Services Request for Insurance Brokerage Services for property and casualty ("P&C") and health benefits ("H&B") brokerage services. Ms. Profic noted that the last time an RFQ was undertaken for these services was in 2009. Ms. Profic noted that the RFQ was mailed to the 15 largest P&C and H&B agencies as ranked by the 2017 Business First Book of Lists. Notice of the RFQ was also placed in the Buffalo News, the Challenger Community News and the Criterion. Ms. Profic noted that the RFQ was also posted on the Agency's website. Ms. Profic commented that responses were due on October 6, 2017 and on that date, two P&C proposals and five H&B proposals were received. An internal Agency staff committee undertook initial review of the RFQ responses. This internal staff committee interviewed the two P&C proposal respondents and the three highest scoring firms responding to the H&B RFQ. Proposals were scored based on their proposed insurance program, the qualifications and experience of the Agency and the individuals to be assigned to the engagement and development of women and minority employees and MWBE business enterprise considerations. As a result, the Agency staff recommended Lawley to provide property and casualty insurance brokerage services and Bene-Care, Inc. to provide health and benefits insurance brokerage services. Ms. Profic noted that the Finance and Audit Committee approved the staff recommendation of Lawley as P&C broker and Bene-Care as H&B broker. Mr. Nellis moved and Sister Denise seconded to approve Lawley to provide P&C insurance brokerage services and Bene-Care, Inc. to provide H&B insurance brokerage services, for the 2018, 2019 and 2020 fiscal years, and thereafter, for the 2021 and 2022 fiscal years, directed the Agency's Finance and Audit Committee to review Lawley's and Bene-Care's performance and fees and authorizes, and based on the Agency's Finance and Audit Committee's satisfactory review of same, and upon approval of the Agency's Finance and Audit Committee, that Lawley and Bene-Care, Inc. continue to be retained for the 2021 and 2022 fiscal years. Ms. McDuffie called for the vote and the resolution was unanimously approved.

At this point in time, Mr. Poloncarz and Mr. Emminger joined the meeting.

INDUCEMENT RESOLUTIONS

Emerson Huron, LLC, 75 West Huron, Buffalo, New York. Ms. Fiala reviewed this proposed sales tax and mortgage recording tax abatement benefits project involving the renovation and redevelopment of the former C.W. Miller Livery facility located on Huron Street. The building has been vacant for 15 years and when complete, the building will serve as the site for the new City of Buffalo Culinary School and will be operated and leased solely by the Buffalo Public Schools. Approximately 95,000 sq. ft. of the facility will be dedicated to the City of Buffalo Emerson Culinary School, approximately 5,000 sq. ft. will be established for a lobby/restaurant to be opened to the public, and a single 600 sq. ft. residential apartment will also be established.

As a condition precedent of receiving financial assistance and as a material term and condition established by the Agency in connection with approval of the project, Ms. Fiala noted that the company must, subject to potential termination and/or modification and/or recapture of financial assistance, submit on an annual basis or as otherwise indicated below, through the conclusion of the later of two (2) years following either (i) the construction completion date or (ii) the termination of the agent agreement, a certification as so required by the Agency confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$31,279,065.00 (which represents the product of 85% multiplied by \$36,798,900.00 being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment - that there are at least 60 existing full time equivalent ("FTE") employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the "Baseline FTE"); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that the Company has maintained FTE employment at the Facility equal to 60 FTE employees. In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's "Quarterly Employment Survey" form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Ms. McDuffie commented that the single apartment is being constructed to take advantage of the City of Buffalo's real property tax exemption benefit provided under Section 485-a of the New York Real Property Tax Law and Ms. McDuffie noted that at Policy Committee, she asked the developer if the developer would consider renting the apartment to a low to moderate income family and she stated that the developer indicated they would be willing to consider renting the unit to a low to moderate income tenant.

Mr. Doherty asked what the rent for the school would be. Ms. Hicks, on behalf of the developer, responded that the negotiations for lease terms are still being worked out, however, rent has been established at about \$3 million.

Mr. Panzica moved, and Mr. Blue seconded, to approve of the project as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF EMERSON HURON, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

St. Paul Group, LLC, 1115 Main Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax abatement benefits project consisting of the full scale renovation of an existing vacant structure originally constructed in 1898 known as Our Lady of Lourdes Church. The proposed renovation includes the construction of two new floors within the open cathedral which will result in a building that will measure approximately 32,000 sq. ft. with such end uses to include a first floor retail/restaurant or brewery facility, second floor offices, although tenants are unknown at this point in time, and three residential apartments in a 1-3 bedroom configuration on the third floor. Mr. Cappellino noted the facility will internally connect to a new six story medical office facility being constructed on the real property adjacent to this project, however, the new medical office facility is not a component of this project and is also not seeking financial assistance from the Agency. Mr. Cappellino also noted that the project is located in a highly distressed area and due to the proposed retail uses, and in compliance with

Section 862 of the New York General Municipal Law, the written consent of the Chief Executive Officer of Erie County will be required prior to the provision of any financial assistance.

