



Calspan Research Facility

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name	Calspan Corporation
Applicant Address	4455 Genesee Street
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14225
Phone	7166316956
Fax	7136316969
E-mail	brian.pleban@calspan.com
Website	www.calspan.com
Federal ID#	
NAICS Code	541712
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	Genesee Holdings LLC
Federal ID#	
State and Year of Incorporation/Organization	New York, 2006
List of stockholders, members, or partners of Real Estate Holding Company	Louis Knotts, 50% John Yurtchuk, 50%

Individual Completing Application

Name	Brian Pleban
Title	Corporate Counsel
Address	4455 Genesee Street
Address 2	
City	Buffalo
State	New York
Zip	14225
Phone	716-631-6956
Fax	716-631-6852
E-Mail	brian.pleban@calspan.com

Company Contact (if different from individual completing application)

Name Peter Sauer
Title Vice President
Address 4455 Genesee Street
Address 2
City Buffalo
State New York
Zip 14225
Phone 716-631-6850
Fax 716-631-6852
E-Mail peter.sauer@calspan.com

Company Counsel

Name of Attorney Brian Pleban
Firm Name In-House Counsel
Address 4455 Genesee St
Address 2
City Buffalo
State New York
Zip 14225
Phone 716-631-6956
Fax 716-631-6852
E-Mail brian.pleban@calspan.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax Yes
Exemption from Mortgage Tax Yes
Exemption from Real Property Tax Yes
Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Business Organization

Type of Business Corporation
Type of Ownership
Year Established 2005
State of Organization New York

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

Please include name and % of ownership.

Louis Knotts, 50% John Yurtchuk, 50%

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

From the initial investigations into occupant behavior which gave rise to the crash test dummy to the pioneering work in safety restraints which led to the seatbelt, Calspan has contributed significant transportation safety advances throughout its more than 70-year history. Calspan's businesses and capabilities are sustainable and lasting. As an example, Calspan's tire research facility, built in 1971 and updated in 2014/2015, offers capability that was unique in the world at that time and still remains a powerful force in the industry - ensuring good paying jobs in Western New York. Current R&D activities at the project location performed by Calspan include: full scale vehicle crash testing, vehicle child seat safety testing, tire testing, transonic wind tunnel testing and aircraft development, and vehicle crash data research. Calspan provides testing and engineering services to major domestic and international companies who are looking to improve their products.

Estimated % of sales within Erie County	1
Estimated % of sales outside Erie County but within New York State	4
Estimated % of sales outside New York State but within the U.S.	70
Estimated % of sales outside the U.S.	25

(*Percentage to equal 100%)

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

Approximately 28% of Calspan's annual purchase of supplies/services/materials are from Erie County companies.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Cheektowaga, NY

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

Yes

In which Municipality will the proposed project be located

Cheektowaga, NY

Address

4455 Genesee Street, Buffalo, NY 14225

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

92.04-1-2 primarily. Others parcels may also be impacted.

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

Approx \$18000/year for parcel 92.04-1-2. Approx \$500,000 for entire facility.

Assessed value of land

Assessed value of building(s)

Are Real Property Taxes current?

Yes

If no please explain

n/a

Town/City/Village of Project Site

Cheektowaga, NY

School District of Project Site

Cheektowaga and Maryvale and Sloan and Lancaster

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

Yes

If No, indicate name of present owner of the Project Site

n/a

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the Proposed Project site

The proposed Project Site is currently a mix of office buildings, testing facilities, and vacant land.

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

From the initial investigations into occupant behavior which gave rise to the crash test dummy to the pioneering work in safety restraints which led to the seatbelt, Calspan has contributed significant transportation safety advances throughout its more than

sixty year history. Calspan's businesses and capabilities are sustainable and lasting. As an example, Calspan's tire research facility, built in 1971, offered capability that was unique in the world at that time. It remains unique in the world in 2016. Calspan wants to expand and augment its capabilities at 4455 Genesee Street in Buffalo, New York to build a 50,000-60,000 square foot world-class vehicle crash testing facility at the cost of over \$6,000,000.00 USD. The facility will to accelerate the research and development of life-saving safety systems and create a new standard in vehicle and pedestrian safety. Such a campus will provide decades of benefits to Western New York, attract global suppliers, customers, and supporting businesses to the region. A total of 11 net new jobs will be created with this investment. The campus will build upon the 30+ years of vehicle crash testing that Calspan has performed in the industry to date - however, will allow Calspan to be a leader in new and emerging technologies in vehicle crash testing for many decades to come (as Calspan's current facility is now out-dated and not up to industry standard). The campus will principally provide research and development capability to new customers as well as our current, global customer base which includes but is not limited to: Mercedes-Benz, Audi, Volkswagen, the United States Department of Transportation, the United States Department of State, Volvo, General Motors, Ford, Honda, Kia, Hyundai, Toyota, Subaru, and many more. These customers, and the public at large, will benefit from Calspan's leadership and newfound ability to objectively evaluate these critical life-saving technologies.

