



**Erie County Industrial Development Agency
Meeting of the Membership
June 28, 2023
At 12:00 p.m.**

**701 Ellicott Street, Center of Excellence in Bioinformatics and Life Sciences (CBLS)
The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203**

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of the May 31, 2023 Meeting of the Membership (Action Item) (Pages 2-6)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 7-10)
- 3.2 2023 Tax Incentive Induced/Closing Schedule (Informational) (Pages 11-12)
- 3.3 Policy Committee Update (Informational) (Pages 13-19)

4.0 Inducement Resolutions:

		ECIDA Incentives	Private Investment	Municipality
4.1	Rosina Food Products, Inc (Pages 20-61)	\$919,525	\$16,000,000	West Seneca
4.2	Stark Real Estate Holdings (Pages 62-104)	\$454,375	\$16,250,000	Tonawanda
4.3	Iskalo/101 Oak Street, LLC (Pages 105-154)	\$153,125	\$3,500,000	Buffalo

5.0 Management Team Reports:

5.1

6.0 Adjournment- Next Meeting July 26, 2023

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

- DATE AND PLACE:** May 31, 2023, at the Center of Excellence in Bioinformatics and Life Sciences (CBLS), 701 Ellicott Street, The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203.
- PRESENT:** Denise Abbott, Hon. Joseph Emminger, Dottie Gallagher, Michael P. Hughes, Hon. Brian Kulpa, Richard Lipsitz, Jr., Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Kenneth A. Schoetz and Paul Vukelic
- EXCUSED:** Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Bryon W. Brown, James Doherty, Hon. Howard Johnson, Tyra Johnson, Denise McCowan and Hon. Darius G. Pridgen
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Gerald Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Laurie Hendrix, Administrative Coordinator; Robbie Ann McPherson, Director of Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans and Daniel Castle on behalf of Erie County; Josh Veronica on behalf of Buffalo Niagara Partnership; Mike Montante on behalf of Uniland Development; Jonathan Epstein on behalf of Buffalo News, Jacob Tierney on behalf of Business First, Quinn Bushen on behalf of Empire State Development and Byron DeLuke on behalf of TM Montante-50 Gates Circle

There being a quorum present at 12:06 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by the Chair, Ms. McDuffie.

MINUTES

The minutes of the April 26, 2023 meeting of the members were presented. Mr. Lipsitz moved and Mr. Nellis seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the April financial reports. The balance sheet shows that the IDA finished the month with total assets of \$33.3M and net assets of \$20.9M. The \$2M increase in total assets from March is due mainly to a new grant receivable of \$1.7M and an increased in unrestricted cash of nearly \$500,000. Liabilities increased due to the increase in deferred revenue related to the grant receivable. The monthly income statement shows a net income of \$492,000 for April. Operating revenue of \$802,000 was above the monthly budget by \$579,000, due mainly to timing of administrative fees received during the month. The fee related to a bond that closed in April accounted for nearly half of the monthly fee revenue. Operating expenses of \$236,000 were in line with the monthly budget. There was \$51,000 of strategic initiative costs during the month, and depreciation/amortization of \$22,000. The year-to-date Income Statement shows revenues of \$1.4M, including administrative fee revenue of \$992,000. We are at about 54% of our annual administrative fee budget through April, and looking back this is our strongest revenue start through April since 2017. Expenses of \$875,000 are \$71,000 below budget. Net income before strategic initiatives and depreciation was \$503,000. After strategic initiatives of \$151,000 and depreciation/amortization of \$89,000, there is currently net income of \$263,000 for the year. Ms. McDuffie directed that the report be received and filed.

2023 Tax Incentive Induced/Closing Schedule. Mr. Cappellino presented this report to the members. Ms. McDuffie directed that the report be received and filed.

Approval of Grant for Engineering Service for Rail Yard Work. Mr. Cappellino updated members on the contemplated Renaissance Commerce Park phase “2b” (Parcel #1) purchase, being land that is presently encumbered with certain rail lines owned and operated by the South Buffalo Railway Company (the “SBRC”) and whose purchase by the ILDC is conditioned upon relocation of those rail lines, to allow the parcel to be fully redeveloped. To induce the ILDC’s acquisition and development of this site, and to preserve SBRC’s use and business operations of the rail lines, the underlying rail line easements and rail lines need to be relocated to an agreed upon site. It is estimated that the cost of relocating the rail lines will be approximately \$7.1 million, including \$600,000 or design and engineering. This cost estimate does not include the purchase of additional land to accommodate the relocation, but Mr. Cappellino stated that Tecumseh has agreed to convey certain lands for such use to SBRC at no cost to facilitate the rail line relocation off Parcel #1. Mr. Cappellino explained that the IDA is seeking approval to enter into a funding agreement with the County of Erie in an amount not to exceed \$600,000 to be used for survey, environmental investigation, and engineering design and related services for the removal and reconstruction of the rail line.

Ms. Gallagher moved and Mr. Lipsitz seconded to approve of the Erie County funding agreement. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY") AUTHORIZING THE AGENCY TO ENTER INTO A FUNDING AGREEMENT WITH THE COUNTY OF ERIE ("COUNTY") IN AN AMOUNT NOT TO EXCEED \$600,000 TO BE UTILIZED FOR ENGINEERING SERVICES IN RELATION TO THE AGENCY'S CONTEMPLATED REMOVAL OF CERTAIN RAILWAY FACILITIES LOCATED IN THE RENAISSANCE COMMERCE PARK

Policy Committee Update. Mr. Lipsitz informed the board that the Policy Committee recommends approval of the TM Montante/50 Gates Circle project, as presented to the Board today.

INDUCEMENT RESOLUTION

TM Montante, LLC, 50 Gates Circle, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax exemption and mortgage recording tax benefit project which is an adaptive reuse project and will transform a mostly vacant 11,200 sq. ft. building into a mixed use development. The new use of this building will result in 2,230 sq. ft. dedicated to therapist offices and the remaining 8,970 sq. ft of space used for 12 residential apartment units with one unit being offered at 80% AMI.

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

Mr. DeLuke spoke on behalf of the project and the applicant. Mr. Deluke discussed the housing component of the Project.

Ms. Gallagher spoke in favor of adaptively reusing buildings as a balance with other housing strategies. She also suggested the Agency study the affordable and workforce housing needs of the County.

Ms. McDuffie stated she has asked staff to review this issue and pursue establishing a working group to undertake this analysis.

Mr. Poloncarz confirmed that Erie County will still receive a county real property tax, despite the use of the Section 485-a real property tax abatement being provided by the City of Buffalo.

The Project's cost benefit ratio was presented to and reviewed by the members present and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits were discussed and considered.

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and

agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, through the conclusion of the later of two (2) years following either (x) the construction completion date, or (y) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$2,945,962 (which represents the product of 85% multiplied by \$3,465,838, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 4 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 within two (2) years of Project completion, the Company has maintained FTE employment at the Facility equal to 4 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. Gallagher then moved and Mr. Vukelic seconded to approve the Project. 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 TM MONTANTE DEVELOPMENT 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) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iii) 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. Cappellino informed members of anticipated changes to the RDC's loan administration plan.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:30 p.m.

Dated: May 31, 2023

Elizabeth A. O'Keefe, Secretary

Erie County Industrial Development Agency
Financial Statements
As of May 31, 2023

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

May 31, 2023

	May 2023	April 2023	December 2022
ASSETS:			
Cash *	\$ 7,845,940	\$ 7,929,431	\$ 7,475,718
Restricted Cash & Investments *	18,658,165	18,222,772	20,449,260
Due from Affiliates	2,070,107	2,417,581	471,011
Due from Buffalo Urban Development Corp.	49,507	38,143	106,016
Other Receivables	135,578	151,927	94,679
Total Current Assets	<u>28,759,297</u>	<u>28,759,854</u>	<u>28,596,683</u>
Grants Receivable	2,347,736	2,347,736	644,183
Lease Receivable	552,363	570,676	643,927
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,054,910	1,077,200	1,166,361
Total Long-Term Assets	<u>4,461,895</u>	<u>4,502,498</u>	<u>2,961,357</u>
TOTAL ASSETS	<u><u>\$ 33,221,192</u></u>	<u><u>\$ 33,262,351</u></u>	<u><u>\$ 31,558,040</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 205,687	\$ 171,522	\$ 188,859
Lease Payable	56,075	70,093	126,166
Deferred Revenues	2,285,624	2,285,624	643,647
Funds Held on Behalf of Others	9,279,654	9,263,905	9,317,525
Total Liabilities	<u>11,827,039</u>	<u>11,791,143</u>	<u>10,276,196</u>
Deferred Inflows of Resources Related to Leases	552,363	570,676	643,927
Net Assets	<u>20,841,790</u>	<u>20,900,533</u>	<u>20,637,917</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 33,221,192</u></u>	<u><u>\$ 33,262,351</u></u>	<u><u>\$ 31,558,040</u></u>

* Cash and restricted cash is invested in checking accounts at M&T Bank. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of May 2023

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 62,553	\$ 150,000	\$ (87,447)
Management Fees - Affiliates and Others	36,383	50,392	(14,008)
Interest Income - Cash & Investments	27,452	500	26,952
Interest Income - Leases	2,704	-	2,704
Rental Income	18,804	21,467	(2,663)
Other Income	-	250	(250)
Total Revenues	147,897	222,608	(74,711)
EXPENSES:			
Salaries & Benefits	\$ 177,952	\$ 169,800	\$ 8,153
General Office Expenses	26,462	23,267	3,196
Building Operating Costs	1,515	21,170	(19,655)
Professional Services	11,610	5,833	5,777
Public Hearings & Marketing	3,537	5,417	(1,879)
Travel, Mileage & Meeting Expenses	3,074	3,083	(9)
Other Expenses	10,198	729	9,469
Total Expenses	234,350	229,299	5,050
SPECIAL PROJECT GRANTS:			
Revenues	\$ 50,000	\$ 48,209	\$ 1,791
Expenses	-	(42,526)	42,526
	50,000	5,683	44,317
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:	(36,453)	(1,008)	(35,445)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Bethlehem Steel Industrial Park Grant	-	-	-
Angola Ag Park Grant	-	(8,333)	8,333
Other Strategic Initiatives	-	-	-
	-	(8,333)	8,333
NET INCOME/(LOSS) BEFORE DEPRECIATION:	(36,453)	(9,341)	(27,112)
Depreciation and amortization	(22,290)	(10,000)	(12,290)
NET INCOME/(LOSS):	\$ (58,743)	\$ (19,341)	\$ (39,402)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: May 31, 2023

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 1,054,913	\$ 750,000	\$ 304,913	\$ 1,054,913	\$ 414,953	\$ 639,960
Affiliate Management Fees	208,142	251,958	(43,817)	208,142	224,875	(16,733)
Interest Income - Cash & Investments	140,826	2,500	138,326	140,826	1,494	139,333
Interest Income - Leases	13,521	-	13,521	13,521	-	13,521
Rental Income	93,421	107,333	(13,912)	93,421	98,534	(5,113)
Other Income	14,014	13,500	514	14,014	9,190	4,824
Total Revenues	1,524,837	1,125,292	399,545	1,524,837	749,046	775,791
EXPENSES:						
Salaries & Benefits	847,986	848,998	(1,012)	847,986	856,420	(8,434)
General Office Expenses	130,085	116,333	13,752	130,085	128,289	1,796
Building Operating Costs	15,924	105,852	(89,928)	15,924	88,628	(72,703)
Professional Services	55,978	58,167	(2,189)	55,978	109,544	(53,566)
Public Hearings & Marketing	19,494	27,083	(7,589)	19,494	34,002	(14,507)
Travel, Mileage & Meeting Expenses	9,771	15,417	(5,646)	9,771	8,688	1,083
Other Expenses	29,837	3,646	26,191	29,837	3,953	25,884
Total Expenses	1,109,075	1,175,496	(66,421)	1,109,075	1,229,523	(120,448)
SPECIAL PROJECT GRANTS:						
Revenues	212,561	241,045	(28,484)	212,561	240,047	(27,486)
Expenses	(161,694)	(212,629)	50,935	(161,694)	(93,625)	(68,069)
	50,867	28,417	22,451	50,867	146,422	(95,555)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:						
	\$ 466,628	\$ (21,788)	\$ 488,416	\$ 466,628	\$ (334,055)	\$ 800,684
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)	\$ -	\$ (260,799)	\$ 260,799	\$ -	\$ -	\$ -
Bethlehem Steel Industrial Park Grant	(79,328)	-	(79,328)	(79,328)	(8,055)	(71,273)
Angola Ag Park Grant	(43,001)	(100,000)	56,999	(43,001)	(49,183)	6,182
Bethlehem Steel Industrial Park Grant Reimb	-	150,000	(150,000)	-	-	-
Buffalo Urban Development Corporation	-	(100,000)	100,000	-	-	-
Other Strategic Initiatives	(28,975)	(125,000)	96,025	(28,975)	-	(28,975)
	(151,304)	(435,799)	284,495	(151,304)	(57,238)	(94,066)
NET INCOME/(LOSS) BEFORE DEPRECIATION:						
	315,325	(457,587)	772,911	315,325	(391,293)	706,618
Depreciation and amortization	(111,451)	(50,000)	(61,451)	(111,451)	(50,000)	(61,451)
NET INCOME/(LOSS):						
	\$ 203,874	\$ (507,587)	\$ 711,460	\$ 203,874	\$ (441,293)	\$ 645,167

Tax Incentives Approved - 2023														
Approval Date	Project Name	Project City/Town	Private Investment/Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Const Jobs	Spillover Jobs	Length of Term	Incentive Amount	Cost Benefit Ratio
Feb-23	356 Hertel Ave, LLC ¹	Buffalo	\$32,067,800	85% threshold \$27,257,630	0	0	42	0	85% -New 35 Jobs	212	150	project completion date + 2 yrs	\$612,500	1:47
Feb-23	Commitment 2000	Buffalo	\$8,623,800	85% threshold \$7,330,230	74	2	10	2	85% -New 35 Jobs	38	38	Period of PILOT 7 Years	\$420,215	1:89
Mar-23	Moog, Inc.	Elma	\$76,750,800	85% threshold \$65,237,500	180	0	0	0	0		320	Period of PILOT 10 Years	\$2,900,920	1:97
Apr-23	Wood and Brooks Properties, LLC ¹	Town of Tonawanda	\$23,127,638	85% threshold \$19,658,492	0	0	1	2	85% -New 1 Jobs	161	92	project completion date + 2 yrs	\$1,164,447	1:14
May-23	TM Montante/50 Gates Circle ¹	Buffalo	\$3,465,838	85% threshold 2,945,962	4	0	0	0	\$0	14	14	project completion date + 2 yrs	\$108,500	1:29

Totals:	Totals:	Private Investment/ Project Amount	FT Jobs Retained	PT Jobs Retained	FT Jobs Created	PT Jobs Created	Const Jobs	Spillover Jobs	Incentive Amount
Adaptive Reuse Subtotal	3	\$58,661,276	4	0	43	2	387	256	\$1,885,447
2023 Total	5	\$144,035,876	258	2	53	4	760	614	\$5,206,582

¹ Adaptive Reuse

Tax Incentives Closed - 2023										
Closing Date	Project Name	Project City/Town	Project Amount at Closing	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Inducement Date	Est. Project Completion Date	
2/17/2023	Warehouse #2 @ 132 Dings	Buffalo	\$8,951,635	0	0	18	0	12/21/2022	4/30/2023	
3/28/2023	BLD VII, LLC/Reniassance 8, LLC	Lackawanna	\$14,570,786	0	0	41	0	4/28/2021	10/31/2023	
4/12/2023	Perry's Ice Cream	Akron	\$18,000,000	363	0	14	0	7/27/2022	12/31/2023	
6/2/2023	Alden NY Shop/Highway Rehab Corporation	Alden	\$5,225,000	67	0	15	0	12/21/2022	12/31/2023	
6/16/2023	950 Broadway	Buffalo	\$11,653,862	0	0	34	4	9/28/2022	9/16/2023	

Totals: **Total # of Projects Closed** **Project Amount at closing** **FT Jobs Retained** **PT Jobs Retained** **FT Jobs Created** **PT Jobs Created**

	5		\$58,401,283	430	-	122	4			
--	---	--	--------------	-----	---	-----	---	--	--	--

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

DATE AND PLACE: June 1, 2023 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott; Hon. April Baskin; A.J. Baynes; Rev. Mark E. Blue Zachary Evans; Richard Lipsitz, Jr.; Dr. Susan McCartney; Brenda W. McDuffie; Hon. Glenn R. Nellis; Laura Smith, David J. State; Lavon Stephens and Hon. John Tobia

EXCUSED: Hon. Bryon W. Brown and Paul Vukelic

OTHERS PRESENT: John Cappellino, President and Chief Executive Officer; Grant Lesswing, Director of Business Development; Andrew Federick, Property and Business Development Officer; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; and Robert G. Murray, General Counsel/Harris Beach PLLC

GUESTS: Josh Veronica on behalf of Buffalo Niagara Partnership; Alex Carducci on behalf of the City of Buffalo; Rebecca Brady on behalf of Top Seedz; David Chiazza on behalf of Iskalo Development; Chris Ahlers, Lisa Polizzi, Keith Sernick, Jill Szpylman on behalf of Stark Technologies; and Greg Setter, Michael Driscoll, Randy Bernick on behalf of Rosina Foods

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

MINUTES

The minutes of the May 4, 2023 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Mr. Baynes, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's Project Matrix. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATION

Rosina Food Products Inc., 75 Empire and 130 Empire Drive, West Seneca, New York 14224. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the expansion of the pasta manufacturing plant at 75 Empire Drive by 12,000 sq. ft. to accommodate a new ravioli production line, to renovate/reconfigure existing office space to create more welfare areas for manufacturing associates and renovate a vacant building at 130 Empire Drive into an office building to accommodate pasta facility office associates displace as a result of the expansion and improvements of the past manufacturing facility, consolidation of office space and to allow for future growth of administrative staff.

Mr. Cappellino confirmed that Rosina Food Products, Inc. is seeking approximately \$919,525 in assistance including sales tax exemption, mortgage tax exemption and real property tax exemption. Total payroll is projected at \$75,000,000 for the direct and indirect jobs created including 70 construction jobs. The resulting cost benefit is 369:1 so for every \$1 of incentives the community benefit is \$369 in payroll & tax revenue. Erie County: for every \$1 of incentives the community benefit is \$490 in benefits to the community.

Mr. Cappellino 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 = \$16,000,000 85% = \$13,600,000
Employment	Coincides with 10-year PILOT	Maintain Base = 275 FTE Create 85% of Projected Projected = 15 FTE 85% = 12 FTE Recapture Employment = 287 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property tax

General discussion ensued. Mr. Setter then spoke on behalf of Rosina to describe the project. Mr. Stephens confirmed Rosina works with Buffalo and Erie County Workforce Investment programs. Mr. Baynes queried as to where workers come from. Mr. Setter advised their work force typically resides within Cheektowaga, Lackawanna and Buffalo. Ms. McDuffie spoke in favor of the project.

At this point in time, Ms. Baskin joined the meeting.

Mr. Evans queried as to time periods for employees to move through the pay scale. Mr. Setter advised increases on merit are standard operating procedures, and additional background on Rosina's employee advancement programs and opportunities was provided.

Mr. Tobia expressed support for Rosina's project and its employee training program.

Ms. Baskin queried as to specialty contractor considerations that may preclude the use of MWBE firms. Mr. Setter responded that there are certain chemical usage and machinery usage specialties that require specific contractors in contrast to opening up that specialty to any and all potential contractors.

Ms. Smith spoke in favor of the project and queried as to how ECIDA incentives will help the project.

Mr. Setter stated there are ever increasing costs of materials and labor to undertake the new project combined with the need to retain and attract new employees such that any financial assistance helps and is mutually beneficial to the Rosina and the community.

Ms. McDuffie moved and Mr. Stephens 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.