As a condition precedent of receiving financial assistance and as a material term and condition established by the Agency in connection with approval of the project, Mr. Cappellino noted that the company must, subject to potential termination and/or modification and/or recapture of financial assistance, submit on an annual basis or as otherwise indicated below, through the conclusion of the later of two (2) years following either (i) the construction completion date or (ii) termination of the agent agreement, a certification as so required by the Agency confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$3,217,250.00 (which represents the product of 85% multiplied by \$3,785,000.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment - that the Company has created full-time equivalent ("FTE") employment at the Facility equal to 15 FTE employees representing the product of 85% multiplied by 18 (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company's application for Financial Assistance). In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on quarterly basis, said information to be provided on the Agency's "Quarterly Employment Survey" form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Poloncarz stated his support for the project and noted he has observed the deterioration of the Church over the last decade and commented that this is exactly the type of project for which the adaptive reuse policy should be used for. Mr. Poloncarz further noted that this is an adaptive reuse and mixed use project that is spurring new adjacent medical office building construction that is not seeking financial assistance and is also creating 18 new jobs, all of which shows how far the Agency has evolved over the last several years. Mr. Poloncarz thanked the developers for undertaking the project and thanked the Agency staff for their efforts in ensuring the creation of 18 new jobs.

Mr. Poloncarz then moved, and Mr. Pridgen seconded, to approve of the project as proposed. Mr. Pridgen then commented that the developer has worked closely with the City to obtain all the requisite approvals and has worked with community residents to ensure a

successful project and to make a positive contribution to the neighborhood. Mr. Pridgen concurred with Mr. Poloncarz that this is a great use of the Agency's adaptive reuse policy.

Ms. McDuffie noted that the Agency takes public comments seriously; however, she noted that several of the public hearing comments were inaccurate, in particular with respect to the fact that there will be no loss of revenue to the NFTA related to the Agency's provision of the mortgage recording tax exemption benefit. Ms. McDuffie also thanked the company for its commitment to create 18 new jobs especially in light of the fact that no tenants have been identified as of yet.

Ms. McDuffie then called for the vote and the following resolution was then unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ST. PAUL GROUP, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

MANAGEMENT TEAM REPORTS

Mr. Weathers then thanked Legislature Mills for his service on the Board of Directors of the ILDC and thanked Agency staff for all of their good efforts in 2017 noting that 26 projects were induced, being double the number of projects induced over the 2016 time period and also thanked the Board for their efforts. Mr. Weathers also thanked Lori Szewczyk for her efforts in securing several grants in 2017 totaling over \$3 million for the benefit of the community which would not have been obtained but for her efforts.

At this point in time, Mr. Weathers asked for a motion to enter into Executive Session to discuss the potential sale of securities held by the Agency, the disclosure of which could substantially affect the value thereof. Mr. Mudie moved and Mr. Poloncarz seconded to enter into Executive Session. Ms. McDuffie called for the vote and the Agency then entered into Executive Session at 9:30 a.m.

Upon motion made by Mr. Poloncarz and seconded by Mr. Lorigo and upon the unanimous vote of all members present, Executive Session was adjourned at 9:39 a.m.

Mr. Weathers then asked for a motion for the Agency to approve and permit the Chief Executive Officer of the Agency to liquidate securities held by the Agency in Athenex, Inc. in amounts and at times determined to be in the best interest of the Agency between January 1 and June 30, 2018. Mr. Poloncarz moved and Mr. Emminger seconded the motion. Ms. McDuffie called for the vote and the motion was unanimously approved.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 9:41 a.m.

Dated: December 20, 2017

Robert G. Murray, Secretary

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION

A meeting of the members of the Erie County Industrial Development Agency (the "Agency") was convened on Wednesday, January 24, 2018 at 9:00 a.m.

The following resolution was duly offered and seconded, to wit:

**RESOLUTION APPOINTING AN
ASSISTANT TREASURER**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act, and to acquire by purchase, grant, lease, gift, pursuant to the provisions of the eminent domain procedure law, or otherwise and to use, real property or rights or easements therein necessary for its corporate purposes; and

WHEREAS, the Agency desires to appoint Atiqa Abidi, as an Assistant Treasurer in accordance with the Agency's by-laws.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. Atiqa Abidi is hereby appointed Assistant Treasurer of the Agency to serve until a successor is appointed and qualified in accordance with the by-laws of the Agency.

Section 2. This resolution shall take effect immediately.

Dated: January 24, 2018

Tax Incentives Induced 2017

Project Name	Project City	Inducement Amount	FTE Jobs in App	Projected Year 2 FTE Jobs	PT Jobs in App	Projected Year 2 PT Jobs
Pilgrim Village*	Buffalo	\$ 95,907,387	4	35	2	80
791 Washington Street, LLC/Trico*	Buffalo	\$ 80,535,000	0	30	0	0
683 Northland/WNY Workforce Training	Buffalo	\$ 58,067,917	0	8	0	0
Emerson Huron	Buffalo	\$ 36,798,900	60	60	0	0
Moog, Inc.	Elma	\$ 32,600,000	288	330	0	0
Unifrax 1, LLC	Tonawanda	\$ 26,000,000	0	25	0	0
Curtiss Buffalo*	Buffalo	\$ 24,130,000	0	55	0	0
570 Associates VI, LLC	Cheektowaga	\$ 20,745,000	0	124	0	0
157 Great Arrow, LLC	Buffalo	\$ 15,285,000	0	2	0	0
467 Richmond Avenue, LLC	Buffalo	\$ 10,775,636	3	4	0	0
R&M Leasing Pierce Arrow Business Park	Buffalo	\$ 10,591,000	50	70	0	0
Latina Boulevard Foods, Inc.	Cheektowaga	\$ 10,000,000	172	177	0	0
Sumitomo Rubber USA, LLC	Tonawanda	\$ 9,709,000	1,241	1,241	0	0
Shea's Seneca Street, LLC	Buffalo	\$ 9,041,730	0	4	0	27
Pearl Group, LLC	Buffalo	\$ 7,245,000	0	30	0	10
Pine Pharmaceuticals, Inc.	Tonawanda	\$ 5,600,000	15	27	4	4
Glendale Development	Buffalo	\$ 4,992,000	0	0	0	2
166 Chandler Holdings, LLC	Buffalo	\$ 4,695,000	5	10	5	5
Double Eagle Kenmore, LLC	Kenmore	\$ 4,250,000	0	2	0	0
St. Paul Group	Buffalo	\$ 3,785,000	0	18	0	0
Tecumseh Redevelopment, LLC	Lackawanna	\$ 3,455,556	0	0	0	0
Aakron Rule	Akron	\$ 2,670,000	142	155	6	6
Silos at Elk Street	Buffalo	\$ 2,055,000	32	36	0	0
128 Pearl Street/St. Paul's Apartments	Buffalo	\$ 1,840,427	0	1	0	0
WNY Foreign Trade Zone Operations	Lackawanna	\$ 1,760,000	4	6	2	3
Delaware Lodge, LLC	Kenmore	\$ 1,246,000	0	0	0	0
ITT Enidine	Orchard Park	\$ 1,200,000	261	271	0	0