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

Calspan is considering investing in a new multi-purpose vehicle dynamics testing facility located on Calspan's corporate headquarters facility in Cheektowaga NY. The new facility would have the capability to run crash tests, crash avoidance technology tests, and other such programs. Calspan's existing vehicle crash test business will imminently fail without this investment. The improvement to our current facilities is necessary - as our current facility was developed decades ago and is currently utilizing very outdated technology. Further, the need to keep up with the technological developments in the industry to keep us in the marketplace is expensive - but required. If Calspan's current vehicle crash test business fails and is forced to exit the marketplace - it is certain that other jobs (most jobs) at Calspan will likely be affected. This is due to the fact that Calspan's overhead and corporate structure supports multiple testing facilities - and if one fails, all of the others will have to then pick up a larger percentage of overall shared costs, which will put those facilities at risk. The only facility that would not be put at risk would be our tire testing facility. Further, Calspan wishes to expand our presence in Western New York despite receiving attractive offers from other states - which would lower the overall cost of both this potential project as well as the operation of the business. The vehicle manufacturing and testing industry has a strong desire for Calspan to move to Michigan or California near OEMs, or the Western United States which provides greater access to emerging Asian markets. Calspan's competition in the vehicle testing marketplace is extensive - furthering the need for this investment. Calspan competes against a variety of domestic third-party testing competitors (MGA Research in Wisconsin, Transportation Research Center in Ohio, Karco in California, AutoLiv in Ontario and Michigan, amongst others). In addition, and furthering the competition that Calspan faces, many of the vehicle manufacturers themselves have their own crash test facilities (for example, Ford in Michigan has its own track and testing systems on the Dearborn campus). Therefore, it is critical to have the most modern and up-to-date facilities - to both ensure that our customers pick us over our third-party competition, but also over their own facilities.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

The Project cannot be undertaken without Financial Assistance by the Agency.

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

Calspan's existing vehicle - crash test business will imminently fail without this investment. The improvement to our current facilities is necessary - as they were developed decades ago and are currently utilizing outdated technology. Further, the need to keep up with the technological developments in the industry to keep us in the marketplace is expensive - but required. If Calspan's vehicle crash test business fails and is forced to exit the marketplace - it is certain that other jobs (most jobs) at Calspan will likely be affected. This is due to the fact that Calspan's overhead and corporate structure supports multiple testing facilities - and if one fails, all of the others will have to then pick up a larger percentage of overall shared costs, which will put those business units at risk.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Construction Equipment.

Site Characteristics

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

Yes

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

\$ 0	square feet	acres
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New Building Construction

\$ 5,000,000	50,000 square feet
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New Building addition(s)

\$ 0	square feet
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Infrastructure Work

\$ 800,000

Renovation

\$ 0	square feet
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Manufacturing Equipment

\$ 300,000

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

\$ 970,000

Soft Costs: (professional services, etc.)

\$ 0

Other Cost

\$ 0

Explain Other Costs

n/a

Total Cost

\$ 7,070,000

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

\$ 0

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

No

If Yes, describe particulars:

n/a

Sources of Funds for Project Costs:**Equity (excluding equity that is attributed to grants/tax credits):**

\$ 670,000

Bank Financing:

\$ 5,000,000

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

Public Sources (Include sum total of all state and federal grants and tax credits):

\$ 1,400,000

Identify each state and federal grant/credit:

Calspan has applied for Empire State Development Assistance.
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Total Sources of Funds for Project Costs:

\$7070000.00

Has a financing preapproval letter or loan commitment letter been obtained?