Stark Tech, 91 Sawyer Avenue, Tonawanda, New York 14150. Mr. Cappello presented this proposed sales tax and mortgage recording tax benefits project involving the major renovation of an existing 125,000 sq. ft. facility that contains high bay ceilings and high-capacity cranes.

Mr. Cappellino confirmed that Stark Teck is seeking approximately \$454,375 in assistance including sales tax exemption and mortgage recording tax exemption. Total payroll is projected at \$410,600,000 for the direct and indirect jobs created including 43 construction jobs. The resulting cost benefit is 1:854 so for every \$1 of incentives the community benefit is \$854 in payroll & tax revenue. Erie County: for every \$1 of incentives the community benefit is \$1,609 in benefits to the community.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax exemption benefits, the approval of this project will be conditioned upon adherence

to certain material terms and conditions with respect to 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 = \$16,250,000 85% = \$13,812,500
Employment	Coincides with recapture period	Maintain Base = 50 FTE Create 85% of Projected Projected = 120 FT, 10 PT (125 FTE) 85% = 106 FTE Recapture Employment = 156 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to policy
Unpaid Tax	Coincides with recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Mr. Ahlers spoke on behalf of the company describing the company's history and discussing the proposed project.

Mr. Evans, an Erie County employee, noted that Erie County has contracts with Stark and that he will abstain from discussion and voting on this project.

Ms. McDuffie spoke in favor of the project and queried as to where Stark sources its employees. Mr. Ahlers responded it sources employees from the local union halls, and recruits from SUNY at Buffalo and other engineering schools. Ms. McDuffie encouraged the Company to work with the Northland Workforce Training Center.

Mr. Lipsitz asked what the Company would do in the absence of Agency financial assistance.

Mr. Ahlers stated that all financial assistance helps given that the building requires significant new investment and that the Company is also making a significant investment, and similar to rationale provided by Rosina Foods, in the prior discussion, the financial assistance is mutually beneficial.

Ms. Abbott moved and Mr. Baynes seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval.

Ms. Baskin asked that the Company establish a MWBE policy.

Mr. Lipsitz called for the vote, Mr. Evans abstained from the vote, and the project was then approved by a vote of 12 in favor, no objections, and 1 abstention.

Iskalo 101 Oak LLC, 101 Oak Street, Buffalo, New York 14206. Mr. Cappellino presented this proposed sales tax benefits project involving the renovations needed to ready the leased 34,379 sq. ft. of the 67,385 sq. ft. building for a new manufacturing-based tenant, Top Seedz, including constructing a vault to house new transformers, new switchgear inside the building, new electric service panels and metering for each tenant space. Other unanticipated costs including but not limited to: installation of water, gas and sanitary line to serve tenant production areas and demolition of low bay section of the building and addition of windows on building exterior to provide natural light to office areas.

Mr. Cappellino confirmed that Iskalo 101 Oak LLC is seeking approximately \$153,125 in assistance including sales tax exemption. Total payroll is projected at \$20,011,642 for the direct and indirect jobs created including 15 construction jobs. The resulting cost benefit is 134:1 so for every \$1 of incentives the community benefit is \$134 in payroll & tax revenue. Erie County: for every \$1 of incentives the community benefit is \$234 in benefits to the community.

Mr. Cappellino stated that in exchange for providing the sales and use tax exemption 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 = \$3,500,000 85% = \$2,975,000
Employment	Coincides with recapture period	Maintain Base = 29 FTE Create 85% of Projected Projected = 13 FTE 85% = 11 FTE Recapture Employment = 40 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to policy

Unpaid Tax	Coincides with recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes

Mr. Cappellino confirmed that the company has 42 FTE but upon moving into the new facility, will decrease the number of employees to 29 FTE due to efficiencies of the new facility, but then will increase employment by 13 FTEs within the next two years, bringing the total employment to 42 FTEs.

Mr. Chiazza spoke on behalf of the company and confirmed landlord will be making improvements to the facility for the benefit of tenants and tenants will ultimately be charged for landlord improvements which may or may not also include sales tax.

Mr. Evans queried if 100% of sales tax will go to tenant. Mr. Chiazza explained that a majority of the benefit would be allocated to the tenant based on occupancy percentage.

Mr. Baynes confirmed this will be a 10-year lease.

Ms. Brady spoke on behalf of Top Seedz, tenant of the building, providing company history and growth track record and described her Company's use of Journey's End immigration placement program to help Top Seedz find employees.

Mr. Chiazza then clarified that at the time of application submission the jobs/payroll was Top Seedz data, which was listed at 29 FTE and Top Seedz did not include the additional 13 employees because those were considered "interim" only allowing Top Seedz to meet current sales orders, and noted Top Seedz could have just as easily used an employee search or outsourcing firm to find contract employees to fill these interim jobs, but that in any event, Top Seedz goal is to keep such workers on a going forward basis.

Mr. State stated Top Seedz is a tenant of NFTA, being Mr. State's employer, and he will abstain from the discussion and voting.

Ms. Baskin queried as to if the project has goals to retain MWBE vendors, or will it just hire qualified vendors.

Mr. Chiazza responded it has challenges retaining any vendors locally due to the numbers of vendors and contractors already engaged to construct the new Buffalo Bills stadium, but stated, in selecting a contractor, all things being equal, that an MWBE vendor would be selected.

Ms. McCartney expressed concerns that Top Seedz will be reducing the employment numbers.

Mr. Stephens confirmed the new jobs will be high skilled jobs with more pay.

Mr. Evans confirmed the number of employees is 42. Ms. Smith confirmed that this is really a 42 FTE jobs retention project. Mr. Chiazza then stated that the reason 29 FTE jobs is currently provided within the ECIDA application is because it matches and is consistent with the number of jobs – 29 - submitted on the NYS Excelsior Jobs Program application.

Mr. Murray then that the application can be amended to reflect the current number of FTE positions, being 42.

Mr. Lipsitz stated he will recommend that the application be sent to the board without recommendation of the Policy Committee so no formal vote will be taken at today's meeting because the application must be updated/amended.

Ms. McCartney moved and Mr. Nellis seconded that the Policy Committee move the application, without recommendation, to the Board for consideration at its next meeting, pending the applicant, in the interim, submits an updated application to reflect the correct job numbers.

Mr. Lipsitz called for the vote, Mr. State abstained from the vote, and the motion was then approved by a vote of 12 in favor, no objections, and 1 abstention.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:55 a.m.

Dated: June 1, 2023

Elizabeth A. O'Keefe, Secretary

Rosina Food Products Inc. \$ 16,000,000 PRIVATE INVESTMENT INDUCEMENT RESOLUTION																	
ELIGIBILITY <ul style="list-style-type: none"> • NAICS Section – 311412 	Project Title: 75 Empire & 130 Empire Expansion																
COMPANY INCENTIVES <ul style="list-style-type: none"> • Approximately \$ 218,789 in real property tax savings • Approximately \$ 455,000 in sales tax savings • 3/4 of 1% of the final mortgage amount up to \$ 75,000 	Project Address 75 Empire Drive & 130 Empire Drive, West Seneca, NY 14224 (West Seneca Central School District)																
JOBS & ANNUAL PAYROLL <ul style="list-style-type: none"> • Current Jobs: 274 FT, 2 PT • Annual Payroll: \$ 14,114,000 • Projected new jobs: 15 FT • Est. salary/yr. of jobs created: \$45,000 • Est. salary/yr. of jobs retained: \$47,000 • Total jobs after project completion: 289 FT, 2 PT • Construction Jobs: 70 	<div> <div>Agency Request</div> <p>A sales tax, mortgage recording tax and real property tax abatement of 2 facilities; expanding one building by 12,000 sq ft to accommodate a new product line and renovating / reconfiguring some existing space and a second building to be renovated for use as additional office space.</p> <table> <tr> <td>Building Addition</td><td>\$ 7,000,000</td></tr> <tr> <td>Building Renovation</td><td>\$ 1,800,000</td></tr> <tr> <td>Infrastructure</td><td>\$ 500,000</td></tr> <tr> <td>Manufacturing Equipment</td><td>\$ 6,000,000</td></tr> <tr> <td>Non- Manufacturing Equipment</td><td>\$ 200,000</td></tr> <tr> <td>Soft Costs/Other</td><td>\$ 500,000</td></tr> <tr> <td>Total Project Cost</td><td>\$ 16,000,000</td></tr> <tr> <td>85%</td><td>\$ 13,600,000</td></tr> </table> </div>	Building Addition	\$ 7,000,000	Building Renovation	\$ 1,800,000	Infrastructure	\$ 500,000	Manufacturing Equipment	\$ 6,000,000	Non- Manufacturing Equipment	\$ 200,000	Soft Costs/Other	\$ 500,000	Total Project Cost	\$ 16,000,000	85%	\$ 13,600,000
Building Addition	\$ 7,000,000																
Building Renovation	\$ 1,800,000																
Infrastructure	\$ 500,000																
Manufacturing Equipment	\$ 6,000,000																
Non- Manufacturing Equipment	\$ 200,000																
Soft Costs/Other	\$ 500,000																
Total Project Cost	\$ 16,000,000																
85%	\$ 13,600,000																
PROJECTED COMMUNITY BENEFITS* <ul style="list-style-type: none"> • Term: 10 YEARS • NET Community Benefits: \$360,806,812 • Spillover Jobs: 536 • Total Payroll: \$ 340 million 	<div> <div>Company Description</div> <p>Rosina manufactures frozen foods including pre-cooked meatballs, sausages, filled pasta, eggplant, entrees and pizza toppings. Founded in 1963, Rosina originally manufactured sausage products sold locally from a single Buffalo store-front. By 1981, Rosina had launched its pre-cooked meatball line and was distributing products nationwide. The company has grown through its numerous acquisitions over the years – expanding its food production here in WNY. Rosina market its products to retail and food service industries and can be found in supermarkets, supercenters, cash & carry stores, military commissaries and restaurants throughout North America and 26 other countries internationally.</p> </div>																
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)* Incentives: \$ 727,718 Community Benefit: \$ 324,203,945 Cost: Benefit Ratio <ul style="list-style-type: none"> • 1:446 	<div> <div>Project Description</div> <p>The project will: (1) expand the pasta manufacturing plant at 75 Empire Drive by 12,000 sq ft to accommodate a new ravioli production line, to renovate / reconfigure existing office space to create more welfare areas for manufacturing associates, and (2) renovate a vacant building at 130 Empire Drive into an office building to accommodate pasta facility office associates displaced as a result of the expansion and improvements of the pasta manufacturing facility, consolidation of office space, and to allow for future growth of administrative staff.</p> </div>																

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$218,789
	Sales	\$455,000
	Mortgage Recording	\$75,000
	Total	\$748,786
	Discounted at 2%	\$727,718

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$10,267,324
			Payroll Permanent	\$329,940,980
		Public	Property Taxes	\$54,694
			Sales Taxes	\$2,827,981
			Other Muni Revenue (NFTA)	\$25,000
	New York State	Public	Income Taxes	\$15,309,374
			Sales Taxes	\$2,381,458
			Total Benefits to EC + NYS***	\$360,806,812
			Discounted at 2%	\$324,203,945

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period *** may not sum to total due to rounding

Discounted Cost \$ 727,718
Discounted Benefit \$ 324,203,945
Ratio 1: 446

Conclusion: The Cost Benefit for this project is: 1:446. For every \$1 in costs (incentives), this project provides \$446 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$656 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	Additional School Revenue over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 142,928	\$ 2.08 Mil	\$ 9,153	\$ 14,603	\$ 30,940	\$ 170,282
Combined Tax Rate: \$ 81.98					

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 = \$16,000,000 85% = \$ 13,600,000
Employment	Coincides with 10-year PILOT	Maintain Base = 275 FTE Create 85% of Projected Projected = 15 FTE 85% = 12 FTE Recapture Employment = 287 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 275 FTE jobs and created 15 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 5/24/23: Public hearing held.
- 6/28/23: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 6/28/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company History

- 10/23/2019: 10 year PILOT - \$58 M investment, 105,000 sq ft expansion of its production facility (ACTIVE)
- 1981 – 2016: various bonds, tax incentives and business loans (3) in support of business growth (INACTIVE)

EVALUATIVE CRITERIA
AGRICULTURAL, FOOD PROCESSING
Project: Rosina – 75 & 130 Empire Expansion

Evaluative Criteria	Notes
Wage Rates (above median wage for area)	Average salaries: retained jobs = \$47,000 created jobs = \$36,000 - \$48,000
Regional Wealth Creation (% of sales/customers outside area)	99% of sales are outside Erie County, NY
In Region Purchases (% of purchases from local growers)	30% in region purchases including professional and other services.
Research & Development Activities	Percentage of operating expenses attributed to R&D activities: 5% related to R&D production test runs.
Investments in Energy Efficiency	Purchasing new machinery and equipment providing demonstrable energy efficiency benefits : energy efficient motors, lighting and HVAC.
Locational Land Use Factors, Proximity to Supporting Local Agricultural Production	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	Without this expansion, Rosina would be forced to either open a new facility, purchase an existing pasta operation or outsource the additional capacity – an one of which could be located outside NYS.
MBE/WBE Utilization	See attached MWBE Utilization form
Workforce Access – Proximity to Public Transportation	NFTA bus line (#2) on Union Rd near Gardenville Parkway.

DATE OF INDUCEMENT: 6/28/23

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-Rosina 75 & 130 Empire Expansion

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$8.8 M	\$2.08 M	13.719485	21.888236	46.372566

*Apply equalization rate (26%) to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$24,149	\$38,527	\$81,624	\$144,300	\$170,281	\$25,981
2	0.1	\$24,378	\$38,892	\$82,398	\$145,667	\$170,281	\$24,614
3	0.15	\$24,606	\$39,257	\$83,171	\$147,035	\$170,281	\$23,246
4	0.15	\$24,606	\$39,257	\$83,171	\$147,035	\$170,281	\$23,246
5	0.2	\$24,835	\$39,623	\$83,945	\$148,402	\$170,281	\$21,879
6	0.2	\$24,835	\$39,623	\$83,945	\$148,402	\$170,281	\$21,879
7	0.25	\$25,064	\$39,988	\$84,718	\$149,770	\$170,281	\$20,511
8	0.25	\$25,064	\$39,988	\$84,718	\$149,770	\$170,281	\$20,511
9	0.3	\$25,293	\$40,353	\$85,492	\$151,137	\$170,281	\$19,144
10	0.35	\$25,522	\$40,718	\$86,265	\$152,505	\$170,281	\$17,777
TOTAL		\$248,353	\$396,225	\$839,445	\$1,484,024	\$1,702,813	\$218,789

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
16,000,000	\$ 218,789	455,000	75,000	\$0

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Tot Project Costs: 4.7%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date May 18, 2023
 Project Title 75 Empire & 130 Empire Expansion - Rosina Food Products, Inc.
 Project Location 75 Empire Drive & 130 Empire Drive, West Seneca, NY 14224

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

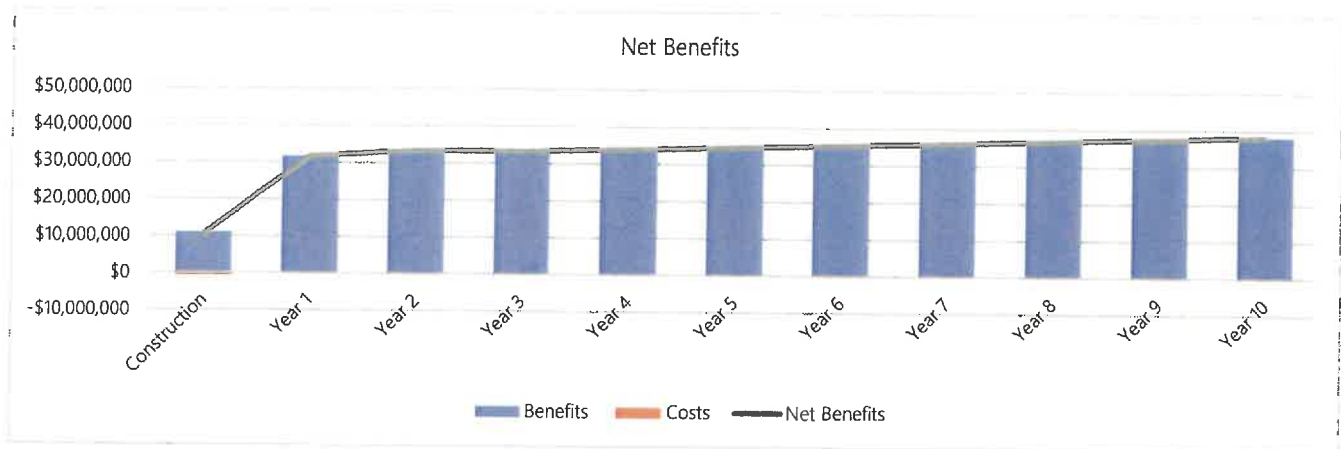
Project Total Investment

\$16,000,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	70	64	134
Earnings	\$6,616,588	\$3,650,736	\$10,267,324
Local Spend	\$16,000,000	\$11,327,941	\$27,327,941

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	290	472	762
Earnings	\$143,253,379	\$186,687,601	\$329,940,980

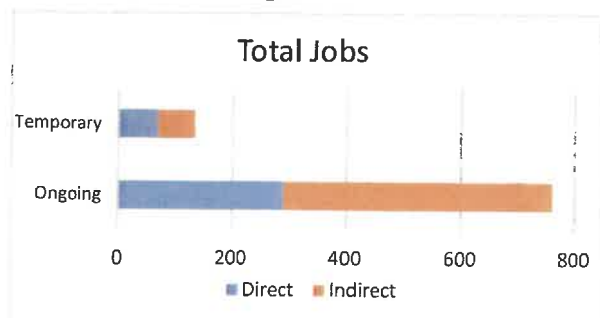
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$218,786	\$197,718
Sales Tax Exemption	\$455,000	\$455,000
Local Sales Tax Exemption	\$247,000	\$247,000
State Sales Tax Exemption	\$208,000	\$208,000
Mortgage Recording Tax Exemption	\$75,000	\$75,000
Local Mortgage Recording Tax Exemption	\$25,000	\$25,000
State Mortgage Recording Tax Exemption	\$50,000	\$50,000
Total Costs	\$748,786	\$727,718

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$343,115,980	\$308,307,841
To Private Individuals	\$340,208,305	\$305,694,309
Temporary Payroll	\$10,267,324	\$10,267,324
Ongoing Payroll	\$329,940,980	\$295,426,985
Other Payments to Private Individuals	\$0	\$0
To the Public	\$2,907,675	\$2,613,532
Increase in Property Tax Revenue	\$54,694	\$47,938
Temporary Jobs - Sales Tax Revenue	\$85,347	\$85,347
Ongoing Jobs - Sales Tax Revenue	\$2,742,634	\$2,455,737
Other Local Municipal Revenue	\$25,000	\$24,510
State Benefits	\$17,690,832	\$15,896,104
To the Public	\$17,690,832	\$15,896,104
Temporary Income Tax Revenue	\$462,030	\$462,030
Ongoing Income Tax Revenue	\$14,847,344	\$13,294,214
Temporary Jobs - Sales Tax Revenue	\$71,871	\$71,871
Ongoing Jobs - Sales Tax Revenue	\$2,309,587	\$2,067,989
Total Benefits to State & Region	\$360,806,812	\$324,203,945

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$308,307,841	\$469,718	656:1
State	\$15,896,104	\$258,000	62:1
Grand Total	\$324,203,945	\$727,718	446:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

MBE/WBE Utilization



ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Here are links to the NYS and combined Erie County / City of Buffalo – certified MWBE contractors that can assist you with your utilization goals:

<https://ny.newnycontracts.com/>

<https://www3.erie.gov/eeo/mbe-wbe-resource-list>

Describe your company's internal practices that promote MBE/WBE hiring and utilization:

Rosina is committed to promoting MBE/WBE hiring and utilization. In past capital projects, Rosina has sought out and solicited bids from MBE/WBE contractors and/or subcontractors. Most recently, Rosina constructed a new, state of the art protein manufacturing facility which opened in January 2022. Rosina worked with its construction manager, Empire State Development ("ESD") and ESD's Office of Contractor and Supplier Diversity to exceed all ESD MBE/WBE goals for the project. While specialty trades and contractors in the highly regulated food manufacturing business can be challenging to locate at times, Rosina has made a consistent effort to use MBE/WBE and local contractors whenever possible.