27 Projects \$ 484,980,553 2,277 2,721 19 137

444 Projected FTE New Jobs

118 Projected PT New Jobs

*Amendatory Inducement (Pilgrim Village) from 2015 approval increasing dollar amount from \$94,778,000 to \$95,907,387

*Amendatory Inducement (791 Washington Street, LLC) from 2016 approval decreasing dollar amount from \$90,490,542 to \$80,535,000

*Amendatory Inducement (Curtiss Buffalo) from 2014 approval increasing dollar amount from \$18,100,000 to \$24,130,000

Tax Incentives Closings - 2017

Project Name	Project Amount at Closing	FT Jobs at App	Projected Year 2 FT Jobs	PT Jobs at App	Projected Year 2 PT Jobs	Project City	Induced Date	Est. Project Completion Date
R&M Leasing, LLC	\$ 11,802,000	50	70	0	0	Buffalo	3/22/2017	7/31/2018
Flexovit USA	\$ 8,349,492	45	81	0	0	Angola	11/18/2015	12/31/2016
Shea's Seneca	\$ 7,700,000	0	4	0	0	Buffalo	4/26/2017	10/31/2018
Fisher Price	\$ 7,013,997	750	750	0	0	East Aurora	6/18/2014	2/28/2017
Flexo Transparent	\$ 6,559,158	115	121	0	0	Buffalo	12/21/2016	12/31/2018
93 NYRPT, LLC	\$ 6,331,256	0	35	0	0	Cheektowaga	4/22/2015	8/31/2017
Calspan Corporation	\$ 6,095,500	113	124	0	0	Cheektowaga	8/24/2016	12/31/2017
Trahwen-G, LLC	\$ 4,772,611	0	35	0	0	Cheektowaga	5/25/2016	12/31/2018
The Alexandre Apartments, LLC	\$ 4,630,393	0	3	0	0	Buffalo	11/30/2016	1/31/2018
Pine Pharmaceuticals, LLC	\$ 4,300,000	15	27	4	4	Tonawanda	2/22/2017	6/30/2018
Glendale Development	\$ 4,240,000	0	2	0	2	Buffalo	5/24/2017	9/30/2018
Shell Fab	\$ 3,179,000	45	55	2	2	West Seneca	8/24/2016	12/31/2017
Gordon Market Restaurant	\$ 2,081,000	0	19	0	27	Buffalo	1/27/2016	12/31/2016
Silos at Elk Street	\$ 2,055,000	32	36	0	0	Buffalo	5/24/2017	8/31/2018
128 Pearl Street, LLC	\$ 1,933,600	0	1	0	0	Buffalo	3/22/2017	3/31/2018
Shevlin Land & Cattle Company	\$ 1,602,950	70	80	0	0	West Seneca	9/16/2015	6/30/2016
Iroquois Bar Corporation	\$ 1,561,179	65	67	0	0	Lackawanna	10/26/2016	9/27/2017
David Gordon/Gordon Companies, Inc	\$ 1,425,000	82	88	10	22	Cheektowaga	5/20/2015	7/31/2017

18 Projects \$ 85,632,136 1,382 1,598 16 57

216 FT Projected New Jobs

41 Projected PT Jobs

2855 Clinton Street / Shell Fab
\$3,018,000
AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 327991

COMPANY INCENTIVES

- Approximately \$240,000 in real property tax savings
- Approximately \$162,469 in sales tax savings
- Up to \$22,000 in mortgage recording tax savings

PROJECT BENEFITS

- The project will generate approximately \$65,000 of revenue to the local taxing jurisdictions over the abatement period representing \$11,000 to the County of Erie, \$17,000 to the Town of West Seneca and \$38,000 to the West Seneca Central School District.

EMPLOYMENT

- Current - 45
- New Jobs Projected - 10

PROJECT HISTORY

- 7/26/2016 - Public hearing held Transcript attached.
- 8/24/16 - ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA.
- 8/24/16 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.
- 1/24/2018 - Amendatory Inducement Resolution presented to Board of Directors to increase project amount.

Project Title: 2855 Clinton Street / Shell Fab

Project Address: 3254 Clinton Street
 West Seneca, New York 14224
 (West Seneca Central)

Agency Request

A sales tax , mortgage recording tax and real property tax abatement in connection with the construction of a 55,000 +/- sq. ft. manufacturing facility.