No

Mortgage Recording Tax Exemption Benefit:

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

***Amount of mortgage, if any, that would be subject to mortgage recording tax.**

\$ 5,000,000

Lender Name, if Known

TBD

Estimated Mortgage Recording Tax Exemption Benefit (product of Mortgage Amount as indicated above multiplied by 1%):

\$50000.00

Construction Cost Breakdown:

Total Cost of Construction

\$ 5,800,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 3,480,000

% sourced in Erie County

100%

% sourced in State

100% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$ 4,450,000

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

\$ 389,375

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit:

n/a

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

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	50,000 square feet	\$ 7,070,000	100
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0
Specify Other	square feet	\$ 0	0

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

No

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

<BLANK>

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

n/a

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)**Start date : acquisition of equipment or construction of facilities**

9/1/2016

End date : Estimated completion date of project

8/31/2017

Project occupancy : estimated starting date of operations

9/1/2017

Have construction contracts been signed?

No

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

Yes

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

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon TWO Years after Project Completion **
Full time	113	113	11	11
Part time	0	0	0	0
Total	113	113	11	

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PTE jobs into FTE jobs by dividing the number of PTE jobs by two (2). This estimate, based on information provided above, will be included within the PILOT worksheet in the additional documents section.

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	Average Salary	Average Fringe Benefits
Management	\$ 96,000	\$ 22,080
Professional	\$ 78,000	\$ 17,940
Administrative	\$ 48,000	\$ 11,040
Production	\$ 50,000	\$ 11,500
Independent Contractor	\$ 41,000	\$ 9,430

Other

\$ 0

\$ 0

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

Address

Full time 0 0 0

Part time 0 0 0

Total 0 0 0

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

No

Payroll Information**Annual Payroll at Proposed Project Site**

\$ 8,475,000

Estimated average annual salary of jobs to be retained

\$ 75,000

Estimated average annual salary of jobs to be created

\$ 75,000

Estimated salary range of jobs to be created**From** \$ 60,000 **To** \$ 90,000**Is the project reasonably necessary to prevent the project occupant from moving out of New York State?**

Yes

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

Calspan wishes to expand our presence in Western New York despite receiving attractive offers from other states. The vehicle manufacturing and testing industry has a strong desire for Calspan to move to Michigan (in proximity to vehicle manufacturers), and California (allowing for greater access to emerging Asian markets, as well as new high-tech vehicle manufactures and vehicle component R&D leaders).

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

As noted previously, the vehicle manufacturing and testing industry has a strong desire for Calspan to move to Michigan (in proximity to vehicle manufacturers), and California (allowing for greater access to emerging Asian markets, as well as new high-tech vehicle manufactures and vehicle component R&D leaders).

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

Yes

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

Calspan has been contacted by multiple state agencies including Michigan.

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

Yes

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

Calspan has applied for grants from Empire State Development.

Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name Calspan Corporation
Address 4455 Genesee Street
Contact Person Brian Pleban
Phone 716-631-6956
Fax 716-631-6969
E-Mail brian.pleban@calspan.com
Federal ID #
SIC/NAICS Code 541712

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

<BLANK>

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

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

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

n/a

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State No

Within Erie County No

If Yes to either question, please, explain n/a

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

n/a

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

Additional square footage High quality employees for high-tech industry Secure premises and facility Unique and world-class facilities

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

Yes

What factors have lead the project occupant to consider remaining or locating in Erie County?

The desire to keep the majority of Calspan's various testing facilities (ie: tire testing, child seat testing, vehicle crash research, etc) in one main location alongside Calspan's corporate offices.

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

n/a. Current facility will still be utilized for less sophisticated testing types.

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

The desire to keep the majority of Calspan's various testing facilities (ie: tire testing, child seat testing, vehicle crash research, etc) in one main location alongside Calspan's corporate offices has, as of yet, precluded investigation of other specific sites in Michigan and California.

Section VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?	No
What is the age of the structure (in years)?	0
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)	<BLANK>
If vacant, number of years vacant.	0
If underutilized, number of years underutilized.	0
Describe the use of the building during the time it has been underutilized:	
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)	No
If yes, please provide dollar amount of income being generated, if any	\$
Does the site have historical significance?	No
Are you applying for either State/Federal Historical Tax Credit Programs?	No
If yes, provide estimated value of tax credits	\$
Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)	
Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities	
Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments	

Section VIII: Senior Citizen Rental Housing Projects

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

No

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

<BLANK>

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

Is the project consistent with the applicable municipal master plan?

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)

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

<BLANK>

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

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

<BLANK>

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

Section IX: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? No

If yes, complete the Retail Questionnaire Supplement below.

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

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

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

Will the project be operated by a not-for-profit corporation? <BLANK>

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? <BLANK>

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

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? <BLANK>

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

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? <BLANK>

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>