Rosina has also completed a Sedex 4-Pillar SMETA (Sedex Members Ethical Trade Audit Report) in 2023. This is the highest standard for business compliance with Ethical Trade initiatives, Universal Rights (UNGP), management systems and implementation, responsible recruitment, entitlement to work & immigration, sub-contracting, plus additional audits relating to Environmental compliance, Business Ethics and customer supplier codes.

Rosina will continue to promote the hiring of MBE/WBE wherever and whenever possible, consistent with its business mission and its commitments to its Associates, customers, vendors and stakeholders.

TOWN OF WEST SENECA



Gary A. Dickson
Supervisor's Office

TOWN SUPERVISOR
Gary A. Dickson
TOWN COUNCIL
Joseph J. Cantafio
Jeffrey A. Piekarec
Susan K. Kims
Robert J. Breidenstein

May 24, 2023

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

Re: Rosina West Seneca Project

Dear Mr. Cappellino,

I support the application by Rosina for their Pasta Plant Expansion project located in West Seneca at 75 and 130 Empire Drive.

ECIDA supported Rosina's construction of a brand-new manufacturing facility on Clinton Street less than two years ago. This project has already been of great benefit to West Seneca. The current project is an expansion of that project and is proof that Rosina is in West Seneca to stay.

West Seneca will benefit greatly from this project. The added employment and increased property taxes will benefit the town for a long time. We feel that any subsidies will pay for themselves many times over and are a good investment.

If you have any questions, please do not hesitate to contact me at 716-558-3203 or gdickson@twyny.org.

A handwritten signature in blue ink, appearing to read "Gary A. Dickson", is written over a light blue circular stamp.

Gary A. Dickson
Town Supervisor
Town of West Seneca

PUBLIC HEARING SCRIPT

**Rosina Food Products, Inc. and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on May 24, 2023 at 11:00 a.m. at the Town of West Seneca
Community Center & Library, located at 1300 Union Road,
West Seneca, New York 14224

ATTENDANCE:

Randy Bernick – Rosina Food Products
Mike Driscoll – Rosina Food Products
Greg Setter – Rosina Food Products

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

Hearing Officer: Welcome. This public hearing is now open; it is 11:01 a.m. My name is Andrew Federick. I am the Property and Business Development Officer for the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Rosina Food Products, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, May 11, 2023.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 75 Empire Drive and 130 Empire Drive, Town of West Seneca, Erie County, New York and all other lands in the Town of West Seneca where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the expansion of the pasta manufacturing plant by approximately 12,000+/- square-feet to accommodate a second new automated ravioli production line and to

renovate/reconfigure existing office space to create more welfare areas for manufacturing associates as well as renovating approximately 15,000+/- square-feet of the 38,000+/- square foot vacant building for consolidation of office space and future growth of administrative staff (the "Improvements"), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility"). The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

☒ 4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on June 27, 2023. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

Greg Setter – Chief Operating Officer, Rosina Food Products located at 170 French Road, Cheektowaga, New York. Rosina Food Products Inc is exploring an expansion of its Pasta Plant at 75 Empire Dr., West Seneca to accommodate a new ravioli production line, and the renovation of a vacant building at 130 Empire Dr. which is directly across the street from 75 Empire into administrative offices. We're excited about this expansion, what it means to Rosina, our Associates, the Town of West Seneca and Western New York. In order to remain competitive and to continue our growth, we need to expand the Pasta manufacturing plant at 75 Empire Drive by approximately 12,000 square feet of manufacturing space. This will allow us to grow in two ways: (1) to accommodate a new ravioli production line, adding at least new 15 jobs; and (2) to renovate/reconfigure existing office space to create more welfare areas like a Cafeteria and Locker Rooms for the 239 new and existing associates who would work at 75 Empire. This expansion would house a second, state-of-the-art ravioli production line. This would in affect

double Rosina's annual ravioli capacity in Erie County, adding approximately 30 million pounds of ravioli per year. The expansion would require the hiring of a minimum of 15 new, permanent manufacturing associates and retain the 224 existing associates at 75 Empire. The project cost for the renovation and new construction of the 12,000 square foot pasta plant addition is \$8M plus \$6M for new ravioli processing equipment, for a grand total of \$14M. Our production at 75 Empire has reached maximum utilization. We have been forced to outsource pasta production to manufacturers currently located outside of NY State to meet our sales demand. Due to our pasta production constraint, we are also turning away large volume opportunities for additional sales. This project would bring that production to West Seneca.

If the expansion of 75 Empire moves forward, office associates at that location will be displaced as a result of the expansion. We do not currently have any place for those displaced associates. As a result, over the next 2 years, we plan to renovate the vacant former healthcare building at 130 Empire Drive into an office building. This would accommodate approximately 5- 10 associates from 75 Empire and an additional 42 - 47 associates from 170 French Rd, Cheektowaga. Renovating 130 Empire will keep associates and allow for future growth of administrative staff. The cost of the partial renovation at 130 Empire of approximately 15,000 square feet of the 38,000 total square feet is estimated at \$2M. This former medical office building has been vacant since February 2015. Rosina has always been committed to Western New York for over 60 years. We have purchased competitors and moved their manufacturing jobs to Buffalo. All our staff and our three manufacturing facilities are located here. Without this expansion, Rosina would be forced to either open a new facility, purchase an existing Pasta operation, or outsource the additional production. Any one of these options could be located outside of New York State. The proposed project is necessary to sustain expected growth, retain jobs in Western New York, create new manufacturing jobs and to maintain the required profitability to remain a viable business.

There are a number of factors why we are asking for this financial assistance. There are three key factors. First, Rosina is a privately held corporation with limited financial resources. This is especially the case at this time, as we recently completed construction and opening of a \$73M brand new state-of-the-art meatball manufacturing plant at 3100 Clinton St., West Seneca, in December 2021 only 18 months ago. Second, Rosina has limited capacity to take on more debt after the abovementioned building, especially in this time of economic uncertainty and rapidly rising inflation and interest rates. Finally, in our past 2 ECIDA projects our job growth commitment was 51 new jobs. We exceeded our job growth by 7 and we currently have over 650 Associates employed in WNY. Rosina has enjoyed and sincerely appreciates the relationship that we have built with the Town of West Seneca. The Town and its leadership are committed to job growth. We look forward to continuing to grow here. We have been a good neighbor and corporate citizen in West Seneca for over 20 years and over 50 years in neighboring Cheektowaga. We would sincerely appreciate any assistance from ECIDA on this project. Thank you!

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 11:09 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

May 24, 2023 at 11:00 a.m. at the Town of West Seneca Community Center & Library,
located at 1300 Union Road, West Seneca, New York 14224
regarding:

**Rosina Food Products, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 75 Empire Drive and 130 Empire Drive, West Seneca, New York 14224

Name	Company and/or Address	X box to speak/ comment
Randy Bernick	Rosina Food Products 170 French Road Cheektowaga, New York 14227	
Mike Driscoll	Rosina Food Products 170 French Road Cheektowaga, New York 14227	
Greg Setter	Rosina Food Products 170 French Road Cheektowaga, New York 14227	X

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**ROSINA FOOD PRODUCTS, INC., 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, June 28, 2023, at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ROSINA FOOD PRODUCTS, INC., 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, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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, ROSINA FOOD PRODUCTS, INC., or on behalf of an affiliated entity formed or to be formed (the “Company”) has submitted an application to the Agency (the “Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located

on 75 Empire Drive and 130 Empire Drive, Town of West Seneca, Erie County, New York and all other lands in the Town of West Seneca where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the “Land”), (ii) the expansion of the existing pasta manufacturing plant located on the Land by approximately 12,000+/- square-feet to accommodate a second new automated ravioli production line and to renovate/reconfigure existing office space to create more welfare areas for manufacturing associates as well as renovating approximately 15,000+/- square-feet of the 38,000+/- square foot vacant building for consolidation of office space and future growth of administrative staff (the “Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on May 24, 2023, at 11:00 a.m. at the Town of West Seneca Community Center & Library, located at 1300 Union Road, West Seneca, New York 14224, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) 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, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company 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 acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, (b) a mortgage recording tax exemption benefit for financing or refinancing related to the Project, and (c) a partial abatement from real property taxes benefit through a ten (10) year payment-in-lieu-of-tax agreement (the “PILOT Agreement”) with the Company 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, the Agency must comply with Article 8 of the New York Environmental Conservation Law and the regulations adopted thereto (collectively referred to as “SEQR”), and determine whether or not the Project presents a potential significant adverse environmental impact requiring the preparation of an environmental impact statement pursuant to SEQR; and

WHEREAS, the Company has submitted an Environmental Assessment Form to the Agency (the “EAF”) to assist in undertaking the required SEQR review; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its June 1, 2023 resolution to approve the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project's cost benefit ratio, the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis satisfactorily identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions the Act; and

(I) The Project involves an "Unlisted Action" as said term is defined pursuant to 6 N.Y.C.R.R. Section 617.2(al) of the SEQR regulations. The Agency has conducted an uncoordinated review of the Project pursuant to 6 N.Y.C.R.R. Section 617.6(b)(4)(i). Based upon a comprehensive and thorough review by the Agency of the EAF and related documents delivered by the Company to the Agency, the criteria set forth in 6 N.Y.C.R.R. Section 617.7 of the SEQR regulations, and the additional representations made by the Company to the Agency in connection with the Project, the Agency: (i) hereby finds that the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (iv) construction related impacts are short term and do not have a significant magnitude or effect; (v) the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; and (vi) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action. The Agency thus issues a "negative declaration" as that term is defined pursuant 6 N.Y.C.R.R. Section 617.2(z); and

(J) The Project qualifies for Agency Financial Assistance as it meets the Agency's evaluative criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) *Wage Rate (above median wage for area):* Average wages for its retained employees equals \$47,000, and new average salaries for the jobs to be created will be between \$36,000 - \$48,999, exceeding the median wages for the area.

(ii) *Regional Wealth Creation (% sales/customers outside area):* 99% of sales are outside Erie County.

(iii) *In Region Purchases (% of overall purchases):* 30% of purchases are made within the region.

(iv) *Research & Development Activities:* Approximately 5% of the Company's expenses are attributed to research and development activities.

(v) *Investments in Energy Efficiency:* The Company anticipate purchasing new machinery and equipment that will provide demonstrable energy efficiency.

(vi) *Retention/Flight Risk:* Without the assistance of the Agency for the proposed expansion, the Company would be forced to either open a new pasta facility, purchase an existing pasta facility, or outsource the additional capacity required for expansion, any one off which could potentially be located outside of New York State.

(vii) *MBE/WBE Utilization:* The Company is committed to promoting MBE/WBE hiring and utilization. When undertaking prior capital projects, the Company has sought out and solicited bids from BME/WBE contractors and/or subcontractors. The Company will continue the hiring of MBE/WBE wherever and whenever possible, consistent with its business mission and its commitments to its associates, customers, vendors and stakeholders.

(viii) *Workforce Access-Proximity to Public Transportation:* The proposed project location is in close proximity to NFTA bus line #2 on Union Road near Gardenville Parkway.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the authority to appoint the Company to act as agent of the Agency, if said appointment is not duly made, as herein expressed, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$5,200,000, and, therefore, the value of the sales and use tax exemption benefits ("sales and use tax exemption benefits") authorized and approved by the Agency cannot exceed \$455,000, however, 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; and

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit ("mortgage recording tax exemption benefits") shall not exceed \$75,000; and

(iii) authorizes and approves that the real property tax abatement benefits ("PILOT benefits") to be provided over the term of the PILOT Agreement are estimated to be approximately \$218,789, resulting in estimated total PILOT payments of \$1,484,024 over the term of the PILOT Agreement.

B. Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

C. Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as

otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$13,600,000 (which represents the product of 85% multiplied by \$16,000,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 275 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 within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 287 FTE employees [representing the sum of (x) 275 Baseline FTE and (y) 12 FTE employees, being the product of 85% multiplied by 15 (being the 15 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the 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 (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the 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 mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the “Lender”) up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the “Agency Documents”); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency’s interest in the Project.

Section 6. 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, 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 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency’s Administrative Fee Agreement (the “Fee Agreement”) and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: June 28, 2023



75 Empire & 130 Empire Expansion

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	Pasta Plant Expansion & Renovation of 130 Empire Drive
Project Summary	Rosina is exploring: (1) expanding its Pasta Plant at 75 Empire Dr., West Seneca, NY, to accommodate a new ravioli production line, in order to remain competitive and to continue its growth; and (2) renovating a vacant building at 130 Empire Dr. (across the street from 75 Empire) for displacement of Pasta plant support personnel as a result of the Pasta Plant expansion project, consolidation of office space, and to allow for future growth of administrative staff.
Applicant Name	Rosina Food Products, Inc.
Applicant Address	170 French Rd.
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14227-2717
Phone	(716) 608-8503
Fax	
E-mail	rbernack@rosina.com
Website	www.rosina.com
NAICS Code	311412/311612

Business Organization

Type of Business

Corporation

Year Established

1992

State

New York

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name Randy Bernick
Title VP- Finance &
Administration
Address 170 French Rd.
Address 2
City Buffalo
State New York
Zip 14227
Phone (716) 608-8503
Fax
E-Mail rbernick@rosina.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Greg Setter
Title Chief Operating Officer
Address 170 French Rd.
Address 2
City Buffalo
State New York
Zip 14227
Phone (716) 608-8524
Fax
E-Mail gsetter@rosina.com

Company Counsel

Name of Attorney Mike Driscoll
Firm Name Rosina Food Products, Inc.
Address 170 French Rd.
Address 2
City Buffalo
State New York
Zip 14227-2717
Phone (716) 608-8627
Fax
E-Mail mdriscoll@rosina.com

Benefits Requested (select all that apply).

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)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Rosina manufactures frozen foods including pre-cooked meatballs, sausages, filled pasta, eggplant, entrees, and pizza toppings. Rosina was founded in 1963, originally manufacturing sausage products, which were sold to neighborhood meat markets, supermarkets, and restaurants, from a single Buffalo store-front location. By 1981, Rosina had launched its pre-cooked meatball line and was distributing products nationwide. Between 2000 and 2010 the Company continued its growth by expanding into the frozen pasta business, including Italian entrées, filled pasta and eggplant products. In 2000, Rosina Holding, Inc.(the "Parent") and its affiliates acquired the assets of Celentano Brothers (Verona, NJ). In 2002, Rosina purchased the former Lender's Bagel, Inc. (West Seneca, NY) plant, made significant improvements to the facility and relocated it's entire pasta production line from New Jersey to Western New York. In 2006, Rosina purchased the frozen pasta brand names Gina Italian Village and Floresta (collectively known as Italian Village) from High Liner Foods (NH). In 2011, Rosina created an International Division in Cheektowaga, NY and also purchased and relocated the assets of San Rallo Pasta Company Division from Mitsui Foods, Inc. (Norwood, NJ), again moving all production to WNY. Additionally, Rosina outsourced its sauced entrees and eggplant products to accommodate the addition of a new \$4 million pasta manufacturing line, increasing capacity by 10 million pounds annually. In 2021, Rosina purchased the Mama Lucia brand as an additional meatball product line, relocating production to WNY. In January 2022, Rosina opened a brand new state-of-the-art meatball manufacturing facility in West Seneca. Rosina enjoyed rapid growth and increased demand in recent years which is requiring additional Pasta manufacturing capacity. Thus the decision to explore expanding our Pasta manufacturing facility in West Seneca, in order to maintain and expand market share and remain competitive. Rosina markets its products to retail and food service industries and can be found in supermarkets, supercenters, cash & carry stores, military commissaries, and restaurants throughout North America and 26 other countries internationally. Rosina's largest supermarket customers include Wegman's Food Markets, Inc. (Rochester, NY), Tops Holding Corporation (Buffalo, NY), ALDI Inc. (Batavia, IL), Publix Supermarkets, Inc. (Lakeland, FL), national full service retailers, and major food distributors such as Performance Foodservice Group (Richmond, VA) and SYSCO (Houston, Tex). Some of its major competitors are Smithfield (Smithfield, VA), Rich Products (Buffalo, NY), Ajinomoto Foods Foods (Oakland, MS), Louisa Foods (St. Louis, MO), and Mama Rosie's (Charlestown, MA). Stockholders, members or partners: Russell A. Corigliano 50% Owner and Frank Corigliano 50% Owner

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	24 %
Estimated % of sales outside New York State but within the U.S.	70 %
Estimated % of sales outside the U.S.	5 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

30

Describe vendors within Erie County for major purchases

Packaging materials and supplies (Bison Bag, West Rock, Jamestown Container, Cascade), Utilities (National Fuel, NYSEG, Messer, NYPA, ECWA, ECSD); Temporary Employment Agencies (numerous), Health & Workers Compensation Insurance TPA's (Independent Health & NCAComp), Ricotta Cheese (Lactalis), Outside Legal Counsel (Barclay Damon), Outside CPA & Tax Services (CTBK), Contractor & Skilled Trade services (Mollenbeg Betz, Frey Electric, Lehigh Constructions, Grove Roofing, Tri R Refrigeration)

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

75 Empire Drive & 130 Empire Drive

Town/City/Village of Project Site

West Seneca

School District of Project Site

West Seneca

Current Address (if different)**Current Town/City/Village of Project Site (if different)****SBL Number(s) for proposed Project**

124.15-2-8 and 124.15-2-5.1

What are the current real estate taxes on the proposed Project Site**If amount of current taxes is not available, provide assessed value for each.**

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

No

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

Two Brother Realty, LLC & 130 Empire LLC

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

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Pre-cooked frozen filled pasta manufacturing plant and an existing former Medical building that has been effectively vacant for a decade.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated 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)

(1) To expand the Pasta manufacturing plant located at 75 Empire Drive by approximately 12,000 square feet of manufacturing space to accommodate a new ravioli production line, to renovate/reconfigure existing office space to create more welfare areas (i.e., Cafeteria and Locker Rooms) for manufacturing Associates. This expansion will house a second, new automated ravioli production line increasing annual capacity by 30 million pounds and requiring the hiring of a minimum of 15 additional permanent manufacturing Associates and retain 224 existing Associates (2) Additionally, to renovate a vacant building at 130 Empire Drive into an office building to accommodate approximately 5 - 10 Associates from 75 Empire and an additional 42- 47 Associates from 75 Industrial over the next 2 years. Pasta facility office Associates displaced as a result of the expansion and improvement of the Pasta manufacturing facility, consolidation of office space, and to allow for future growth of administrative staff. The the project cost for the renovation and new construction of the 12,000 square foot Pasta plant addition is \$8,000,000 plus \$6,000,000 for new ravioli processing equipment. The cost of the partial renovation at 130 Empire office building of approximately 15,000 square feet of the 38,000 total square feet is estimated at \$2,000,000. This former medical office has been vacant since February 2015.

Municipality or Municipalities of current operations

West Seneca & Erie County

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

Yes

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 within New York State 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 Intermunicipal Move Determination section of this application)

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, type of assistance offered and provide supporting documentation available

Without this expansion, Rosina would be forced to either open a new facility, purchase an existing Pasta operation, or outsource the additional capacity, any one of which could be located outside of New York State. The proposed project is necessary to sustain expected growth, retain jobs, create new manufacturing jobs and to maintain required profitability to remain a viable business.