	Prior	Current
Land Acquisition	\$ 185,000	\$ 185,000
New Building Construction	\$2,050,000	\$2,300,000
Manufacturing Equipment	\$ 400,000	\$ 0
Non-Manufacturing Equipment	\$ 100,000	\$ 533,000
Total Project Costs	\$2,735,000	\$3,018,000
85%	\$2,324,750	\$2,565,300

Company Description

Shell Fab & Design, Inc. is a woman-owned business and has been in operation since 1988. They are a manufacturer of laminate, solid surface, quartz and granite countertops for both residential and commercial customers.

When originally established the company operated out of a 750 sq. ft. garage in the City of Lackawanna. In 2001 they relocated from 2,500 sq. ft. to the current location which consists of a 25,000 manufacturing facility on Clinton Street in the Town of West Seneca.

Amended Project Description

The project description is being modified to increase both the construction budget along with a request for a sales tax exemption in connection with the fabrication equipment budget. When complete the total project investment will increase from \$2,735,000 to \$3,018,000; an increase of just over 10%.

The increased benefit to the developer will be in the form of additional sales tax savings in the estimated amount of \$80,000.

The estimated sales tax benefit is changed as follows:

Original estimate of sales tax savings:	\$ 82,469
Revised estimate of sales tax savings	\$162,469
Net increase	\$ 80,000
Original jobs:	45
Projected jobs after 2 years	55
Jobs at 9/30/2017	49 FT/2PT
Estimated Project Completion Date	July, 2018

Prior Project Description

With no room to expand at its existing location, and in order to meet customer demand, Shell Fab has/is purchasing a vacant parcel and will be constructing a 55,000 +/- sq. ft. manufacturing facility. The company is also purchasing \$400,000 of additional manufacturing equipment.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value (Actual)	Additional County Revenue over 7-year abatement period	Additional Local Revenue over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement
\$0	\$602,700	\$11,000	\$54,000	\$44,000
Combined Tax Rate: \$73				

PILOT Table

The project will generate approximately \$65,000 of revenue to the local taxing jurisdictions over the abatement period representing \$11,000 to the County of Erie, \$17,000 to the Town of West Seneca and \$38,000 to the West Seneca Central School District.

Year	% payment under PILOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$750	\$1,104	\$2,529	\$4,383	\$43,828	\$39,446
2	10%	\$750	\$1,104	\$2,529	\$4,383	\$43,828	\$39,446
3	20%	\$1,500	\$2,208	\$5,058	\$8,766	\$43,828	\$35,063
4	20%	\$1,500	\$2,208	\$5,058	\$8,766	\$43,828	\$35,063
5	30%	\$2,249	\$3,312	\$7,587	\$13,149	\$43,828	\$30,680
6	30%	\$2,249	\$3,312	\$7,587	\$13,149	\$43,828	\$30,680
7	30%	\$2,249	\$3,312	\$7,587	\$13,149	\$43,838	\$30,680
TOTAL PAYMENTS		\$11,246	\$16,562	\$37,934	\$65,743	\$306,798	\$241,056

Draft Recapture Material Terms

	Term	Recapture Provision
	At project completion	Investment amount equal to or greater than 85% of project amount Total Project Amount = \$3,018,000 85% of total project amount = \$2,565,300
	Coincides with 7-Year PILOT term	Maintain base:45 Create 85% of projected: Projected Jobs: 10 85% of projected jobs = 8 Recapture Employment: 53
	Construction Period	Adherence to policy including quarterly reporting
	Coincides with 7-Year PILOT term	Adherence to Policy
	Coincides with 7-Year PILOT term	Adherence to Policy
	Coincides with 7- Year PILOT term	Real Property Taxes, State and Local Taxes, Mortgage Tax

Recapture applies to:
 State and Local Sales Taxes
 Real Property Tax
 Mortgage Tax

Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales 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 portion of the sales tax, real property taxes and mortgage tax.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create 8 additional jobs iii) adherence to local labor policy, iv) adherence to unpaid tax policy and v) adherence to pay equity policy.



2855 Clinton St.
West Seneca, NY 14224
716-827-3003

December 18, 2017

Ms. Karen Fiala
Erie County Industrial Development Agency
95 Perry Street
Buffalo, NY 14203

Project Name: 2855 Clinton St., Inc
Project Location: 3254 Clinton St., WS, NY 14224
IDA Project #: 1404-16-13A

Dear Ms. Fiala,

We would like to request an additional \$80,000 sales tax exemption (approximately \$914,000 goods and services) due to our projection that we will soon exceed the \$82,469 exemption previously granted. To date our contractors have purchased materials nearing the \$942,000 originally factored in and the project is only 70- 75% complete. Assuming we incur another \$381,000 in material costs, we will need another \$33,000 sales tax exemption for building materials. In addition we anticipate purchasing production equipment of roughly \$533,000 which would require an additional \$47,000 sales tax exemption. It appears the materials were underestimated and the equipment was not factored in at the time the original exemption was granted. We may not use the full \$80,000 but we are requesting this increase so that we will have the ability to make the purchases we anticipate sales tax free. If not, we may have to scale back on our purchases as we only have so much funding and are on an extremely tight budget. We sincerely hope not to have to do so as we are anxious to make our facility state-of-the art. We are also striving to have the West Seneca community proud to have our company in their town and as an increase to the town tax base.

