

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

- DATE:** June 2, 2022
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency's website at www.ecidany.com.
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue; Johanna Coleman; Richard Lipsitz, Jr.; Brenda W. McDuffie; Hon. Glenn R. Nellis; Laura Smith; David J. State; Lavon Stephens; Hon. John Tobia; Paul Vukelic and Hon. Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown and Colleen DiPirro;
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Andrew Federick, Business Development Officer; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications; Pat Smith, Senior Bookkeeper and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Alex Carducci on behalf of the City of Buffalo; Zachary Evans on behalf of the County; Joseph Paolini and Molly Penale on behalf of Spaulding Business Park, LLC and Julius Aebly on behalf of Aebly & Associates Insurance Services, Inc.

There being a quorum present at 9:32 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the April 7, 2022 Policy Committee meeting were presented. Upon motion made by Mr. Blue to approve of the minutes, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

At this point in time, Mr. Vukelic joined the meeting.

TAX INCENTIVE REPORT

Mr. Cappellino reviewed this report. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

Aebly and Associates Insurance Services a/k/a A&A Union Road, LLC, 1471 Union Road, West Seneca, New York 14224. Ms. O’Keefe presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a 6,160 sq. ft. 2-story professional office building.

Ms. O’Keefe confirmed that A&A Union Road, LLC is seeking approximately \$498,062 in assistance including sales tax exemption, mortgage tax exemption and real property tax abatement benefits. Total payroll is projected at \$15,430,020 for the direct and indirect jobs created including 13 construction jobs. The resulting cost benefit is 1:31 so for every \$1 of incentives the community benefit is \$31 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$36 in community benefits.

Ms. Baskin expressed support for the company’s MWBE utilization plan. Ms. Whyte and the applicant confirmed that project construction costs have increased by about 23% due to COVID-19 disruption.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$3,110,729 85% = \$2,644,119
Employment	Coincides with 7-year PILOT	Maintain Base – 12 FTE Create 85% of Projected Jobs Projected = 2 85% = 1 Recapture Employment = 13
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to policy

Recapture Period	Coincides with 7-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property tax abatement
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Ms. McDuffie moved and Mr. Vukelic seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval.

Mr. Tobia queried about plan for existing buildings. Mr. Aebly, on behalf of the company, stated he will be selling the buildings and may have the buildings re-zoned for residential use.

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

Spaulding Business Park, LLC, Gibson Street (corner of Gibson and Hackett Drive), Tonawanda, New York 14150. Ms. O’Keefe presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a business park in the City of Tonawanda consisting of five approximately 9,000 sq. ft. buildings for light manufacturing and/or warehouse use.

Ms. Whyte asked the Company if they have estimates of job commitment with respect to its project. Mr. Paolini, on behalf of the company, stated he relied on prior, similar spec building projects to estimate job numbers.

Ms. O’Keefe confirmed that Spaulding Business Park, LLC is seeking \$382,448 in incentives including sales tax exemption, mortgage tax exemption and real property tax abatement benefits. Total payroll is projected at \$10,526,239 for the direct and indirect jobs created including 8 construction jobs. The resulting cost benefit is 1:27 so for every \$1 of incentives the community benefit is \$27 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$30 in community benefits.

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

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$2,055,000 85% = \$1,746,750

Employment	Coincides with 10-year PILOT	Maintain Base – 0 Create 85% of Projected Jobs Projected = 20 85% = 17 Recapture Employment = 17
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, mortgage recording tax and real property tax abatement

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

MWBE UPDATE

Mr. Cappellino provided an update to Committee members.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:13 a.m.

Dated: June 2, 2022



 Elizabeth A. O'Keefe, Secretary