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

No

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

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:

N/A

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Rosina is a privately held corporation with limited financial resources, especially after recently completing constructing and opening of a \$73 million Protein frozen food manufacturing plant at 3100 Clinton St., West Seneca, a mere 15 months ago. Rosina is in need of ECIDA assistance to expand its Pasta frozen food manufacturing facility. This expansion will house a second, new automated ravioli production line increasing annual capacity by 30 million pounds and requiring the hiring of a minimum of 15 additional permanent manufacturing Associates. This expansion is needed to support further growth and to more efficiently produce ravioli items, freeing up capacity and eliminating the reliance on a out-of-NYS Tortellini co-packer while expanding Rosina's ability to produce and sell Tortellini manufactured in Buffalo. Rosina has limited capacity to take on more debt after the above mentioned building of a brand new state-of-the-art meatball manufacturing plant, especially, in a time of economic uncertainty and rapidly rising inflation and interest rates.

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

The impact would be not hire 15 new production Associates, we would continue to outsource ravioli production with our co-packers who are located outside of New York State and we would not make the \$16,000,000 in this local project. Although we are committed to Western New York, we may have to consider expanding outside of New York State to remain competitive with ravioli competitors.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Bus Line on Union Road near Gardenville Parkway

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

Rosina received a determination from the Town of West Seneca (OCE) on April 13, 2023, advising that this project does not require a SEQR. The proposed addition to 75 Empire Dr. is a Type II action that does not significantly impact the environment

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

Yes

Describe the present zoning/land use

Light manufacturing and office use

Describe required zoning/land use, if different

N/A

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

N/A

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, describe the efficiencies achieved

Energy efficient motors, lighting, and HVAC.

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

5% related to R&D production test runs.

Select Project Type for all end users at project site (you may check more than one).

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
---------------------	----	-----------------	----

Please check any and all end uses as identified below.

No Acquisition of Existing Facility	No Assisted Living	Yes Back Office
No Civic Facility (not for profit)	No Commercial	Yes Equipment Purchase
No Facility for the Aging	No Industrial	No Life Care Facility (CCRC)
No Market Rate Housing	No Mixed Use	No Multi-Tenant
No Retail	No Senior Housing	Yes Manufacturing
No Renewable Energy	No Other	

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	12,000 square feet	\$	8,000,000	80%
Warehouse	square feet	\$	0	0%
Research & Development	0 square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	15,000 square feet	\$	2,000,000	20%
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 < BLANK >

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

7/1/2023

End date : Estimated completion date of project

10/1/2024

Project occupancy : estimated starting date of occupancy

10/1/2024

Capital Project Plan / Budget**Estimated costs in connection with Project****1.) Land and/or Building Acquisition**

\$ 0

square feet

acres

2.) New Building Construction

\$ 0

square feet

3.) New Building addition(s)

\$ 7,000,000

12,000 square feet

4.) Reconstruction/Renovation

\$ 1,800,000

15,000 square feet

5.) Manufacturing Equipment

\$ 6,000,000

6.) Infrastructure Work

\$ 500,000

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

\$ 200,000

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 500,000

9.) Other Cost

\$ 0

**Explain Other
Costs****Total Cost** \$ 16,000,000Construction Cost Breakdown:

Total Cost of Construction	\$ 9,300,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 5,000,000
% sourced in Erie County	80%

Sales and Use Tax:

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	\$ 5,200,000
---	--------------

**Estimated State and local Sales and Use Tax Benefit (product of \$ 455,000
8.75% multiplied by the figure, above):**

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

**Project refinancing estimated amount, if applicable (for \$ 0
refinancing of existing debt only)**

**Have any of the above costs been paid or incurred as of the date No
of this Application?**

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 1,600,000
Bank Financing:	\$ 14,400,000
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):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	
Total Sources of Funds for Project Costs:	\$16,000,000
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of 10,000,000 construction/permanent/bridge financing).
Lender Name, if Known
Estimated Mortgage Recording Tax Exemption Benefit (product of \$75,000 mortgage amount as indicated above multiplied by 3/4 of 1%):

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 (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genesee.

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 PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	274	274	15	15
Part time	2	2	0	0
Total	276	276	15	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	13	\$ 116,000	\$ 23,200	0	\$ 0	\$ 0
Professional	15	\$ 75,000	\$ 18,750	2	\$ 45,000	\$ 11,250
Administrative	22	\$ 43,000	\$ 12,900	0	\$ 0	\$ 0
Production	220	\$ 41,000	\$ 12,300	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	19	\$ 75,000	\$ 18,750	0	\$ 0	\$ 0
Total	289			2		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

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

Address	3100 Clinton Street West Seneca, NY 14224	75 Industrial Road Cheektowaga, NY 14227	109 Industrial Parkway Cheektowaga, NY 14227
Full time	155	152	38
Part time	0	1	0
Total	155	153	38

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

14,114,000

Estimated average annual salary of jobs to be retained (Full Time)

47,000

Estimated average annual salary of jobs to be retained (Part Time)

45,000

Estimated average annual salary of jobs to be created (Full Time)

41,000

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time)	36,000	To (Full Time)	48,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

75 Empire Drive, West Seneca, NY 14224 130 Empire Drive, West Seneca, NY 14224

Name and Address of Owner of Premises

Two Brothers Realty, LLC- 75 Empire Drive, West Seneca, NY 14224 130 Empire, LLC- 130 Empire Drive, West Seneca, NY 14224

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

75 Empire Dr. : A former Lender's Bakery facility, the Premises consists of approximately 3.7 acres of land located on the northern side of Empire Drive, west of Union Road. One approximately 80,000 square foot building is located on the property. The western portion of the property is undeveloped and wooded. The adjacent properties located to the north, northeast and south are primarily commercial in usage. The Premises is located in an office and light industrial park, with no wetlands, coastlines, rivers, streams or lakes located on the Premises. 130 Empire Dr.: a former medical office building that was occupied by Lifetime Health and Excellus. A portion of the building was built in the 1970s, with subsequent expansions, the most recent occurring in the 1990s.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

A single steel clad, steel frame building utilizing a concrete slab on grade floor is located on the Premises. The structure has a fully adhered Ethylene Propylene Diene Terpolymer (EPDM) roofing system. The majority of the building interior is utilized for food production and frozen storage. The remainder of the building is comprised of various functional areas including processing lines, flour silos, mechanical rooms, offices and conference rooms, associate welfare areas, maintenance areas, etc.

Describe all known former uses of the Premises

75 Empire: Lenders Bakery, a food manufacturing facility which opened in 1978 and closed in May 2002. 130 Empire: health care facility / medical office building.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Rosina generates solid wastes including food scraps, recyclable materials and landfill waste, all of which are transported by Modern Disposal Service, Cascades Recovery and Natural Upcycling. A small amount of motor oil is used in manufacturing machinery and is changed as required, with all used motor oil safely removed, stored and transported by Safety Clean.

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

N/A

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

75 Empire Drive, West Seneca, has an Authorization to Discharge Under the Erie County/Buffalo Pollutant Discharge Elimination System (Permit Number: 22-11-E1002; USEPA Category: 40 CFR 403) to discharge water into the sewer system, subject to the local limits set forth in the permit. Rosina is in full compliance for discharges at 73 Empire Drive.

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Please see above and attached. All wastewater is discharged into the Erie County/Buffalo sewer system pursuant to an issued permit.

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Two 15,000 gallon storage tanks are located at 75 Empire Dr. The tanks are owned by Messer Group and are used to store non-hazardous nitrogen, which is used by Rosina in the individual quick freeze process employed at the facility. The nitrogen is a non-hazardous chemical used in the food manufacturing process that does not require a permit or registration.

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

Asbestos floor tiles and insulating material.

Section IV: 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 Rosina Food Products, Inc.
Address 170 French Rd.
Contact Person Rosina Food Products, Inc.
Phone (716) 608-8503
Fax
E-Mail rbernick@rosian.com
Federal ID # 16-0876738
SIC/NAICS Code 311412/311612

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

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. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: 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.

Current Address

City/Town

State

Zip Code

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:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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.)

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.)

N/A

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?

No

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

N/A

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

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.

N/A

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

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

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

Stark Tech
\$ 16,250,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 221210

COMPANY INCENTIVES

- Approximately \$ 371,875 in sales tax savings
- 3/4 of 1% of the final mortgage amount up to \$ 82,500

JOBS & ANNUAL PAYROLL

- Current Jobs: 50 FT
- Annual Payroll: \$ 4,012,917
- Projected new jobs: 120 FT, 10 PT (125 FTE)
- Est. salary/yr. of jobs created: \$106,800 FT, \$50,000 PT
- Projected retained jobs: 50
- Est. salary/yr. of jobs retained: \$112,000
- Total jobs after project completion: 170 FT, 10 PT (175 FTE)
- Construction Jobs: 43

PROJECTED COMMUNITY BENEFITS*

- Term: 2 YEARS post project completion
- NET Community Benefits: \$ 435,347,476
- Spillover Jobs: 257
- Total Payroll: \$ 410.6 million

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$ 454,375

Community Benefit: \$ 388,088,076

Cost: Benefit Ratio

- 1:854

Project Title: Stark Renewables Capacity Expansion

Project Address 91 Sawyer Ave, Tonawanda, NY 14150
(Ken-Ton School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the renovation of properties on Sawyer Ave in the Town of Tonawanda for manufacturing use.

Land & Building Acquisition	\$ 6,250,000
Reconstruction / Renovation	\$ 4,000,000
Manufacturing Equipment	\$ 3,900,000
Non- Manufacturing Equipment	\$ 750,000
Infrastructure	\$ 1,000,000
Soft Costs	\$ 100,000
Total Project Cost	\$ 16,250,000
85%	\$ 13,812,500

Company Description

Stark Tech is a single-source provider bringing expertise in engineering and optimization strategies, aligning technology and analytics to facilities management and service plans designed to meet customers' goals. Stark Tech specializes in creating customized facilities management solutions that align their customer's energy efficiency goals and sustainable strategies to the right management systems and equipment. Stark has 18 locations nationwide, with 10 locations in WNY. Stark Tech ownership consists of Timothy Geiger (70%), Randy Urschel (20%) and Dennis Donovan (10%).

Project Description

Stark Renewables designs and manufactures equipment for the Renewable Natural Gas (RNG) industry. Their equipment and systems process dirty methane from landfills, farms, food waste and waste water treatment facilities into clean gas while providing a dual environmental benefit: 1) capture and elimination of harmful methane in the atmosphere and 2) produce clean energy from a renewable resource. Stark seeks to meet the rapidly growing market demands for green tech renewable natural gas equipment and battery energy storage systems "BESS" by increasing their manufacturing capabilities.

Stark's current 30,000 sq ft facility has space, infrastructure and ceiling height restrictions limiting production and size capabilities. This project is a major renovation of an existing 125,000 sq ft facility that contains high bay ceilings and high-capacity cranes. This new production facility will allow Stark to build larger and more complex equipment at a much higher capacity rate to serve the growing RNG market demand.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	0
	Sales	371,875
	Mortgage Recording	82,500
	Total	454,375
	Discounted at 2%	454,375

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	6,256,651
			Payroll Permanent	404,301,535
		Public	Property Taxes	0
			Sales Taxes	3,412,765
			Other Muni Revenue (NFTA)	27,500
	New York State	Public	Income Taxes	18,475,118
			Sales Taxes	2,873,908
			Total Benefits to EC + NYS***	435,347,477
			Discounted at 2%	388,088,076

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period ***may not sum to total due to rounding

Discounted Cost \$ 454,375
Discounted Benefit \$ 388,088,076
Ratio 1:854

Conclusion: The Cost Benefit for this project is: 1:854. For every \$1 in costs (incentives), this project provides \$ 854 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$1,609 in benefits to the community.**

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 = \$16,250,000 85% = \$ 13,812,500
Employment	Coincides with Recapture Period	Maintain Base = 50 FTE Create 85% of Projected Projected = 120 FT, 10PT (125 FTE) 85% = 106 FTE Recapture Employment = 156 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with Recapture Period	Adherence to Policy
Unpaid Tax	Coincides with Recapture Period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company to maintain 50 FT jobs and created 106 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 5/24/23: Public hearing held.
- 6/28/23: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 6/28/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

EVALUATIVE CRITERIA MANUFACTURING/WAREHOUSE/DISTRIBUTION

Project: Stark Incentives

Wage Rate (above median wage for area)	Average salary for jobs retained = \$112,000 Average Salary for jobs to be created = \$106,800 (FT) and \$50,000 (PT)
Regional Wealth Creation (% sales/customers outside area)	95% of sales are outside Erie County
In Region Purchases (% of overall purchases)	40% of purchases for total annual supplies, raw materials & vendor services are purchased from firms within Erie County
Research & Development Activities	5% of the operating expenses will be attributed to R&D activities: the applicant will develop new technologies and equipment for the capture of methane gas at solid waste facilities and put those new technologies into place.
Investment in Energy Efficiency	The company is in the process of specifying and quoting new equipment. In all cases achieving max energy efficiency is part of the specifications and purchase decision criteria. The company will pursue use of electrification and battery storage & backup throughout the facility.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	N/A
LEED/Renewable Resources	LEED Certification – Standard
Retention/Flight Risk	Stark has locations in NY and elsewhere in the U.S.
MBE/WBE Utilization	See MWBE Utilization - Stark's intentions to utilize MWBEs as well as minority & women in their workforce & per hiring practices.
Workforce Access – Proximity to Public Transportation	Accessible via NFTA bus route #40 (.4 miles)

DATE OF INDUCEMENT: 6/28/23

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet- Stark Tech

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$ 11,250,000	n/a	n/a	n/a	n/a

*Apply equalization rate to value

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (ESD:Excelsior Tax Credits, US Dept of Energy: Advanced Energy Manufacturing and Recycling Grant Program, NYPA grant)
\$ 16,250,000	n/a	\$ 371,875	\$ 82,500	\$ 3,500,000*

*Represents value of Excelsior Tax Credits over 10 yr period. Other incentives pending/ not yet awarded.

Note: special district taxes are not subject to PILOT abatement

Calculate % = (Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Tot Project Costs: 24.3%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: May 18, 2023
 Project Title: Stark Renewables Capacity Expansion
 Project Location: 91 Sawyer Ave., Tonawanda, NY 14150

Economic Impacts

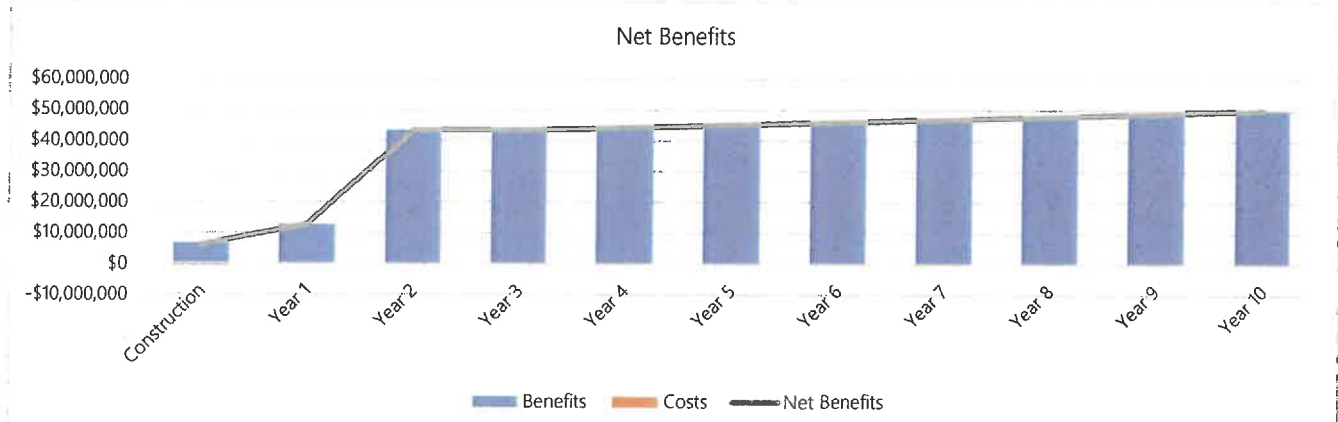
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$16,250,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	43	39	81
Earnings	\$4,031,984	\$2,224,667	\$6,256,651
Local Spend	\$9,750,000	\$6,902,964	\$16,652,964

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	175	218	393
Earnings	\$187,197,263	\$217,104,271	\$404,301,535

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

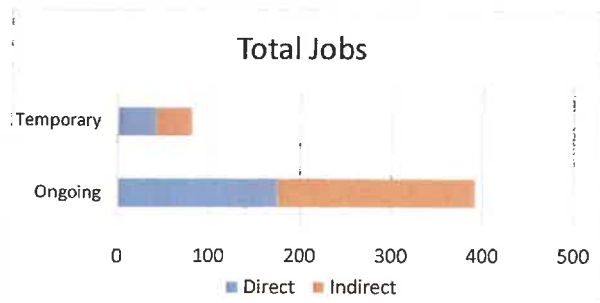


Figure 3



Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption		
Local Sales Tax Exemption	\$371,875	\$371,875
State Sales Tax Exemption	\$201,875	\$201,875
	\$170,000	\$170,000
Mortgage Recording Tax Exemption		
Local Mortgage Recording Tax Exemption	\$82,500	\$82,500
State Mortgage Recording Tax Exemption	\$27,500	\$27,500
	\$55,000	\$55,000
Total Costs	\$454,375	\$454,375

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$413,998,451	\$369,056,727
To Private Individuals	\$410,558,186	\$365,987,495
Temporary Payroll	\$6,256,651	\$6,256,651
Ongoing Payroll	\$404,301,535	\$359,730,844
Other Payments to Private Individuals	\$0	\$0
To the Public	\$3,440,265	\$3,069,232
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$52,008	\$52,008
Ongoing Jobs - Sales Tax Revenue	\$3,360,757	\$2,990,263
Other Local Municipal Revenue	\$27,500	\$26,961
State Benefits	\$21,349,026	\$19,031,350
To the Public	\$21,349,026	\$19,031,350
Temporary Income Tax Revenue	\$281,549	\$281,549
Ongoing Income Tax Revenue	\$18,193,569	\$16,187,888
Temporary Jobs - Sales Tax Revenue	\$43,797	\$43,797
Ongoing Jobs - Sales Tax Revenue	\$2,830,111	\$2,518,116
Total Benefits to State & Region	\$435,347,476	\$388,088,076

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$369,056,727	\$229,375	1609:1
State	\$19,031,350	\$225,000	85:1
Grand Total	\$388,088,076	\$454,375	854:1

*Discounted at 2%

Additional Comments from IDA

0

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

MBE/WBE Utilization



ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Here are links to the NYS and combined Erie County / City of Buffalo – certified MWBE contractors that can assist you with your utilization goals:

<https://ny.newnycontracts.com/>

<https://www3.erie.gov/eeo/mbe-wbe-resource-list>

Describe your company's internal practices that promote MBE/WBE hiring and utilization:

WBE-MBE

Stark Tech is committed to, and is taking good faith action, to develop a diverse supply base for our upcoming services and materials contracts.

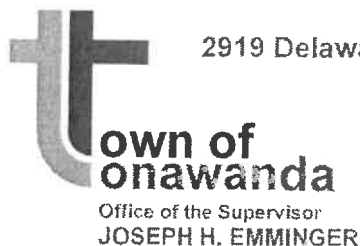
We are actively working to add to the number of M/WBE partners we work with.

We have many new supply contracts we will need to set up at our 91 Sawyer Avenue facility and we are currently using the resource list provided by the ECIDA to support our efforts to locate and engage potential M/WBE supplier partners.

We are confident that this approach will lead to many successful, long-term relationships with M/WBE suppliers as we grow.

Diversity and Inclusion Statement

Today, Stark is culminating a multi-year acquisition process, 11 acquisitions since 2019. Covid and a few execution errors of our own have severely delayed our progress on integrating these smaller entrepreneurial companies into a ONE STARK culture and approach. As such, 2023 is focused on finishing this integration process. As part of this Stark is finalizing Company Core Values, Systems, Strategies, and KPIs. Diversity, equity and inclusion, is a value that Ownership and Leadership are intrinsically committed to ... it will be part of our Final Core Values. Beginning in 2024, we will roll out of cross company development efforts to make this Cultural Vision a reality. Diversity, equity and inclusion policies, training plans, procedures and KPIs will be part of this formal roll out at that time.