We are fully confident in our initial plan to increase employment due to building a larger, more efficient plant, warehouse, show room and office facility. We have already started additional hiring so that when the project is completed we are fully staffed and able to handle the larger sales volume. At the time of the original ECIDA Inducement Resolution (8/24/16), we had approximately 45 full-time employees. Per

JAN 8 2018

our 9/30/17 ECIDA Quarterly Survey, we had 49 full-time employees and 2 part-time. In addition we use the services of individuals provided by a Temporary Employment Agency. Oftentimes these temporaries are hired as full-time, permanent employees by our company.

We are also requesting an additional 6 month extension on the project. We anticipate completion in early 2018 but are requesting a 6 month extension to assure sufficient time coverage.

Feel free to contact me with any questions or if additional information is needed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marino A. Monaco, Jr.', written over a printed name.

Marino A. Monaco, Jr., Vice President

2855 Clinton Street, Inc.



**YOUR GROWTH
IS OUR BUSINESS**



Internal Report: Shell Fab - Shell Fab

Table 1: Basic Information

Project Name	Shell Fab
Project Industry	(327) Nonmetallic Mineral Product Manufacturing
Municipality	West Seneca Town
School District	West Seneca
Project Cost	\$3,018,000
Construction Budget	\$2,300,000
Direct Employment Expected	10
Direct Labor Income	\$450,000
Direct Construction Jobs	17
Direct Construction Labor Income	\$883,947
Total Labor Income	\$1,333,947

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$63,561
Sales Tax Revenue	\$120,461
State	
Income Tax Revenue	\$316,533
Sales Tax Revenue	\$101,440
TOTAL Estimated Revenue	\$601,995

Table 3: Estimated Project Incentives*

Property Tax Savings	\$240,738
Sales Tax Savings	\$147,263
Mortgage Tax Savings	\$22,000
TOTAL Estimated Incentives	\$410,001

Table 4: Employment Breakdown

Project	
Direct **	10
Indirect ***	8
Induced ****	8
Construction	
Direct	17
Indirect	6

Table 5: Ratios

Benefit to Cost Ratio	1.5:1
Overall ROI	23.6:1

* Figures over 7 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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**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
AMENDATORY INDUCEMENT RESOLUTION**

**2855 CLINTON ST., LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, January 24, 2018 at 9:00 a.m.

The following resolution was duly offered and seconded, to wit:

AMENDATORY INDUCEMENT RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE APPROVAL OF THE REVISION TO THE PROJECT DESCRIPTION AND THE EXECUTION AND DELIVERY OF A REVISED SALES TAX EXEMPTION PACKAGE AND RELATED DOCUMENTS WITH RESPECT TO THE 2855 CLINTON ST., LLC PROJECT (AS MORE FULLY DESCRIBED BELOW)

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, 2855 CLINTON ST., LLC, AND/OR INDIVIDUAL(S) OR AFFILIATES, SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (the "Company") has submitted an application to the Agency (the "Original Application") requesting the Agency's assistance with a certain project (the "Original Project") consisting of: (i) a portion of land located at 3254 Clinton Street, West Seneca, New York (the "Land") to be improved thereon with a 55,040+/- SF building to be utilized as manufacturing/processing, warehouse, and office space (the "Improvements"), 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 Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on July 26, 2016 at 9:00 a.m. at the Town of West Seneca Town Hall, 1250 Union Road-Court Room (Room 100), West Seneca, New York 14224, the Agency held a public hearing with respect to the Original Project and the proposed financial assistance, as described below, being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, on August 24, 2016, the Agency determined that the Original Project will not have a "significant effect on the environment" as such quoted term is defined in Article 8 of the New York Environmental Conservation Law and 6 N.Y.C.R.R. Part 617 adopted pursuant thereto by the New York State Department of Environmental Conservation (collectively referred to as "SEQR"), that no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared as related to the Original Project, and issued a Negative Declaration pursuant to 6 N.Y.C.R.R. § 617.7 of the SEQR regulations, thus concluding the Agency's uncoordinated review of the Original Project (the "SEQR Determination"); and

WHEREAS, by resolution adopted on August 24, 2016 (the "Initial Resolution"), the Agency authorized financial assistance to the Company with respect to the Original Application in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility, (b) a mortgage recording tax exemption benefit for the financing related to the Project, and (c) a partial abatement from real property taxes benefit through a seven (7) year term PILOT Agreement for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, based upon representations and warranties made by the Company in the Original Application, the Agency, within the terms of the Initial Resolution, authorized and approved the Company, as its agent, to make purchases of goods and services relating to the Project that would otherwise be subject to New York State and local sales and use tax in an amount up to \$942,500.00 which results in New York State and local sales and use tax exemption benefits not to exceed \$82,469.00, and required the Company to evidence that the total investment actually made with respect to the Project, at the time of Project completion, equals or exceeds \$2,324,750.00 (which represented the product of 85% multiplied by \$2,735,000.00 (being the total project cost as stated in the Original Application for financial assistance at that point in time)); and

WHEREAS, on January 10, 2018, the Agency received an amended application (the "Amended Application") from the Company requesting a revision to the scope of the Project to include the purchase of additional production equipment and materials totaling \$914,000.00 (the "Amended Project"), and requesting additional New York State and local sales and use tax exemption benefits in an amount not to exceed \$80,000.00 (the "Additional Sales Tax Exemption Benefit"); and

WHEREAS, the Additional Sales Tax Exemption Benefit will not exceed \$100,000 and, therefore, a public hearing is not required to be held by the Agency; and

WHEREAS, the Agency desires to amend the Initial Resolution and approve this Amendatory Resolution with respect to the Amended Project and the Additional Sales Tax Exemption Benefit in order to revise of the scope of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. All recitals, findings and determinations of the Agency contained in the SEQR Determination and the Initial Resolution are hereby reaffirmed, ratified, restated and incorporated herein by reference as if set forth herein in their entirety, except as modified by this Resolution.