2919 Delaware Avenue - Room 11 • Kenmore, New York 14217 • (716) 877-8804
Fax: (716) 877-1261

May 10, 2023

VIA ELECTRONIC MAIL:

Mr. John Cappellino
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, New York 14203

RE: ECIDA Application
Applicant: Stark Tech
Property: 91 Sawyer Avenue, Town of Tonawanda, Erie County, New York

Dear Mr. Cappellino,

The Town of Tonawanda is in support of the application by Stark Tech to the Erie County Industrial Development Agency for the redevelopment of a 125,000 square foot facility located at 91 Sawyer Avenue in the Town of Tonawanda.

Stark Tech designs and manufactures equipment for the Renewable Natural Gas (RNG) industry. Their systems and equipment process dirty methane landfills, farms, food waste, and from wastewater treatment facilities into clean gas.

This "dirty" to "clean" equipment that Stark Tech designs and manufactures is especially welcome in that area of our Town given that the former Tonawanda Coke and NRG Huntley Coal Generating Power Plants were both located less than a half-mile away from the proposed site. This, along with adding 130 jobs and retaining 50 additional jobs will most definitely have a positive economic impact on our Town. In light of the importance of this Project, we strongly recommend the approval of the Erie County Industrial Development Agency Application submitted by Stark Tech.

Respectfully,


Joseph H. Emminger, Supervisor
Town of Tonawanda

JHE/js

cc: Andrew Federick , Erie County Industrial Development Agency
Robert Murray, Esq. Harris Beach LLP

"A GREAT PLACE TO LIVE, WORK AND PLAY"



PUBLIC HEARING SCRIPT

**Stark Real Estate Holdings, LLC and/or
Individual(s) or Affiliate(s), Subsidiary(ies),
or Entity(ies) formed or to be formed on its
behalf Project**

Public Hearing to be held on May 24, 2023 at 9:00 a.m.
at the Town of Tonawanda, Town Board Conference Room #20,
located at 2919 Delaware Avenue, Kenmore, New York 14217

ATTENDANCE:

Lisa Poloizzi, - Stark Tech
Chris Ahlers – Stark Tech
Keith Sernick – Stark Tech
Jill Szpylman- Stark Tech
Joseph Emminger – Town of Tonawanda

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:10 a.m. My name is Andrew Federick. I am the Property and Business Development Officer for the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Stark Real Estate Holdings, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, May 11, 2023.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 91 Sawyer Avenue and 189 Sawyer Avenue, Town of Tonawanda, Erie County, New York and all other lands in the Town of Tonawanda where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the purchase and renovation on the Land of an approximately 125,000 square-foot building with high bay ceilings and high capacity cranes to accommodate efficient handling of the Company's large skid systems for building larger and more complex equipment at a much higher

capacity rate (the “Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”), to be subleased to Stark Compression, LLC (the “Tenant”). The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

☒ 4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on June 27, 2023. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

Chris Ahlers, Vice President of Operations. Stark Tech has been an energy solutions provider for over 30 years, beginning in the building controls and automation space to support commercial and industrial building owners in managing their energy consumption. Through acquisition and organic growth, Stark Tech has expanded its capabilities to support the reduction of carbon emissions through battery energy storage and renewable natural gas plants. Last year, Stark Tech acquired Glauber Equipment out of Lancaster, NY to support the design and manufacturing of equipment for the renewable natural gas industry. Our equipment and systems process dirty methane from landfills, farms, food waste, and wastewater treatment facilities and turn it into pipeline quality renewable natural gas which can be used the same as natural gas or for the generation of electricity. Methane is thirty times more potent than carbon dioxide so upgrading facilities to cut methane from the environment is critical to the decarbonization goals of New York State. Our systems provide a dual environmental benefit: #1 the capture and elimination of harmful methane in the atmosphere and #2 the production of clean energy from a renewable resource. The market for renewable natural gas is expected to see explosive growth of 30 – 40 times its current size over the next 5 years. We intend to use our many years of experience and knowledge to support this rapidly growing industry.

About our Sawyer Avenue project – Our Sawyer Avenue project involves a manufacturing capacity expansion of 4x our current facility size to meet rapidly growing market demands for green tech renewable natural gas equipment and battery energy storage systems. Our current facility in Lancaster has significant space and ceiling height restrictions which limits our capacity and ability to support this

rapidly growing industry. The new production facility in Tonawanda will afford us the opportunity to build larger and more complex equipment at a much higher capacity rate. We will be investing over 15 million dollars into the purchase and renovation of the existing 125,000 square foot building, and several other parcels on Sawyer Avenue in the Town of Tonawanda. The project includes 91, 93, 185 and 189 Sawyer Avenue. A sizeable portion of this investment will be required to make repairs and upgrades to an asbestos roof which has exceeded its useful life. We are proud and excited to add an additional 130 new jobs at this new facility to support our growth, maintain 50 existing jobs, and purchase an additional 25 to 50-million dollars in materials, parts, and services from local suppliers over the next several years. At our Sawyer facility we will be manufacturing equipment used to process landfill and biogas and convert it to renewable natural gas which can be supplied directly to the existing natural gas pipeline system. The renewable energy sector is constantly evolving, and manufacturing equipment for renewable energy requires cutting edge technology and innovation. By investing in research, development and manufacturing of renewable energy equipment, Stark Tech is contributing to the development of new technologies and solutions that can help address pressing environmental challenges. The ECIDA incentives for this project are critical to supporting our efforts and maintain our competitiveness. The proposed facility will be a boost to the local economy. The new jobs will provide employment opportunities for residents and stimulate economic growth in the area. Our primary manufacturing jobs will be coming from local pipefitters union UA-22. The salary range for our office jobs will be between 50 and 100-thousand dollars per year. Tonawanda is conveniently located near major transportation routes, making it an ideal location for businesses like ours looking to expand. Tonawanda is home to many thriving businesses, including many that have been in the area for generations. This is a testament to the town's supportive business climate and its commitment to helping businesses succeed. We appreciate that very much and look forward to a growing partnership with the town for years to come.

Hon. Joseph Emminger – Supervisor, Town of Tonawanda. You said it all, but I'll just elaborate on that a little bit. I am here on behalf of the entire town board to offer our 100% support for this project. The town has spent a lot of time, energy and money over the past 10-15 years repurposing that area in our town going from an old industrial base and trying to be a newer, greener technological space in that River Road/Sawyer Avenue corridor. Certainly, what Stark is proposing to do on Sawyer Avenue is inline with what the town wants to see take place over in that area. The increased job opportunities, the retaining of jobs obviously its all about jobs when you are talking about providing benefits like this that you are looking to get and you, I think, have met that threshold and are going to meet that threshold. Again, I just want to give my 100% support today and if there is anything that's needed in the future from the ECIDA or from Stark know that the town and I will make ourselves readily available.

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:19 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

May 24, 2023 at 9:00 a.m.

at the Town of Tonawanda, Town Board Conference Room #20,
located at 2919 Delaware Avenue, Kenmore, New York 14217, regarding:

**Stark Real Estate Holdings, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 91 Sawyer Avenue and 189 Sawyer Avenue, Town of Tonawanda, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Lisa Poloizzi,	Stark Tech 91 Sawyer Avenue Tonawanda, New York 14150	
Keith Sernick	Stark Tech 91 Sawyer Avenue Tonawanda, New York 14150	
Chris Ahlers	Stark Tech 91 Sawyer Avenue Tonawanda, New York 14150	X
Jill Szpylman	Stark Tech 91 Sawyer Avenue Tonawanda, New York 14150	
Supervisor Joseph Emminger	Town of Tonawanda 2919 Delaware Avenue Kenmore, New York 14217	X

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**STARK REAL ESTATE HOLDINGS, 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, June 28, 2023 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF STARK REAL ESTATE HOLDINGS, 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, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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, STARK REAL ESTATE HOLDINGS, LLC or on behalf of an affiliated entity formed or to be formed (the "Company") has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located

on 91 Sawyer Avenue and 189 Sawyer Avenue, Town of Tonawanda, Erie County, New York and all other lands in the Town of Tonawanda where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the “Land”), (ii) the purchase and renovation on the Land of an approximately 125,000 square-foot building with high bay ceilings and high capacity cranes to accommodate efficient handling of the Company’s large skid systems for building larger and more complex equipment at a much higher capacity rate (the “Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”), to be subleased to Stark Compression, LLC (the “Tenant”). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on May 24, 2023 at 9:00 a.m. at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware Avenue, Kenmore, New York 14217, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) 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, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company 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 acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, and (b) a mortgage recording tax exemption benefit for the financing related to the Project, with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit and the mortgage recording tax exemption benefit are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, the Project constitutes a Type II Action under Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereto in 6 N.Y.C.R.R. Part 617 (collectively referred to as the “State Environmental Quality Review Act” and/or “SEQR”), and is precluded from environmental review under SEQR; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its June 1, 2023 resolution to approve the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project's cost benefit ratio, the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis satisfactorily identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for

municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions the Act.

(I) Stark Compression, LLC (the “Tenant”) will occupy the Facility. The Agency hereby approves the subleasing of space in the Project to the Sub-Tenant and authorizes the Company to proceed with the Project as herein authorized; and

(J) The Project qualifies for Agency Financial Assistance as it meets the Agency’s evaluative criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) *Wage Rate (above median wage for area)*: Average wages for its 50 full time staff are \$112,000, and average wages for jobs to be created are \$106,800, exceeding the median wages for the area.

(ii) *Regional Wealth Creation (% sales/customers outside area)*: 95% of sales are outside Erie County.

(iii) *In Region Purchases (% of overall purchases)*: 40% of purchases for total annual supplies, raw materials and vendor services are purchased from firms within Erie County.

(iv) *Research and Development Activities*: Approximately 5% of operating expenses are attributed to research and development.

(v) *Investments in Energy Efficiency*: The Company is in the process of specifying and quoting new equipment, and in all cases, achieving max energy efficiency is part of the specifications and purchase decision criteria. The Company is also pursuing use of electrification and batter storage and back up throughout the facility.

(vi) *LEED/Renewable Resources*: The Company has standard LEED (Leadership in Energy and Environmental Design) certification, to further healthy, efficient and cost-saving green buildings.

(vii) *Retention/Flight Risk*: The Company has other facilities in New York and elsewhere in the United States.

(viii) *MBE/WBE Utilization*: The Company will utilize the NYS and combined Erie County / City of Buffalo resources to actively seek out MBE/MWE suppliers that have the capability to fulfill its requirements.

(ix) *Workforce Access-Proximity to Public Transportation*: The proposed Project site is accessible (.4 miles) to NFTA bus route #40.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the authority to appoint the Company to act as agent of the Agency, if said appointment is not duly made, as herein expressed, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$4,250,000, and, therefore, the value of the sales and use tax exemption benefits ("sales and use tax exemption benefits") authorized and approved by the Agency cannot exceed \$371,875], however, 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; and

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit ("mortgage recording tax exemption benefits") shall not exceed \$82,500.

B. Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption

benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

C. Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, 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 \$13,812,500 (which represents the product of 85% multiplied by \$16,250,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 50 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 within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 156 FTE employees [representing the sum of (x) 50 Baseline FTE and (y) 106 FTE employees, being the product of 85% multiplied by 125 (being the 125 new FTE

employee positions proposed to be created by the Company as stated in its Application)]. 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.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the 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 (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) related documents; provided, however, that the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the 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 mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. 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, 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 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: June 28, 2023



Stark Incentives

Instructions and Insurance Requirements Document

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	Stark Renewables Capacity Expansion- 91 Sawyer
Project Summary	Stark Renewables designs and manufactures equipment for the Renewable Natural Gas (RNG) industry. Our equipment and systems process dirty methane from landfills, farm, food waste, and waste water treatment facilities into clean gas. This gas can be used to generate electricity, power vehicles, and be injected into the natural gas pipeline grid system. Our systems provide a dual environmental benefit: 1) capture and elimination of harmful methane in the atmosphere and 2) production of clean energy from a renewable resource. This project involves a manufacturing capacity expansion plan to meet rapidly growing market demands for green tech renewable natural gas equipment and battery energy storage systems "BESS." Our current facility has significant space and ceiling height restrictions which limit our capacity and size capability. This new skid production facility will afford us the opportunity to build larger and more complex equipment at a much higher capacity rate. We anticipate investing over \$15 million into the purchase and renovation of an existing building, along with additional capital equipment and infrastructure. A sizeable portion of this investment will be required to make repairs and upgrades to an asbestos roof which has exceeded its useful life. In addition to the investment, we expect to add 130 new jobs to support our growth, maintain 50 existing jobs, and purchase an additional \$25- \$50 million in materials, parts, and services from local suppliers. All of this will have a very substantial positive economic impact in the Town of Tonawanda.
Applicant Name	Stark Real Estate Holdings, LLC
Applicant Address	95 Stark Street
Applicant Address 2	
Applicant City	Tonawanda
Applicant State	New York
Applicant Zip	14150
Phone	(516) 655-0680
Fax	
E-mail	kds@stateadvisers.com
Website	www.starktech.com
NAICS Code	221210

Business Organization

Type of Business

Limited Liability Company

Year Established

2022

State

Delaware

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name keith sernick
Title Attorney
Address 666 Old Country Road
Address 2 Suite 900
City Garden City
State New York
Zip 11530
Phone (516) 655-0680
Fax
E-Mail kds@stateadvisers.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Timothy Geiger
Title CEO
Address 95 Stark Street
Address 2
City Tonawanda
State New York
Zip 14150
Phone (716) 445-4041
Fax
E-Mail geigert@starktech.com

Company Counsel

Name of Attorney Brian Lewandowski
Firm Name Lewandowski and Associates
Address 721 Center Road
Address 2
City West Seneca
State New York

Zip 14224
Phone (716) 674-4710
Fax
E-Mail blewandowski@lewandowskiandassoc.com

Benefits Requested (select all that apply).

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

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

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Stark Tech is a multi-faceted clean energy company, which is composed of the following commercial and industrial environments: Master Systems Integration, HVAC, boilers, and critical power, microgrids and solar. We are a full service provider of critical infrastructure, engineering clean-tech and mechanical equipment, project management and energy solutions. We monitor and manage utility spend and consumption across the country. This includes building automation, intelligence, high-quality products, and services to bring a focus to a building's health and wellness and energy efficiency with actions and insights that future proof each building's needs. We provide intelligent building solutions by bringing together capabilities. We have a total of 18 locations nation-wide, including the following locations in western New York: Buffalo 95 Stark Street, Tonawanda, 14150 4 Pequet Parkway, Tonawanda, 14150 60 Lawrence Bell Drive, Buffalo, 14221 1600 Commerce Parkway, Lancaster, 14086 Jamestown 2663 3rd Avenue, Jamestown 14733 Allegany 80 N Fourth Street, Allegany 14706 Rochester 88 University Avenue, Rochester, 14605 300 Mile Crossing, Rochester, 14624 1 Grove Street, Pittsford, 14534 The project application is for renewable natural gas equipment production, which will be sold to entities for the conversion of methane gas at renewable gas feedstock sites including landfills, large farms, food waste generators, and waste water treatment plants across the state and country. This business and specifics of the project are further described below. The ownership is as follows: Timothy Geiger 70% Randy Urschel 20% Dennis Donovan 10% Stark Renewables designs and manufactures equipment for the Renewable Natural Gas (RNG) industry. Our equipment and systems process dirty methane from landfills, farm, food waste, and waste water treatment facilities into clean gas. This gas can be used to generate electricity, power vehicles, and be injected into the natural gas pipeline grid system. Our systems provide a dual environmental benefit: 1) capture and elimination of harmful methane in the atmosphere and 2) production of clean energy from a renewable resource. This project involves a manufacturing capacity expansion plan to meet rapidly growing market demands for green tech renewable natural gas equipment and battery energy storage systems "BESS." Our current facility has significant space and ceiling height restrictions which limit our capacity and size capability. This new skid production facility will afford us the opportunity to build larger and more complex equipment at a much higher capacity rate. We anticipate investing over \$15 million into the purchase and renovation of an existing building, along with additional capital equipment and infrastructure. A sizeable portion of this investment will be required to make repairs and upgrades to an asbestos roof which has exceeded its useful life. In addition to the investment, we expect to add 130 new jobs to support our growth, maintain 50 existing jobs, and purchase an additional \$25- \$50 million in materials, parts, and services from local suppliers. All of this will have a very substantial positive economic impact in the Town of Tonawanda.

Estimated % of sales within Erie County	5 %
Estimated % of sales outside Erie County but within New York State	15 %
Estimated % of sales outside New York State but within the U.S.	80 %
Estimated % of sales outside the U.S.	0 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

40

Describe vendors within Erie County for major purchases

Steel plate, beams, and piping fabrication sand blasting paint sub-components- valves, instruments, insulation, welding suppliers and other consumables used in the assembly of skids and battery energy storage systems

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

91, 93, 185, 189 Sawyer Avenue

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Kenmore

Current Address (if different)

1600 Commerce Parkway, Lancaster, NY 14086

Current Town/City/Village of Project Site (if different)

Lancaster

SBL Number(s) for proposed Project

(189) 65.09-6-7; (91) 65.13-1-4.1; (185) 65.13-1-5; (93) 65.13-1-4.2

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

\$1,984.64; \$62,283.22; \$7,935.96; \$67,018.35

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

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

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

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Existing building currently vacant and formerly used for large industrial heat exchanger manufacturing by Alfa-Laval.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated 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)

Stark Renewables designs and manufactures equipment for the Renewable Natural Gas (RNG) industry. Our equipment and systems process dirty methane from landfills, farm, food waste, and waste water treatment facilities into clean gas. This gas can be used to generate electricity, power vehicles, and be injected into the natural gas pipeline grid system. Our systems provide a dual environmental benefit: 1) capture and elimination of harmful methane in the atmosphere and 2) production of clean energy from a renewable resource. This project involves a manufacturing capacity expansion plan to meet rapidly growing market demands for green tech renewable natural gas equipment and battery energy storage systems "BESS." Our current facility has significant space and ceiling height restrictions which limit our capacity and size capability. This new skid production facility will afford us the opportunity to build larger and more complex equipment at a much higher capacity rate. We anticipate investing over \$15 million into the purchase and renovation of an existing building, along with additional capital equipment and infrastructure. A sizeable portion of this investment will be required to make repairs and upgrades to an asbestos roof which has exceeded its useful life. In addition to the investment, we expect to add 130 new jobs to support our growth, maintain 50 existing jobs, and purchase an additional \$25- \$50 million in materials, parts, and services from local suppliers. All of this will have a very substantial positive economic impact in the Town of Tonawanda. Stark will move from a 30,000 sq. ft. facility with significant ceiling height and infrastructure limitations to a 125,000 sq. ft. building with high bay ceilings (30 ft. under crane hook) and high capacity cranes (up to 60 tons) to accommodate efficient handling of our large skid systems. We plan to sell the existing facility to another manufacturer which will help support additional manufacturing growth in Lancaster. We will purchase or lease the building and add infrastructure and equipment as follows: blast prep booth, paint booth, assembly equipment, pipe cutting equipment, welding equipment, skid pad fabrication equipment, new receiving and shipping area, test equipment for power controls, IT equipment, office furnishings, exterior lighting, signage, and new parking lot surface. Please note that in an unrelated project that is not requesting ECIDA support, we plan to vacate our 4 Pequet location which is owned and move all 43 employees from there to a new location at 2100 Wehrle Dr. We own and are renovating this facility to be our new headquarters building. There are currently no employees at the 2100 Wehrle location.

Municipality or Municipalities of current operations

Lancaster

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

No

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?

Yes

If the Proposed Project is located in a different Municipality within New York State 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?

Yes

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

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, type of assistance offered and provide supporting documentation available

If assistance is not added, assembly can be done at a facility outside of NY state.

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

NYS ESD award of Excelsior Tax Credits have been granted

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:

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The assistance will enable Stark to rapidly scale capacity and improve operational efficiency to serve the growing RNG market demand. We are not able to do this in our current space. RNG is a key green energy market with a dual benefit of creating clean burning fuel from a renewable resource and capturing and eliminating harmful methane emission into the atmosphere. We also intend to manufacture Battery Energy Storage Skids (BESS) at this facility, which is another key green energy market. Without assistance, we will not be able to perform the asbestos remediation of the roof which will substantially reduce the life of the building. This is a key part of our decision process in whether to move forward with the project. We are not comfortable adding high capital equipment like surface blasting and paint booth to a building with a limited life. These investments are critical to achieving the business revenue targets which will directly impact our ability to add 130 new high-paying manufacturing jobs and make additional purchases of \$25 to \$50 million from local suppliers.

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

The applicant will either scale back or abandon the project. We will miss a significant market opportunity to serve the rapidly growing RNG market needs. In addition, the related substantial economic benefit and development that would occur through use of the new, larger, more efficient facility will be lost. These include the creation of 130 new high-paying manufacturing jobs, \$16 million in local investment, \$25 to \$50 million in additional purchases from local suppliers, all associated payroll and property tax revenues, and additional employment and investment by supplier partners.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

A bus stop is located at the end of the property. River Road and Sawyer Avenue #40 Grand Island bus.

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

May 1, 2023; we have spoken to The Town of Tonawanda Director of Planning and Development, Jim Hartz, and he has indicate that this will be a Type II action under SEQR which requires no application and only a letter from him to the ECIDA which he will re

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

Yes

Describe the present zoning/land use

Industrial

Describe required zoning/land use, if different

NA

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

NA

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

Yes

If yes, please explain

Most of the existing roof requires repair and asbestos remediation.

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

Yes

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, describe the efficiencies achieved

We are in the process of specifying and quoting new equipment- in all cases, achieving maximum energy efficiency is part of our specifications and purchase decision criteria. We will pursue use of electrification and battery storage and backup throughout the facility. You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

5%- Applicant will develop new technologies and equipment for the capture of methane gas at solid waste facilities and put those new technologies into place.

Select Project Type for all end users at project site (you may check more than one).

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
---------------------	----	-----------------	----

Please check any and all end uses as identified below.

Yes Acquisition of Existing Facility	No Assisted Living	No Back Office
No Civic Facility (not for profit)	No Commercial	Yes Equipment Purchase
No Facility for the Aging	Yes Industrial	No Life Care Facility (CCRC)
No Market Rate Housing	No Mixed Use	No Multi-Tenant
No Retail	No Senior Housing	Yes Manufacturing
Yes Renewable Energy	No Other	

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	95,000 square feet	\$	12,766,000	80%
Warehouse	15,000 square feet	\$	1,242,000	8%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	15,000 square feet	\$	1,992,000	12%
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)

Standard

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

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

7/1/2023

End date : Estimated completion date of project

6/30/2024

Project occupancy : estimated starting date of occupancy

7/1/2023

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 6,500,000 125,000 square feet 5 acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 4,000,000 square feet

5.) Manufacturing Equipment

\$ 3,900,000

6.) Infrastructure Work

\$ 1,000,000

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

\$ 750,000

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 100,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 16,250,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 5,000,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 3,500,000
% sourced in Erie County	50%

Sales and Use Tax:

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 \$ 4,250,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 371,875

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (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:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 1,500,000

Bank Financing: \$ 11,000,000

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): \$ 3,500,000

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) \$3.5 mil Excelsior Tax Credits granted, this is paid out on a set schedule over 10 years based on jobs created. We are in the process of applying for a US Department of Energy Advanced Energy Manufacturing and Recycling grant program which could provide up to 50% cost sharing in the project. The expected award date is November 2023.

Total Sources of Funds for Project Costs: \$16,000,000

Have you secured financing for the project? No

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing). 11,000,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$82,500

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 (485-a, 485-b, other): N/A

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genesee.

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 PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	50	50	120	120
Part time	0	0	10	10
Total	50	50	130	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	10	\$ 175,000	\$ 35,000	0	\$ 0	\$ 0
Professional	20	\$ 80,000	\$ 16,000	0	\$ 0	\$ 0
Administrative	5	\$ 60,000	\$ 12,000	0	\$ 0	\$ 0
Production	125	\$ 110,000	\$ 22,000	0	\$ 0	\$ 0
Independent Contractor	0	\$ 100,000	\$ 0	0	\$ 0	\$ 0
Other	10	\$ 105,000	\$ 21,000	10	\$ 50,000	\$ 0
Total	170			10		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant

by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

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

Address	95 Stark Street Tonawanda, NY 14150	4 Pequet Parkway, Tonawanda, NY 14150	60 Lawrence Bell Drive, Williamsville 14221
Full time	126	39	41
Part time	6	4	1
Total	132	43	42

Payroll Information

Annual Payroll at Proposed Project Site upon completion

19,450,000

Estimated average annual salary of jobs to be retained (Full Time)

112,000

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

106,800

Estimated average annual salary of jobs to be created (Part Time)

50,000

Estimated salary range of jobs to be created

From (Full Time)	54,000	To (Full Time)	215,000
From (Part Time)	40,000	To (Part Time)	60,000

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

91, 93, 185, 189 Sawyer avenue, Tonawanda, NY

Name and Address of Owner of Premises

Stark Tech 95 Stark Drive Tonawanda, NY 14150

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

Industrial site on flat terrain, no immediately adjacent wetlands, rivers, streams, lakes, etc.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

Original construction date was 1948, additions made in 1990 General manufacturing of medium to large skid systems in support of gas compression and RNG markets

Describe all known former uses of the Premises

General manufacturing of various industrial products including large heat exchangers

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

N/A

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

N/A

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

N/A

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

Transite roof panels contain asbestos

Section IV: 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 Stark Compression, LLC
Address 95 Stark Drive, Tonawanda, NY 14150
Contact Person Timothy Geiger
Phone (716) 445-4041
Fax
E-Mail geigert@starktech.com
Federal ID #
SIC/NAICS Code 221210

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

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. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: 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.

Current Address

1600 Commerce Parkway

City/Town

Lancaster

State

New York

Zip Code

14086

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?

Yes

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

Yes

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:

The Agency's assistance will enable Stark to rapidly scale capacity and improve operational efficiency to serve the growing RNG market demand. We are not able to do this in our current space. RNG is a key green energy market with a dual benefit of creating clean burning fuel from a renewable resource and capturing and eliminating harmful methane emission into the atmosphere. We also intend to manufacture Battery Energy Storage Skids (BESS) at this facility, which is another key green energy market. Without assistance, we will not be able to perform the asbestos remediation of the roof which will substantially reduce the life of the building. This is a key part of our decision process in whether to move forward with the project. We are not comfortable adding high capital equipment like surface blasting and paint booth to a building with a limited life. These investments are critical to achieving the business revenue targets which will directly impact our ability to add 130 new high-paying manufacturing jobs and make additional purchases of \$25 to \$50 million from local suppliers.

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

Yes

Within Erie County

Yes

If Yes to either question, please, explain

We currently have a 30,000 sq. ft. facility in Lancaster, NY. The square footage, ceiling height and crane capacity is not adequate to accommodate our planned growth or the large size skid systems we will manufacture. We have been unable to find a suitable building in Lancaster. We plan to move to a much larger 125,000 sq. ft. facility with high bay ceilings (30 ft. under hook) and heavy crane capacity (50 tons) in Tonawanda, NY. We intend to consolidate operations at the Tonawanda facility, move all current employees to that facility, and add 130 new jobs in Tonawanda.

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.)

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 docks etc.)

Greater than 100,000 sq. ft. total manufacturing space Greater than 20,000 sq. ft. office space 25 ft. minimum height ceilings (under crane hooks) High capacity cranes (50 ton) over a large portion of the manufacturing space Truck loading which can be accessed inside the building and under high capacity cranes

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?

Stark has a strong presence in Western New York and we are proud to continue to build our workforce and capability in this area. We specifically wanted to find a facility that was in close enough proximity to our current building in Lancaster to allow us to retain all of our existing skilled workforce at a new location. We also have good, long-standing relationships with local supplier partners which are critical to our continued growth and success.

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

We will sell the existing facility to another manufacturer which will be a growth opportunity for a new owner who is seeking more space and utility. It is still a very good space for many other types of manufacturing operations.

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.

We were unable to find any suitable facilities within the Town of Lancaster. The following properties were considered. Please see attached property listings for details. 3825 Walden Ave, Lancaster, NY 14086- 43,000 sq. ft. is not enough floorspace for our needs 5636 Transit Rd, Depew, NY 14043- 21,000 sq. ft. is not enough floorspace for our needs 6640 Transit Rd, Buffalo, NY 14221- 25,000 sq. ft. is not enough floorspace for our needs 703-757 Elk St, Buffalo, NY 14210- building layout and poor condition not adequate for our needs, would require extensive investment to be useable 2381 Fillmore Ave, Buffalo, NY 14214- first floor space (80,000 sq. ft.) and low ceiling height (20 ft.) not adequate for our needs 3211 Transit Rd, Elma, NY 14059- 22,000 sq. ft. not adequate for our floorspace needs 175 Milens Rd, Tonawanda, NY 14150- the lack of existing cranes makes this less desirable for our needs compared to the property at 91 Sawyer Ave.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

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

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

Iskalo 101 Oak LLC
\$ 3,500,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531120

COMPANY INCENTIVES

- Approximately \$ 153,125 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 42 FT
- Annual Payroll: \$ 1,706,000
- Projected retained jobs: 42
- Est. salary/yr. of jobs retained: \$60,690
- Total jobs after project completion: 42
- Construction Jobs: 15

PROJECTED COMMUNITY BENEFITS*

- Term: 2 years after project completion
- NET Community Benefits: \$22,726,900
- Spillover Jobs: 78
- Total Payroll: \$1,706,000

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$153,125
Community Benefit: \$21,939,417
Cost: Benefit Ratio
• 1:143

Project Title: 101 Oak St Renovation | Top Seedz

Project Address 101 Oak St. Buffalo, NY 14206
(Buffalo City School District)

Agency Request

A sales tax abatement in connection with the renovation of 34,379 sq ft of space within an existing building for use by a food manufacturer.

Building Renovation \$ 2,800,000

Infrastructure \$ 700,000

Total Project Cost \$ 3,500,000

85% \$ 2,975,000

Company Description

Iskalo 101 Oak LLC, is the building owner and applicant. The applicant is an affiliate of Iskalo Development Corporation which was established in 1998 and is a full service developer with a diverse portfolio of all major asset classes including corporate office, medical office, light industrial, hospitality, retail and multi-family.

Project Description

The applicant is the owner of the 101 Oak St building, a 67,385 sq ft building located in Buffalo's Central Business District. The building was previously owned and occupied by Allentown Industries which later became Heritage Centers of WNY and is now known as ARC Erie County. The building was purchased by Iskalo 101 Oak LLC in October 2018 and is currently 20% occupied. The applicant is seeking incentives associated with renovations needed to ready the building for a new food manufacturing-based tenant. Building renovations needed include constructing a vault to house new transformers, new switchgear inside the building, new electric service panels and metering for each tenant space. Other unanticipated costs including but not limited to: (1) installation of water, gas and sanitary line to serve tenant production area, (2) demo of low bay section of the building, (3) addition of windows on building exterior to provide natural light to office areas .

The anticipated tenant, Top Seedz is a producer of seed-based crackers and other related seed based products. Having outgrown its current incubator space in Cheektowaga, Top Seedz signed a lease for 34,379 sq ft (51% of the total building space) allowing them to grow their business with the goal to distribute their products nationally.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$0
	Sales	153,125
	Mortgage Recording	\$0
	Total	\$153,125
	Discounted at 2%	\$153.125

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$2,245,977
			Payroll Permanent	\$19,188,175
		Public	Property Taxes	\$0
			Sales Taxes	\$178,172
			Other Muni Revenue (NFTA)	\$0
	New York State	Public	Income Taxes	\$964,537
			Sales Taxes	\$150,039
			Total Benefits to EC + NYS***	\$22,726,900
			Discounted at 2%	\$21,939,417

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period ***may not sum to total due to rounding

Discounted Cost \$153,125
Discounted Benefit \$21,939,417
Ratio 1:143

Conclusion: The Cost Benefit for this project is: 143:1. For every \$1 in costs (incentives), this project provides \$143 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$251 in benefits to the community.**

New Tax Revenue Estimated - City of Buffalo 485-b

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 78,324	\$ 4,352,000	\$ 51,969	\$131,728	\$ 101,690
Combined Tax Rate: \$ 23.37				

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 = \$3,500,000 85% = \$ 2,975,000
Employment	Coincides with recapture period	Maintain Base = 42 FT Projected (new/created) = 0 FTE Recapture Employment = 42 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to Policy
Unpaid Tax	Coincides with recapture period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of state and local sales taxes

Recapture applies to:

State and Local Sales Taxes

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 42 FT jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 4/25/23: Public hearing held.
- 6/28/23: Negative Declaration in accordance with SEQR (Type II Action)
- 6/28/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

EVALUATIVE CRITERIA
AGRICULTURAL, FOOD PROCESSING
Project: 101 Oak St Renovation | Top Seedz

Evaluative Criteria	Notes
Wage Rates (above median wage for area)	Average salaries: Retained = \$60,690 To be Created = \$69, 231
Regional Wealth Creation (% of sales/customers outside area)	95% of sales (currently) within Erie County. Remainder outside EC, but within NYS. Project will allow Top Seedz to expand sales to meet their goals of national distribution. The company's 2024 sales projections = 62% of sales to be outside NYS.
In Region Purchases (% of purchases from local growers)	85%
Research & Development Activities	N/A
Investments in Energy Efficiency	Top Seedz will be purchasing and installing energy efficient make up air units for Top Seedz production area and new LED light fixtures.
Locational Land Use Factors, Proximity to Supporting Local Agricultural Production	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	N/A
MBE/WBE Utilization	See attached MBE/WBE Utilization. Iskalo activity seeks bids from MBE, WBE and DVOCs. Will utilize NYS certified MWBE lists to assemble prospective bidders lists.
Workforce Access – Proximity to Public Transportation	Facility is accessible via metro routes: 1 (William), 2 (Clinton), 4 (Broadway). 6 (Sycamore) and 8 (Main)

DATE OF INDUCEMENT: 6/28/23

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-101 Oak St Renovation | Top Seedz

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property *	County Tax Rate/1000	City of Buffalo/1000
\$ 2,800,000	\$4,352,000	5.19688	18.169375

*Apply equalization rate to value

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

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of 485 b	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (application pending – National Grid Electric Capital Investment Program)
\$ 3,500,000	\$49,966	\$ 153,125	n/a	\$ 100,000

Note: special district taxes are not subject to PILOT abatement

Calculate % = (Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Tot Project Costs: 8.7%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date April 12, 2023
 Project Title 101 Oak Street - Top Seedz
 Project Location 101 Oak Street, Buffalo, NY 14206

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

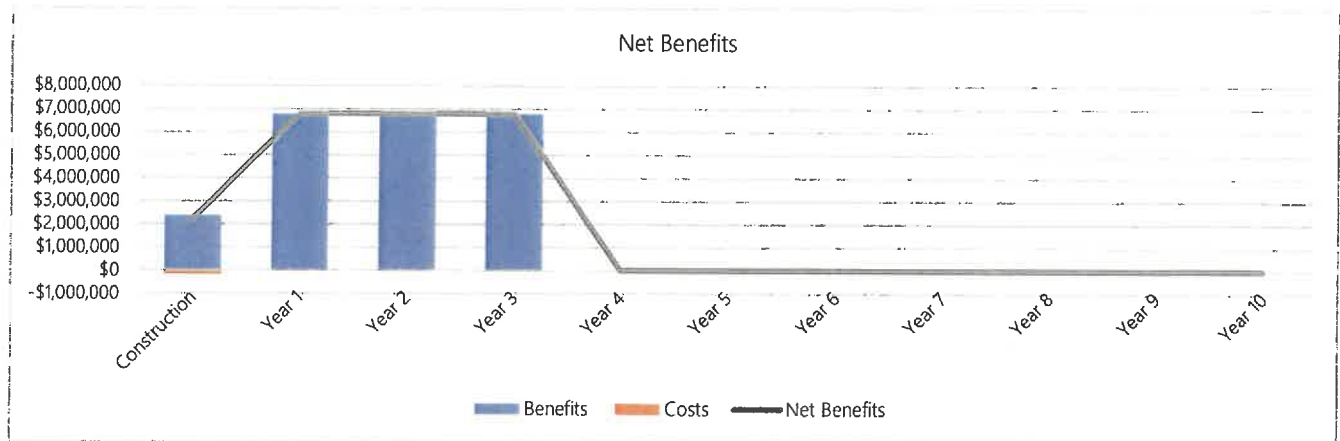
Project Total Investment

\$3,500,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	15	14	29
Earnings	\$1,447,379	\$798,599	\$2,245,977
Local Spend	\$3,500,000	\$2,477,987	\$5,977,987

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	42	64	106
Earnings	\$7,646,940	\$11,541,235	\$19,188,175

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

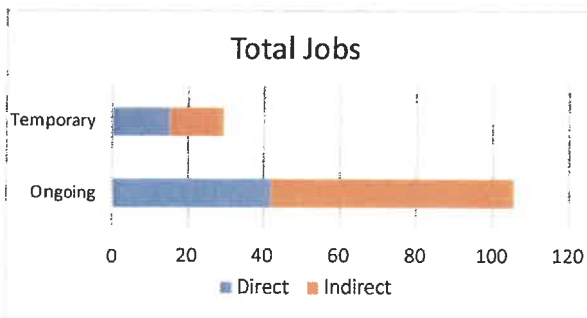


Figure 3



Ongoing earnings are all earnings over the life of the PILOT.

Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$153,125	\$153,125
Local Sales Tax Exemption	\$83,125	\$83,125
State Sales Tax Exemption	\$70,000	\$70,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$153,125	\$153,125

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$21,612,324	\$20,863,461
To Private Individuals	\$21,434,153	\$20,691,463
Temporary Payroll	\$2,245,977	\$2,245,977
Ongoing Payroll	\$19,188,175	\$18,445,486
Other Payments to Private Individuals	\$0	\$0
To the Public	\$178,171	\$171,998
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$18,670	\$18,670
Ongoing Jobs - Sales Tax Revenue	\$159,502	\$153,328
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$1,114,576	\$1,075,956
To the Public	\$1,114,576	\$1,075,956
Temporary Income Tax Revenue	\$101,069	\$101,069
Ongoing Income Tax Revenue	\$863,468	\$830,047
Temporary Jobs - Sales Tax Revenue	\$15,722	\$15,722
Ongoing Jobs - Sales Tax Revenue	\$134,317	\$129,118
Total Benefits to State & Region	\$22,726,900	\$21,939,417

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$20,863,461	\$83,125	251:1
State	\$1,075,956	\$70,000	15:1
Grand Total	\$21,939,417	\$153,125	143:1

*Discounted at 2%

Additional Comments from IDA

0

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

MBE/WBE Utilization



ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Here are links to the NYS and combined Erie County / City of Buffalo – certified MWBE contractors that can assist you with your utilization goals:

<https://ny.newnycontracts.com/>

<https://www3.erie.gov/eo/mbe-wbe-resource-list>

Describe your company's internal practices that promote MBE/WBE hiring and utilization:

Iskalo Development Corp. is the manager for Iskalo 101 Oak LLC, applicant. In its capacity as manager, Iskalo Development Corp. is serving as the developer, architect and construction manager for the project described in the application. Iskalo Development Corp. is an equal opportunity employer. In the course of bidding and awarding contracts as the Construction Manager for all Iskalo affiliate projects, it does not discriminate. With respect to its internal practices, Iskalo Development Corp. first seeks to obtain quotes from, and to award contracts to, qualified companies (including MBE/WBE and DVBE contractors) that will employ workers that are residents in the Western New York region. Companies are deemed to be qualified if they have (a) been in business for at least three years, (b) have relevant experience to the work being sought to be completed, (c) have a proven track record of successful completion of projects/work, (d) are price competitive. In preparation for bidding construction work, Iskalo Development Corp actively promotes that it will be seeking bids for a particular project and actively solicits bidding interest from contractors and subcontractors of all types including, union, open shop, MBE, WBE and DVOBs.