Section 2. With respect to the foregoing, and based upon the representations and warranties made by the Company in its Application, as amended, for financial assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project (being the Original Project and the Amended Project) and that would otherwise be subject to New York State and local sales and use tax in an estimated amount up to \$1,856,500.00 (being the sum of \$942,500.00 as proposed in the Original Project and \$914,000.00 as proposed within the Amended Project) which may result in New York State and local sales and use tax exemption benefits not to exceed \$162,469.00 (representing the sum of \$82,469.00 being the sales and use tax exemption benefit as related to the Original Project and \$80,000.00 being the sales and use tax exemption benefit as related to the Amended Project). The Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 3. Section 3(i) of the Initial Resolution is hereby replaced in its entirety to read as follows:

- (i) Investment Commitment - the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$2,565,300 [(which represents the product of 85% multiplied by \$3,018,000 (representing the total project cost as stated in the Company's amended application for financial assistance)];

Section 4. The Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate and execute an amended Agent and Financial Assistance Agreement by and between the Agency and the Company, an amended NYS Form ST-60, "IDA Appointment of Project Operator or Agent", a bill of sale (the "Bill of Sale") and any and all other related documents.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. All actions heretofore undertaken by the Agency and the Company as agent of the Agency are ratified and approved and the Agency and the Company, as agent of the Agency, are hereby authorized to continue to undertake the Project.

Section 7. These Resolutions shall take effect immediately.

Dated: January 24, 2018



TO: ECIDA Board of Directors
DATE: January 24, 2018
REF: Assignment and Assumption of Conventus Partners, L.P. ECIDA Documents to Seavest Core Buffalo Conventus, LLC

As part of the sale of the property to a new company, the ECIDA board is being asked to assign the current Lease Agreement, Leaseback Agreement, PILOT, Infrastructure Fund Agreement and Environmental Compliance Agreement to Seavest Core Buffalo Conventus, LLC which is made up of the following corporations:

MOB3 Bond, LLC – owned by Chevalier International – 95% owner
Seavest Core Fund 1 Investors, LLC – Managing Member - 4.9% owner
Seavest Core Fund Manager, LLC – Managing Member – 0.1% owner

BACKGROUND:

On March 23, 2013, the ECIDA Board of Directors approved Ciminelli to undertake a \$100,000,000 investment in the Conventus project located within the Buffalo Medical Corridor.

The facility consists of appx. 300,000 sq. ft. of medical offices with tenants that include Kaleida Health and UBMD Physicians Group.

Based on the project site requiring environmental remediation prior to development, the company was eligible for inclusion in the Brownfield Cleanup Program (“BCP”).

As was contemplated in the original Board approval in 2013, at the request of the City of Buffalo, ECIDA entered into a Pilot Increment Financing (“PIF”) arrangement with the company and the City of Buffalo in 2016.

The PIF structure allows the company to make PILOT payments in the full amount of taxes to both the County and the City with those payments – (due to the company being in the BCP) – being reimbursed through the program. **THE ECIDA DOES NOT PROVIDE ANY BENEFITS TO THE PROJECT.**

While the County receives full PILOT payments on the property the City, through the PIF structure, agreed to receive a portion of the full PILOT payment (under a 10-year schedule) with the remaining funds being utilized for infrastructure improvements in a PIF District along the Main Street Corridor. (See attached map)

The PIF structure required the approval of the Buffalo Common Council which approval was granted on November 29, 2016.

TRANSFER OF CONVENTUS TO SEAVEST CORE BUFFALO CONVENTUS, LLC

We have been informed Ciminelli has entered into negotiations to sell the property to:

MOB3 Bond, LLC – owned by Chevalier International – 95% owner
Seavest Core Fund 1 Investors, LLC – Managing Member - 4.9% owner
Seavest Core Fund Manager, LLC – Managing Member – 0.1% owner

MOB3 Bond, LLC, the majority owner, is owned by Chevalier International (“Chevalier”). The Chevalier Group was founded in 1970 by Dr. Chow Yei Ching, and its group holding company, Chevalier International Holdings Limited, is listed on the Stock Exchange of Hong Kong. The Group has developed into a diversified global conglomerate with approximately 10,000 employees working in its subsidiaries and associated companies with a presence in Hong Kong, Macau, Mainland China, Japan, Singapore, Thailand, Vietnam, Canada, USA and Australia.

See attached flowchart.

Chevalier’s business portfolio includes Construction and Engineering, Insurance and Investment, Property Development and Hotel, Senior Housing, Car Dealerships and Enterprise and Network Solutions.