PUBLIC HEARING SCRIPT

**Iskalo Development Corp. and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on April 25, 2023 at 9:00 a.m. at the Agency's offices,
at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

David Chiazza – Iskalo Development Corp.
Beth O'Keefe – ECIDA
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Iskalo Development Corp. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Wednesday, April 12, 2023.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the renovation and improvements to 34,379+/- sq. ft. of an existing 67,385+/- sq. ft. facility for tenant, Top Seedz Foods Corp., to include purchase and installation of new make-up air units for production area, installation of water, gas and sanitary lines, selective replacement of sections of existing building slab, repair interior side of precast panels in high-bay area, demolition of existing former cafeteria in low-bay section and build-out approximately 6,000 SF of new office space, new windows, and new landscaping (the

“Improvements”), and (ii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and collectively with the Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits (in compliance with Agency's uniform tax exemption policy).

☒ 4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on May 30, 2023. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

David Chiazza - Executive Vice President, Iskalo Development on behalf of Iskalo 101 Oak Street, LLC the project owner. A brief statement somewhat redundant to what Grant just read. Iskalo 101 LLC has applied for sales tax incentives from ECIDA estimated at \$153K for renovation of the 101 Oak Street building for Top Seed, LLC. A 2017 Buffalo start-up and a 2021 43 North Winner. Top Seedz produces toasted seed base crackers and related products that it sells in grocery stores and online. Top Seed will occupy approximately 51% of the building 34,379 sq. ft., which will serve as their corporate headquarters as well as their main production facility. The project will return the 40-year-old building that has been largely vacant since 2018 back to productive use. Top Seedz will retain 29 jobs and add 13 more over 2 years. In this regard we think this is an excellent project for the IDA’s consideration.

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:04 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

April 25, 2023 at 9:00 a.m. at the Agency's offices,
at 95 Perry Street, Suite 403, Buffalo, NY 14203, regarding:

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

Project Location: 101 Oak Street, Buffalo, New York 14203

Name	Company and/or Address	X box to speak/ comment
David Chiazza	Iskalo Development Corp. 5166 Main Street Williamsville, New York 14221	X
Beth O'Keefe	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**ISKALO 101 OAK 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, June 28, 2023, at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ISKALO 101 OAK 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) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iii) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT; AND (iv) AUTHORIZING THE NEGOTIATION AND EXECUTION OF AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

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, ISKALO 101 OAK LLC or on behalf of an affiliated entity formed or to be formed (the "Company") has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the renovation and improvements of 34,379+/- square feet of space of an existing 67,385+/- square-foot facility for tenant, Top Seedz Foods Corp., ("Top Seedz") to include purchase and installation of new make-up air units for production area, installation of water, gas and sanitary lines, selective replacement of sections of existing building slab, repair interior side of precast panels in high-bay area, demolition of existing former cafeteria in low-bay section and build-out approximately 6,000 SF of new office space, new windows, and new landscaping (the "Improvements"), and (ii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment";

and collectively with the Improvements, the “Facility”). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on April 25, 2023 at 9:00 a.m., at the Agency’s offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) 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, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) provide Financial Assistance to the Company in the form of 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 acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility (“Financial Assistance”); and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its June 1, 2023 resolution to approve the Project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the “State”) to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company’s application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions the Act; and

(I) The Project involves a “Type II action” as said term is defined in under the State Environmental Quality Review Act (“SEQRA”) and therefore no other determination or procedures under SEQR are required; and

(J) The Project qualifies for Agency Financial Assistance as it meets the Agency’s evaluative criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) *Wage Rate (above median wage for area):* Average salaries: Retained = \$60,690.

(ii) *Regional Wealth Creation (% sales/customers outside area):* 95% of sales (currently) within Erie County. Remainder outside Erie County, within NYS. Project will allow Top Seedz to expand sales to meet their goals of national distribution.

(iii) *In Region Purchases (% of overall purchases):* 85%.

(iv) *Investment in Energy Efficiency:* Top Seedz will be purchasing and installing energy efficient make up air units for Top Seedz production area and new LED light fixtures to be installed within the Project Facility.

(v) *MBE/WBE Utilization:* The Company activity seeks bids from MBE, WBE and DVOCs and will utilize NYS certified MWBE lists to assembly prospective bidders lists.

(vi) *Workforce Access-Proximity to Public Transportation:* Facility is accessible via metro routes: 1 (William); 2 (Clinton); 4 (Broadway); 6 (Sycamore) and 8 (Main).

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the appointment of the Company as agent of the Agency, if utilized, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$1,750,000, and, therefore, the value of the sales and use tax exemption benefits ("sales and use tax exemption benefits") authorized and approved by the Agency cannot exceed \$153,125, however, 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.

B. Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or

any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

C. Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, 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 made with respect to the Project at the time of Project completion equals or exceeds \$2,975,000 (which represents the product of 85% multiplied by \$3,500,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 42 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 Employment”) and that within two (2) years of Project completion, the Company has maintained the Baseline FTE Employment at the Facility. 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.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the 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, on behalf of the Agency, the Agent Agreement, a sales tax exemption letter (the "Sales Tax Exemption Letter"), a bill of sale (the "Bill of Sale") whereby the Agency at the completion of the installation period transfers to the Company title to the Equipment acquired during the installation period by the Company as agent of the Agency, and 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 negotiate, 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. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 7. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: June 28, 2023



May 29, 2023

John Cappellino
President & CEO
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Further Supplement to 101 Oak Street | Top Seedz Application for Sales Tax Exemption

Dear John:

This correspondence, which has been jointly prepared by Iskalo and Top Seedz, shall serve as a further supplement to the application referenced above. We kindly ask that this be distributed to Policy Committee members in advance of this Thursday's meeting. Will Brady is unable to attend the meeting on Thursday however I'm pleased to advise that Rebecca Brady, founder of Top Seedz, will be in attendance with me.

PROJECT OVERVIEW:

The Project consists of renovation and improvements to the 101 Oak Street building to accommodate Top Seedz LLC. Top Seedz will occupy 34,379 SF of space which is a little more than half of the 101 Oak Street building that has been largely vacant since February of 2019. Top Seedz current production operation is located in an incubator-type building on Cayuga Road adjacent to the Buffalo Niagara International Airport that is owned by the N.F.T.A.. Top Seedz also utilizes office space within the 43 North premises located at Seneca One.

The proceeds awarded to Top Seedz from their winning of the 2021 43 North competition served as the catalyst for Top Seedz to find new space to serve as its corporate headquarters and to accommodate the next phase of its evolution that includes expanding its sales and distribution footprint nationally and into Canada, and scaling of production through the introduction of automation. Top Seedz selected the 101 Oak Street building after a search of the market and signed a long-term lease in July of 2022.

As described in the application submitted to the Agency in April, supply chain issues have forced the Project to be completed in 2 phases. The first phase of work will allow Top Seedz to occupy the building this fall (one year later than originally planned) though full utilization of the space will not occur until completion of the second phase that involves replacement and upgrade of the power infrastructure serving the 101 Oak Street property. Due to the delay in availability of the electrical equipment (a likely pandemic "hangover" issue), the work necessary to facilitate the switch over to the new power system will likely not be completed until fall of 2024.

IMPETUS FOR APPLICATION TO THE ECIDA FOR SALES TAX EXEMPTION:

As set forth in the Landlord Work Letter exhibit to the lease provided to the ECIDA as an attachment to our May 17th letter, the scope of work to be completed for Top Seedz was fairly modest. Following execution of the lease, the scope of renovation and build-out for Top Seedz increased substantially as they reconsidered how to design their production operation. Principal among the increases in scope include (a) the need to replace and substantially upgrade the incoming power to the building, (b) replacement and upsizing of the make-up air units serving the premises (including adding structural steel to support their increases size, and (c) replacement of the floor slab in the production area. As provided for in the lease, Top Seedz would be responsible for a substantial portion of these increased costs. As an early-stage business, Top Seedz has limited capital and must carefully manage its debt load. The sales tax exemption, if granted, will defray a portion of their share of the increased cost which savings will then be re-invested in production-related equipment.

WHY OUR APPLICATION WAS TABLED AT THE MAY POLICY COMMITTEE MEETING:

Prior to the commencement of the Policy Committee meeting on May 4th, we were requested to table review of our application due to the response given in the application to the “But For” question. This question asks, “If the Project could be undertaken without Financial Assistance from the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency.”

Our Response was as follows:

“Given the time, effort and expense incurred over the last 11 months in the planning, design and engineering of the Top Seedz premises, and the equipment that has been ordered by Top Seedz, the parties are committed to completing improvements sufficient for Top Seedz to occupy their space at 101 Oak Street so as to not cause interruption to their business. However, failure of the ECIDA to grant the incentives will create financial hardship to Top Seedz as it will have to reallocate funding intended for other purposes, such as purchase of certain equipment necessary for the growth of their business.”

It is important to note here that the Agency can provide incentives to a project even if that project would proceed without that support. Certainly, the merits of the project would need to be considered including, among other things, the amount of investment being made and where it is being made, whether the project will contribute favorably to the economic well-being of the community, whether the project will expand the reach of an applicant beyond our region, the degree to which it will retain and create jobs and increase payroll, and the degree to which any hardship might occur if the support requested is not granted. In weighing these considerations as it relates to the proposed Project, we believe the application submitted is compelling.

Now, we could have responded to this question by stating that the Project would not proceed if the sales tax exemption was not granted; that the parties would collapse the lease and Top Seedz would go find another location and re-engineer their production line again, but this would have been disingenuous. The sales tax exemption being sought, though important, amounts to 4% of the estimated Project Cost (\$153,000 on \$3.5M). That is not sufficient to terminate any project but that

doesn't mean that the granting of the incentive is without merit and/or not addressing a hardship. As noted, the exemption, if granted, in addition to many benefits, will preserve valuable capital that will be **directly** reinvested in the form of building improvements and equipment. As a point of reference, the May 17th letter states that the \$153,000 in estimated sales tax savings is equivalent to the cost of four (4) ovens that Top Seedz uses that, if in place today, would double their production capacity.

PROJECT BENEFITS:

The following is a quick summary of the Project Benefits

1. First and foremost, the sales tax exemption incentive would help to support Top Seedz, a woman-owned start-up company, 43 North award winner and all-around burgeoning Buffalo success story:
 - 101 Oak Street in downtown Buffalo will serve as company headquarters;
 - The Project will facilitate Top Seedz's transition from start-up to the growth phase of its business life cycle that will see expansion of its sales footprint nationally and into Canada;
 - It will result in creation of jobs including new higher wage positions that don't presently exist.
2. Construction jobs and wages
 - We failed to note in our application that the Project will generate up to 29 FTE construction jobs¹
3. Renovation of a "tired" 67,385 square foot, 40+ year old highly-visible building occupying an entire city block in downtown Buffalo
 - Incidental to the improvements for Top Seedz at 101 Oak Street is the demo and clean-up of the remaining 17,800 sf of space to enable it to be marketed to new tenants providing further opportunity for investment, job retention and creation.

JOB RETENTION AND CREATION:

The Project Application submitted in April states that 29 FTE jobs with a total payroll of \$1.76M will be retained with a projection of 13 new jobs created over two years with total payroll increasing to \$2.66M in today's dollars (151% increase). These jobs figures are solely for Top Seedz and identical to those included in their application to Empire State Development Corp. under the Excelsior program. It should be noted their job creation target in the Excelsior application over 5 years is 20 new jobs and a total payroll of \$3.3M in today's dollars, approximately double Top Seedz baseline payroll.

In a meeting held at ECIDA offices the week following the May 4th Policy Committee meeting, Top Seedz noted that they have recently added entry level production labor to bridge the delay associated with the Project. Following the success of the 43 North competition and in anticipation of the move to new Premises in October of 2022, Top Seedz ramped up their sales and marketing efforts however, the Project delay has resulted in sales growth outpacing production. One

¹ Construction labor calculated at 50% of estimated Project Cost of \$3.5M @ \$60k per FTE construction job.

of the main purposes of the move to 101 Oak Street is to begin to introduce automation into their production process. As this has been delayed, Top Seedz only means to increase production has been to move to a three-shift, labor intensive operation that it cannot sustain indefinitely. As this hiring of entry level labor is circumstantial in nature, it does not alter the figures stated in the application which Top Seedz maintains is its "baseline" employment.

Notwithstanding the circumstances that have resulted in Top Seedz having to recently add to its production work force, Top Seedz does not intend a layoff of employees once the Project is complete. Top Seedz highly values its work force and believes that the refugee community that comprises much of the entry level positions is part of their identity.

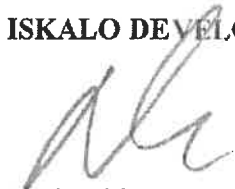
Target occupancy of the building by Top Seedz is October of 2023 however the target completion of phase two of the Project is fall of 2024. Thus, the recently added "bridge" labor will be in place for some time. As Top Seedz ramps up its operation at 101 Oak, there will be a natural re-composition of some of its work force. Top Seedz will continue to maintain entry level labor as part of its work force, however, the introduction of automation will increase the need for skilled labor and other professional positions such as machine operators, technicians, inventory managers, as well as sales and administrative positions. As Top Seedz grows and scales, those entry level employees that demonstrate the interest and capacity for professional growth will be offered opportunities to elevate their position with the company though it is expected that there will be some natural attrition due to the highly transient nature of the entry level employees.

Top Seedz has been very conservative with their jobs projections. As a young, growing company, it is difficult for them to predict growth and the pace of that growth with any certainty; and it is their nature not to overpromise. Notwithstanding, Top Seedz stands behind its pledge that total employment will be at least 42 FTE in 2 years with payroll approaching \$2.7M and 49 FTE after 5 years with payroll well in excess of \$3M.

We look forward to meeting with the Policy Committee this Thursday.

Sincerely,

ISKALO DEVELOPMENT CORP.



David Chiazza

Executive Vice President

Cc: Ms. Rebecca Brady

Mr. Will Brady



May 17, 2023

John Cappellino
President & CEO
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: 101 Oak Street | Top Seedz Application for Sales Tax Exemption

Dear John:

This letter shall follow up on our meeting on Monday with respect to the above referenced application and shall serve to supplement the information contained in the application submitted to the Agency this past April.

Project Timeline:

- **February 2022** - Top Seedz commences a building search with the assistance of Ciminelli Real Estate; Top Seedz tours 101 Oak Street building in February of 2022;
- **July 2022** - Top Seedz selects 101 Oak St. and a lease is signed on July 7th, 2022 for 34,379 SF with **target occupancy date of October 1, 2022** (see page 1 of Lease and Work Letter attached hereto). Planning and engineering commence for build-out of Top Seedz Premises that soon reveals that scope of renovation will be much greater than anticipated and that **occupancy of the premises delayed into 2023**;
- **Q1 - 2022** - Planning and Engineering of Project continuing including regular meetings with NGrid regarding installation of replacement power for building (Spot Network). **Occupancy target pushed out to August 2023**. Initial estimates for revised scope of work prompts decision to seek incentives to help defray a portion of the cost;
- **April 2023** - Application submitted to ECIDA on April 21, 2023; Construction documents (except electrical) completed and put out to bid; Meetings continuing with NGrid re Spot Network to enable completion of electrical engineering drawings; Top Seedz **occupancy target pushed to October/November of 2023**.

Project Cost:

- The Project Budget in the ECIDA application is established at \$3.5 million. The sales tax incentive being sought is estimated at \$153,000 (approximately 4% of the Project Budget). Below is a list of some of the Project scope items:
 - \$900,000 - Costs related to Spot Network (vault, cabling, switchgear, electric room)
 - \$720,000 - Office build-out (including new exterior windows)

- \$280,000 - Make Up Air units for Production Area (including structural steel and roof related work).
- \$240,000 - New concrete slab for Production Area (including tear out of existing slab)
- \$230,000 - Plumbing for production water and natural gas supply

5/15/23 Meeting Notes/Comments:

- **Jobs** – The application submitted to the Agency states that Top Seedz present FTE employment is 29 and that it anticipates adding 13 FTE positions over two years. These figures align with those represented by Top Seedz to Empire State Development Corporation in its Excelsior application. As stated by Mr. Brady in the meeting on May 15th, the next stage of growth to be realized by Top Seedz in the new facility is to transition from a heavily labor-intensive “start-up” operation to one that is more automated in order to scale production. This transition notwithstanding, Top Seedz has represented that it anticipates increasing FTE employment by 13 with many of those positions being higher paying, skilled labor jobs. However, due to the unanticipated delay in availability of 101 Oak St. Premises as indicated in the timeline above, Mr. Brady explained that it became necessary for Top Seedz to add production labor to “bridge” this delay. This action does not change the baseline employment represented in the application. As Mr. Brady further explained, once Top Seedz is able to take occupancy of the 101 Oak St. premises, Top Seedz will increase employment, creating an additional 13 jobs within two years thereafter.
- **“But For”** - The “But For” question asks the applicant to state why the Agency should assist the Project if it would be undertaken otherwise. An applicant must presume that there is an acceptable response to this question otherwise there would be no reason to include the question in the application. In response to this question, we have laid bare the facts and circumstances that prompted the filing of the application to the Agency, including its timing. If the justification presented in response to this question and elsewhere in the application is insufficient to meet the burden for Agency consideration of the request for sales tax exemption, we are left to wonder whether an acceptable response exists.

Prior to preparing the application, consultation was held with Agency staff during which the facts and circumstances subsequently set forth in the application were explained. We were encouraged to prepare and submit the application which seeks only sales tax exemption, no PILOT or mortgage tax exemption. As previously noted, the sales tax exemption would equal 4% of the estimated cost of the project. While this benefit is important, at only 4% of estimated project costs, it is insufficient to make or break a project... particularly one in which nearly 12 months of extensive planning and engineering had been invested. Rather, as explained, the project would go forward though there would be hardship which, in this case, would be largely incurred by the very type of business we are seeking to nurture as a community.

To help put this in perspective, Mr. Brady explained that the \$153,000 in estimated sales tax incentive is roughly equivalent to the cost of four (4) ovens used to bake their product. If these four ovens were in place today, it would more than double Top Seedz present production. Top Seedz anticipates purchasing and installing six (6) ovens every six months over the first few years of occupancy of the 101 Oak Street premises. If the incentive is not granted, Top Seedz will have to reallocate capital to pay their share of the sales tax instead of investing it in equipment and other means to enhance production in accordance with their growth plan.

- **101 Oak Street** – Though Top Seedz is the primary direct beneficiary of the sales tax exemption incentive, should it be granted, lost a bit in this discussion are the other benefits to be derived including that the Project would result in Top Seedz establishing their growing business in the heart

of the City of Buffalo and is prompting substantial reinvestment in a tired building that has been largely vacant for several years thereby returning it to productive use.

We trust that this additional information will further strengthen the application and prompt the Agency Board to favorably consider the requested sales tax exemption for the Project. Considered from its broader perspective, one would expect that this Project is the classic example of the type of project the Agency seeks to support. We hope that, in the end, that turns out to be the case.

Please advise if you have any further questions. If needed, Will Brady and I are available to meet again to further discuss the application.

Sincerely,

ISKALO 101 OAK LLC

By Iskalo Development Corp.



David Chiazza
Executive Vice President

Enclosures

Supplement to Amended Application for 101 Oak St. Renovation | Top Seedz

The following shall supplement the amended application for the 101 Oak | Top Seedz Project with respect to “**Applicant Background (Parts 1 and 2)**” and “**Part 3 – Employment Plan**”. With respect to Applicant Background Parts 1 and 2, the questions in the application related to the Applicant (Iskalo 101 Oak LLC). The responses below are for Top Seedz LLC, the tenant that would also be a beneficiary of the requested sales tax exemption. The balance of this supplement pertains to the Employment Plan which is specific to Top Seedz planned occupancy of the 101 Oak Street building.