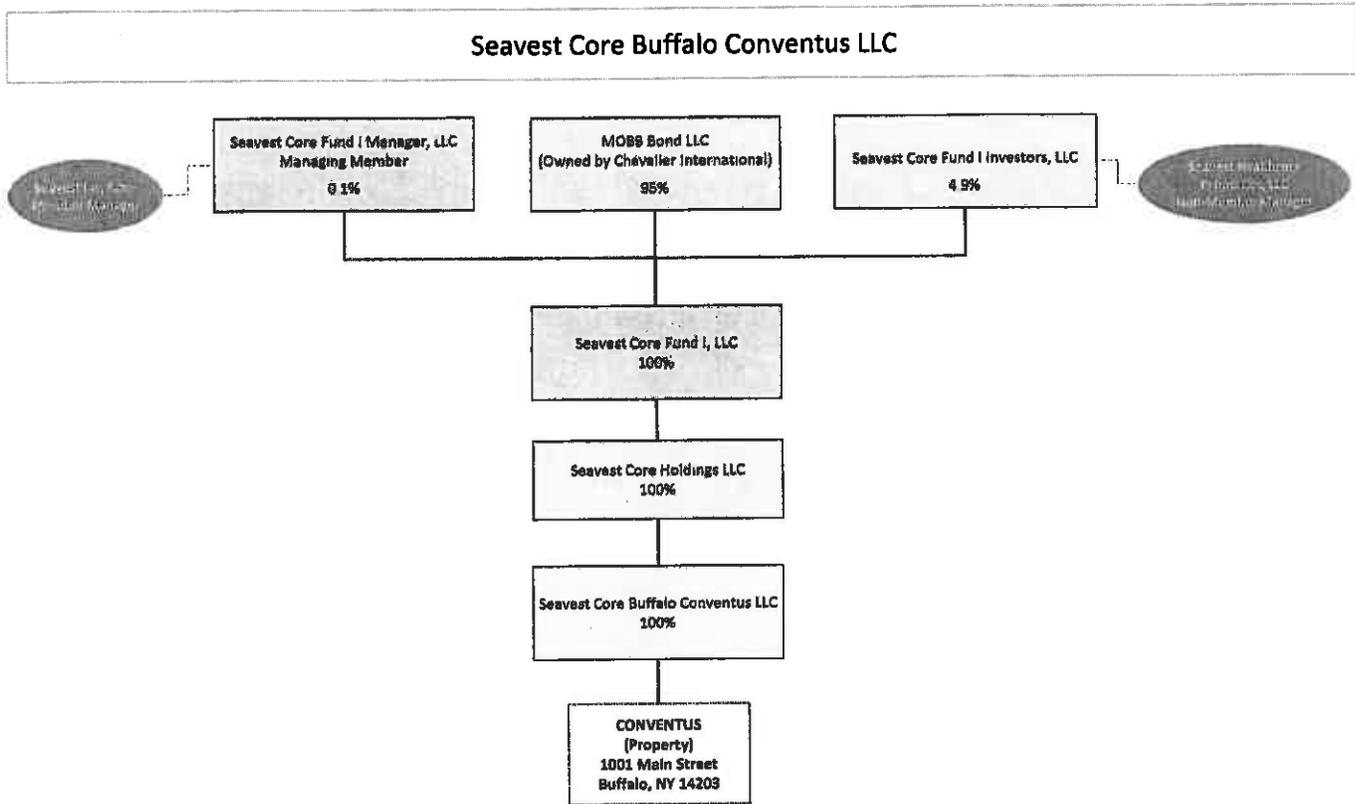
Ciminelli will continue to manage the property.

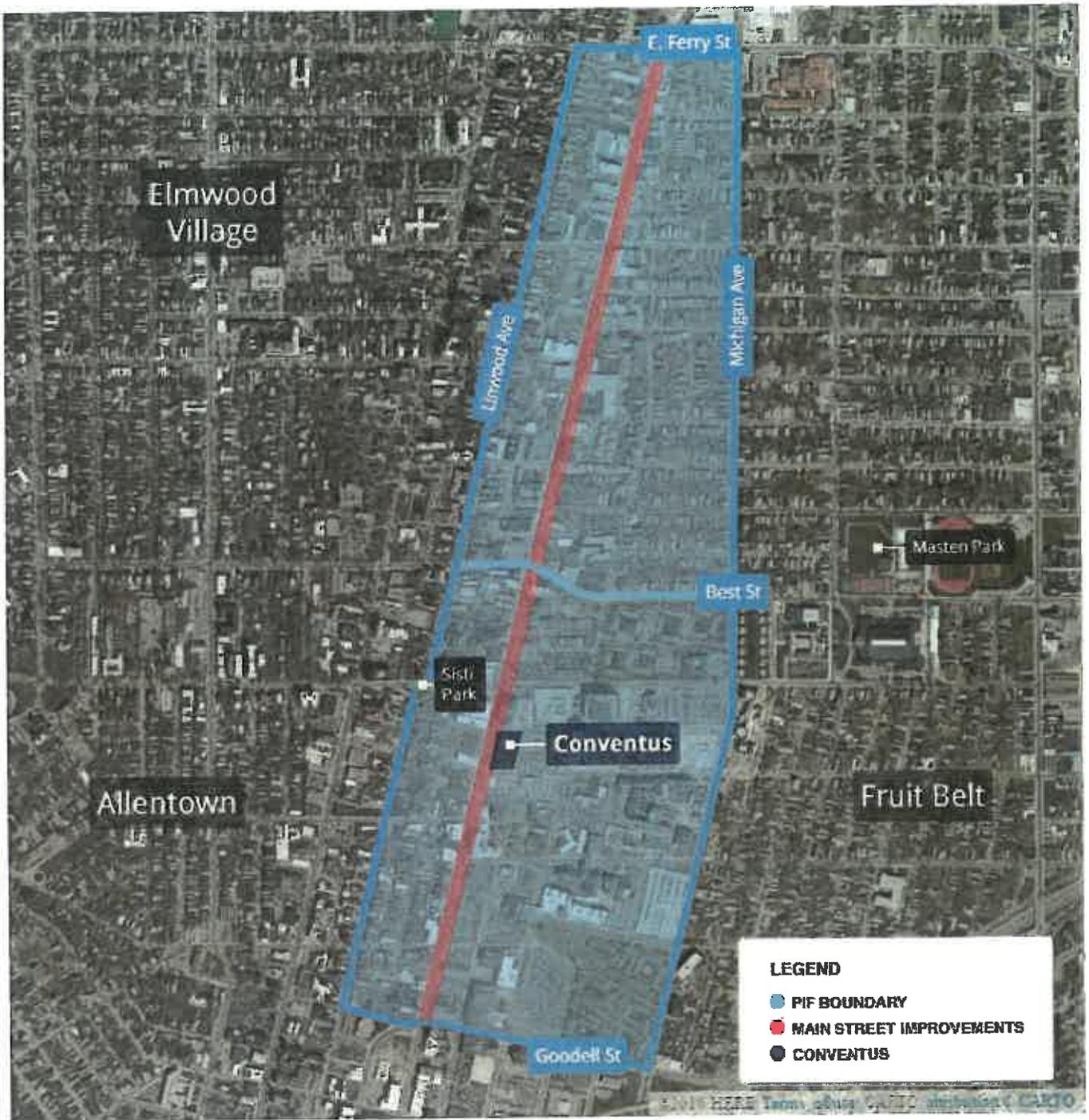
ACTION REQUESTED:

The Board action requested is to allow for the assignment and assumption of the following documents Seavest Core Buffalo Conventus, LLC. This action is contingent upon the approval of the City of Buffalo authorizing assignment of the Infrastructure Fund Agreement.

Lease Agreement
Leaseback Agreement
PILOT Agreement
Infrastructure Fund Agreement
Environmental Compliance Agreement

By approving the assignment, the acquiring company takes the place of Conventus with no benefits being conferred by the ECIDA.





RESOLUTION

(Conventus Partners, LLC assignment to Seavest Core Buffalo Conventus LLC)

A regular meeting of the Erie County Industrial Development Agency was convened on January 24, 2018, at 9:00 a.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ASSIGNMENT OF AND ASSUMPTION BY CONVENTUS PARTNERS LLC TO SEAVEST CORE BUFFALO CONVENTUS LLC OF THE EXISTING LEASE, LEASEBACK, AND PILOT AGREEMENT AND RELATED INFRASTRUCTURE FUND AGREEMENT TOGETHER WITH ALL ASSOCIATED DOCUMENTS RELATING TO THE FACILITY LOCATED AT 1001 MAIN STREET, BUFFALO, NEW YORK

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, the Agency previously appointed CONVENTUS PARTNERS, LLC (the "Company") as agent to undertake a certain project (the "Project") consisting of: (i) a .29+/- acre parcel of land located at 1001 Main Street, City of Buffalo, Erie County, New York (the "Land"); (ii) the construction of a 287,000+/- SF six-story, medical office building, together with the construction of two (2) levels of below grade parking that will provide 332 parking spaces (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 the Improvements, the "Facility"). The building is comprised of retail space on the first floor (ground level) to support the Buffalo Niagara Medical Campus, with the remaining floors devoted to clinical, practical and research office space and support services for the John R. Oishei Children's Hospital and the University of Buffalo Medical School (collectively, the "Medical Tenants"); and

WHEREAS, by resolution adopted March 25, 2016, the Agency authorized the undertaking of the Project pursuant to which the Agency and the Company entered into a certain Lease Agreement, Leaseback Agreement, PILOT Agreement, PILOT Mortgage Agreement, Infrastructure Fund Agreement and related documents, each dated as of November 1, 2016 (collectively, the "Agency Documents"); and

WHEREAS, by letter dated December 7, 2017, the Company informed the Agency of its desire to sell the Facility to SEAVEST CORE BUFFALO CONVENTUS LLC (the "Assignee") and as permitted by Section 6.3 of the Leaseback Agreement, has requested that the Agency approve of and consent to the contemplated conveyance of the Facility and assignment of the Agency Documents to the Assignee (the "Assignment"); and

WHEREAS, the Agency desires to approve of and consent to : (i) the conveyance of the Facility by the Company to the Assignee; (ii) the undertaking of the Assignment; and (iii) the execution and delivery of documents and agreements to effectuate the foregoing.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Subject to (i) the terms and conditions contained within the Agency Documents and this resolution, (ii) the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, and (iii) obtaining the written consent of the City of Buffalo authorizing the assignment of the Infrastructure Fund Agreement from the Company to the Assignee, the Agency hereby consents to the conveyance of the Facility from the Company to the Assignee and approves of the assignment of the Project related Agency Documents from the Company to the Assignee, along with the execution and delivery by the Agency of any and all other documents necessary and incidental thereto; provided, however, that in all events, that the Facility and the operation thereof shall continue to constitute a "project" under the Act and in no way shall be materially changed or modified without the prior written consent of the Agency. The Agency hereby finds that the Assignment constitutes a Type II Action, as defined within the State Environmental Quality Review Act ("SEQRA") and regulations adopted pursuant thereto at 6 NYCRR Part 617.5(c)(26) whereby the Assignment constitutes a transfer of leasehold rights with no material change in permitted conditions or activities.

Section 2. Subject to the terms of this Resolution, the Chairman, the Vice Chairman, the Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any documents necessary and incidental to the assignment and assumption of the Project as contemplated herein.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. These Resolutions shall take effect immediately.

Dated: January 24, 2018