Applicant Background (Parts 1 and 2) – Top Seedz LLC

- Business Type Limited Liability Company
- Year Established 2017
- State New York
- Woman Owned Yes
- Principal Contacts Rebecca Brady, Will Brady
- Applicant Business Description (Regional Wealth Creation):

<u>Forecasted Sales</u>	<u>2023</u>	<u>2024</u>
Within Erie County	15%	10%
Outside EC but within NYS	40%	28%
Outside NYS	45%	62%

- Percentage of annual supplies, raw materials and vendor service purchased from firms in Erie County? 20%
- Describe vendors in Erie County for major purchases: Continental Paper & Packaging Company, Though not vendors in the traditional sense, Top Seedz has strong relationships with Journeys End Refugee Service and Community Services for Every1

Project Details – Part 3: Employment Plan

The application lists 42 retained jobs with an annual payroll of \$2.41 million and an average annual wage of \$57,380.95. Though the application forecasts the same number of total jobs two years following completion of the Project, there will be forecasted growth in payroll to \$2.62 million and at an average annual rate of \$62,142.86 (8.3% increase). This increase is due, in large part, to new positions that will be created enabling existing employees the opportunity to elevate their role with the company.



101 Oak St Renovation | Top Seedz

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	101 Oak St Renovation Top Seedz
Project Summary	Major renovation of a substantial portion of an existing, 40+ year old underutilized building located at 101 Oak Street in downtown Buffalo to accommodate the long term tenancy of Top Seedz LLC, a woman-owned, 2017 Buffalo-based start up company and 2021 43 North competition winner. Top Seedz will occupy more than half of the 101 Oak Street building as it seeks to evolve from the start-up phase of its business cycle and expand the sales and distribution footprint of the company nationally and into Canada. The space at 101 Oak will allow Top Seedz to expand production and distribution through the introduction of automation. Components of the building renovation include (1) replacement and upgrade of the power service to building, (2) replacement of large sections of floor slab, (3) fit out of 6,000 square feet of office space for Top Seedz, and (4) new roof-mounted make up air units (and related structural steel support) to serve the production area. Due to supply chain issues affecting the availability of equipment related to the power service replacement, the Project will be completed in 2 phases with the first phase completed in the fall of 2023 and the second phase targeted for completion in the fall of 2024.
Applicant Name	Iskalo Development Corp
Applicant Address	5166 Main St
Applicant Address 2	
Applicant City	Williamsville
Applicant State	New York
Applicant Zip	14221
Phone	(716) 633-2096
Fax	(716) 633-5775
E-mail	dchiazza@iskalo.com
Website	www.iskalo.com
NAICS Code	Applicant NAICS 531120 Top Seedz NAICS 311821

Business Organization

Type of Business	Limited Liability Company
Year Established	2018

State

New York

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name david chiazza
Title Executive Vice President of Iskalo Development Corp.,
Mgr for Applicant
Address 5166 Main St
Address 2
City Williamsville
State New York
Zip 14221
Phone (716) 633-2096
Fax (716) 633-5775
E-Mail dchiazza@iskalo.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Paul B. Iskalo
Title Iskalo Development Corp
Address 5166 Main St
Address 2
City Williamsville
State New York
Zip 14221
Phone (716) 633-2096
Fax (716) 633-5775
E-Mail pbiskalo.com@iskalo.com

Company Counsel

Name of Attorney Terrence M. Gilbride
Firm Name Hodgson Russ LLP
Address 140 Pearl Street #100
Address 2 The Guaranty Building
City Buffalo
State New York

Zip 14202
Phone (716) 848-1236
Fax
E-Mail tgilbrid@hodgsonruss.com

Benefits Requested (select all that apply).

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

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

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Iskalo 101 Oak LLC is the owner of the building that is subject to the application. Applicant is an affiliate of Iskalo Development Corp., a full-service real estate developer. The principal tenant of the building is Top Seedz LLC which is a producer of seed-based toasted crackers and related seed-based products. Responses to questions immediately below are for Iskalo Development Corp.

Estimated % of sales within Erie County	70 %
Estimated % of sales outside Erie County but within New York State	5 %
Estimated % of sales outside New York State but within the U.S.	25 %
Estimated % of sales outside the U.S.	%

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

85

Describe vendors within Erie County for major purchases

Iskalo has extensive relationships with businesses located within Erie County that generally fall within the following categories: (a) Contractors and Suppliers including steel fabricators, masonry, mechanical, electrical and plumbing, carpentry, electrical, drywall, site, life safety, elevator, signage etc; (b) Professional Service Firms such as architects, civil and structural engineers, environmental consultants, legal, accounting and insurance services; (c) Property Maintenance Vendors including landscapers, snow plowers, window cleaners, janitorial services, elevator maintenance, etc., (d) Financial Services including Erie County based banks and lending institutions, appraisers etc.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

101 Oak Street

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

111.13-12-1.1

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

\$84,902.87

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

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

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

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Applicant is the owner of the 101 Oak Street property consisting of a single story building and related parking. The building contains 67,385 square feet of total space including 43,110 +/- square feet of high-bay space and 24,275 square feet of low-bay space. The building that was originally constructed by Allentown Industries (now Arc Erie County) in 1982 and sold to Applicant in October of 2018. The building had been entirely vacant since February of 2019 until Big Ditch Brewing occupied 15,162 square feet of space (20%) in the spring of 2022. In July of 2022, a lease was signed with Top Seedz LLC, a woman-owned, Buffalo-based start up company for 34,379 square feet of space in the building. The remaining unleased space in the building, approximately 17,844, consists of obsolete office space containing 40+ year old worn office finishes that will be removed as part of the Project and otherwise prepared to market to prospective tenants.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated 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)

The Project that is the subject of this application involves a major renovation and improvement to the 101 Oak Street building to principally facilitate the long term occupancy and operation of Top Seedz LLC. A 2017, woman-owned, Buffalo-based start-up company, Top Seedz produces toasted seed-based crackers and roasted seeds. Top Seedz was founded by Rebecca Brady, a native of New Zealand who relocated to Buffalo from Asia with her husband Will Brady who serves as Top Seedz Chief Operating Officer. Top Seedz (NAICS 311821) began its operations in a shared commissary space in the City of Buffalo. It's current production operation is located in an incubator-type building on Cayuga Road adjacent to the Buffalo Niagara International Airport that is owned by the N.F.T.A. Top Seedz also utilizes office space within the 43 North premises located at Seneca One. Top Seedz presently employs a highly labor intensive production process. A large percentage of their work force consists of entry-level labor; positions that have largely been filled by refugees via a relationship formed by Top Seedz with Journey's End Refugee Services. Top Seedz highly values its work force and believes that the employees hired through Journey's End is part of their identity. The prize money awarded to Top Seedz for winning the 2021 43 North competition is serving as the catalyst to evolve Top Seedz from the "start-up" phase of its business cycle to the "growth" stage as it seeks to expand its sales and distribution footprint nationally and into Canada. Key to facilitating this growth would be finding new, larger space to serve as its corporate headquarters and for the scaling of production and distribution through the introduction of automation. Though Top Seedz could locate anywhere (including out of state), it chose to grow their business in Western New York. After conducting a thorough building search in the Buffalo Metropolitan Area, Top Seedz settled on space in the 101 Oak Street building and a lease was signed in July of 2022. Based upon their assessment of needs at that time, only modest improvements would have been required to prepare their Premises at 101 Oak for occupancy (a copy of the exhibit to the lease describing these improvements has been provided to the Agency). Following the execution of the lease however, Top Seedz reconsidered how it would design and configure their production operation which increased the scope of the renovation and improvements substantially. The response to the "Project Summary" question in this application describes some of the major components of the renovation work required, the most significant of which involves the replacement and upgrade of the incoming power service to the building including construction of an exterior vault for a spot network and all new switchgear and panels. Other improvements include build-out of 6,000 square feet of office space for Top Seedz administrative offices, replacement and upsizing of the make-up air units serving the Production Area (including adding structural steel to support their increases size and replacement of the floor slab in the Production Area. The substantial renovation scope and estimated cost of \$3.5 million prompted the submission of this application to the Agency to request sales tax exemption on the materials to be used in the renovation. As provided for in the lease, Top Seedz would be responsible for a substantial portion of these increased costs. As an early-stage business, Top Seedz has limited capital and must carefully manage its debt load. The sales tax exemption requested by this application, if granted, will defray a portion of their share of the increased cost which savings will then be re-invested by Top Seedz in production-related equipment. As a point of reference, the estimated sales tax benefit of \$153,000 is roughly equivalent to the cost of four ovens used by Top Seedz to produce its products which, if in place today, would more than double their current production output.

Municipality or Municipalities of current operations

Iskalo owns real estate properties throughout the western region of NYS. Top Seedz production operations are housed in leased space proximate to the Buffalo Niagara International Airport in the Town of Cheektowaga. Top Seedz also utilizes offices located within the 43 North premises at Seneca One in the City of Buffalo.

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

No

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 within New York State 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 Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

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

No

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

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 short response to this question is that the Project would have to proceed even without assistance by the Agency to avoid further delay and associated hardship to Top Seedz. The sales tax exemption being sought, though important, amounts to just 4% of the estimated Project Cost (\$153,000 on \$3.5M) which is not a sufficient amount to terminate any project but that doesn't mean that the granting of the incentive is without merit and/or not addressing a hardship. Top Seedz commenced its search for new space in February of 2022 and signed a lease for the Premises at 101 Oak Street in July of 2022. As previously stated, the lease anticipated occupancy of the Premises for October of 2022. However, the redesign/re-engineering of the Premises has pushed out initial occupancy of the Premises until October of 2023. It would be catastrophic to Top Seedz to abandon the Project at this stage and begin the process anew. Top Seedz has successfully ramped up its sales effort however the delay associated with the Project has resulted in sales outpacing production requiring that they move to a 3-shift, highly labor intensive operation that they cannot sustain in their current facility indefinitely. Though Top Seedz would not have full utilization of their Premises (with the upgraded power) until fall of 2024, initial occupancy of the space this fall is critical to helping them increase production capacity. It should also be noted that there isn't the opportunity to reduce the cost of the Project as the improvements to be made to the building and the Top Seedz Premises are purely "functional" versus "aesthetic". The exemption, if granted, will (1) support the growth and expansion of Top Seedz, a woman-owned, Buffalo-born, start-up company and 43 North award winner, and all-around burgeoning Buffalo success story, (2) contribute toward the repurposing of a tired building occupying nearly a city block in downtown Buffalo, (3) will retain 42 FTE jobs with opportunities for growth in wages as new positions are created, and (4) will help to accelerate Top Seedz sales and distribution footprint beyond New York State (i.e. its Regional Wealth Creation). As a point of reference, the estimated \$153,000 in sales tax exemption benefit is roughly equivalent to the cost of four ovens that Top Seedz uses to produce its products that, if in place today, would more than double their production output. To be certain, an Agency can provide incentives to a project even if that project would proceed without that support. Clearly, the merits of the project would need to be considered including, among other things, the amount of investment being made and where it is being made, whether the project will contribute favorably to the economic well-being of the community, whether the project will expand the reach of an applicant beyond our region (i.e. Regional Wealth Creation), the degree to which it will retain and create jobs and increase payroll, and the degree to which any hardship might occur if the support requested is not granted. In weighing these considerations as it relates to the proposed Project, Applicant believes the merits of the application submitted are compelling.

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Applicant (Iskalo 101 Oak LLC), as the owner of the real property, will be undertaking the renovation and improvement work described in the Project Narrative. The lease arrangement with Top Seedz provides for a dollar figure allowance from the landlord to be applied to the cost of the Top Seedz related improvements. Any costs incurred by the landlord in excess of the allowance, which in this case is considerable, would need to be reimbursed by Top Seedz creating a financial hardship as Top Seedz has limited available capital and debt capacity for equipment purchases and other operational needs. The funds saved from its share of granted sales tax exemption would be used by Top Seedz for the purchase of additional equipment to further scale production in order to keep pace with sales growth. This will also aide in job retention and opportunities for job growth for existing employees as new positions will be created with higher wages. Also, meeting their sales and production goals will be beneficial to Top Seedz in their ability to pay off an RDC loan for Equipment and working capital. Finally, maximizing the use of their capital to expand production will further accelerate their sales and distribution expansion beyond NYS. Based upon their current projections (assuming fall occupancy of the Premises at 101 Oak and the sales tax exemption that would enable maximum purchase of equipment), Top Seedz forecasts 85% of its sales to be outside of Erie County with 40% outside of NYS in 2023, and 90% of its sales outside of Erie County and 62% outside of NYS in 2024. The granting of the sales tax exemption will also be of benefit to Applicant (the building owner) as it would offset a portion of the costs it will incur with respect to the replacement and power upgrade of the building. In order to meet the power requirements for Top Seedz, the entire power supply for the building will need to be replaced, including power presently in use by Big Ditch Brewing. Thus, Applicant will effectively be returning/giving back the building's existing power supply to National Grid (for no compensation) but rather than charge Top Seedz for the entire cost of the new power service, Landlord has opted to incur a share of the cost to minimize the impact to Top Seedz. In the case of both Top Seedz and Applicant, any and all sales tax savings received should the request be granted will be directly reinvested in building improvements to 101 Oak Street and capital equipment placed in service at 101 Oak Street.

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

No

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

See response to previous question.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

1-William; 2-Clinton; 4-Broadway; 6-Sycamore; 8-Main

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

on or about 4/25/23

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

Yes

Describe the present zoning/land use

Present zoning classification of 101 Oak Street property is N1C. Top Seedz is a permitted use in N1C subject to procurement of a Special Use Permit (SPU) from the City of Buffalo. An application for SPU together with a short form EAF (which lists this ECIDA incentive application as an action) was submitted to the City of Buffalo on 3/20/23. The SPU was approved by the City of Buffalo Common Council on April 25th, 2023.

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

No

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, describe the efficiencies achieved

Applicant will be purchasing and installing energy efficient make-up air units for Top Seedz production area and new LED light fixtures. Top Seedz will be purchasing state of the art production equipment including ovens, mixing and packaging equipment. You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

No

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

Select Project Type for all end users at project site (you may check more than one)

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales No

Services No

Please check any and all end uses as identified below.

No Acquisition of Existing Facility	No Assisted Living	Yes Back Office
No Civic Facility (not for profit)	No Commercial	No Equipment Purchase
No Facility for the Aging	No Industrial	No Life Care Facility (CCRC)
No Market Rate Housing	No Mixed Use	Yes Multi-Tenant
No Retail	No Senior Housing	Yes Manufacturing
No Renewable Energy	Yes Other	
	food processing	

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	43,110 square feet	\$	2,700,000	77%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	24,275 square feet	\$	800,000	23%
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 < BLANK >

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities

7/1/2023

End date : Estimated completion date of project

10/15/2024

Project occupancy : estimated starting date of occupancy

10/15/2023

Capital Project Plan / Budget

Estimated costs in connection with Project**1.) Land and/or Building Acquisition**

\$ 0	square feet	acres
------	-------------	-------

2.) New Building Construction

\$ 0	square feet
------	-------------

3.) New Building addition(s)

\$ 0	square feet
------	-------------

4.) Reconstruction/Renovation

\$ 2,800,000	67,385 square feet
--------------	--------------------

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 700,000

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

\$ 0

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 0

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost	\$ 3,500,000
-------------------	--------------

Construction Cost Breakdown:

Total Cost of Construction	\$ 3,500,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 1,750,000
% sourced in Erie County	90%

Sales and Use Tax:

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	\$ 1,750,000
---	--------------

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 153,125
--	------------

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (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:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 700,000
Bank Financing:	\$ 2,700,000
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):	\$ 100,000
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	Application to be made to National Grid under their Electric Capital Investment Program with max grant of \$100,000
Total Sources of Funds for Project Costs:	\$3,500,000
Have you secured financing for the project?	Yes

Mortgage Recording Tax Exemption Benefit:

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

Mortgage Amount (include sum total of construction/permanent/bridge financing).	financing is existing; no new financing
Lender Name, if Known	
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):	\$0

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 (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genesee.

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 PT jobs into

FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	42	42	0	0
Part time	0	0	0	0
Total	42	42	0	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	2	\$ 125,000	\$ 31,250	0	\$ 0	\$ 0
Professional	6	\$ 75,000	\$ 18,750	0	\$ 0	\$ 0
Administrative	1	\$ 60,000	\$ 15,000	0	\$ 0	\$ 0
Production	33	\$ 50,000	\$ 12,500	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	42			0		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

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

Payroll Information

Annual Payroll at Proposed Project Site upon completion

1,706,000

Estimated average annual salary of jobs to be retained (Full Time)

60,690

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

0

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time)	0	To (Full Time)	0
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

101 Oak Street, Buffalo NY

Name and Address of Owner of Premises

Iskalo 101 Oak LLC c/o Iskalo Development Corp., 5166 Main Street, Williamsville NY 14221

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

The 101 Oak Street Premises consists of a 67,385 square foot, single-story building and related parking. The property is fully improved/disturbed. There are no natural features.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The Premises/building and related improvements were constructed in 1982 by Allentown Industries (which later became ARC Erie County) which occupied the building until February 2019 (the property was purchased by applicant in October of 2018). ARC Erie County used the building for administrative offices, classrooms, client rehabilitation and (clean) light assembly. ARC made no improvements or upgrades to the building from its original construction to the date of its sale to applicant. Approximately 22% (15,162 SF) of the building is presently occupied for use as a brewery. Top Seedz will occupy approximately 51% (34,379 SF) of the building for food processing and for its offices. Approximately 27% (17,844 SF) of the building remains unleased and consists of 40+ year old outdated office finishes. Incidental to the Project will be the interior demolition of these old interior finishes in order to make the space available for lease with the potential of additional jobs.

Describe all known former uses of the Premises

See response above.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

Yes

If yes, please identify them and describe their use of the property

Big Ditch Brewing occupies 15,162 square feet of space in the Premises for use as a brewery.

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

There are no industrial process discharges current or proposed

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Storm water discharges from roof and parking lot; non-industrial waste water discharges from brewery into sanitary system

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

None

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

<BLANK>

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

mastic below sections of building with existing carpet and VCT; roof flashing

Section IV: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

Multi-Tenant Facility (to be filled out by developer)

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

The 101 Oak Street property consists of an existing building that was originally owner-occupied. The property was acquired by applicant in October of 2018. At the time of acquisition, Applicant was uncertain as to its plans for the property and building. In 2021, Big Ditch Brewing (an affiliate of Iskalo) leased 15,162 square feet of space for a production brewery in the building. Improvements were subsequently completed and Big Ditch occupied their premises in spring of 2022, becoming the building's first tenant (Applicant did not seek incentives for this project). As the inventory of light industrial space within the region is very tight (especially in the vicinity of downtown), Applicant began marketing the remaining space in the building for lease. Subsequently, Top Seedz expressed interest in the building for its operations and a long term lease was signed in July of 2022. Approximately 17,844 square feet of space in the building remains unleased. Incidental to the Project will be the removal of the 40+ year old, tired and worn interior finishes within this vacant space in order to make it available for lease which will create the potential for additional investment and job retention/creation.

Have any tenant leases been entered into for this project?

Yes

If yes, please list below and provide square footage (and percent of total square footage) to be leased to tenant and NAICS Code for tenant and nature of business

Tenant Name	Current Address (city, state, # of sq ft and % of total to be occupied at new projet site)	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
-------------	--	--

*fill out table for each tenant and known future tenants

Section V: Tenant Information**PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)****Tenant Name**

Top Seedz LLC

Property Address:

247 Cayuga Road

City/Town/Village

Cheektowaga, NY 14225

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

34,379

What percentage of the building does this represent?

51

Are terms of lease:

NET

If GROSS lease, please explain how Agency benefits are passed to the tenant

Lease is NNN. As explained elsewhere in the application, the sales tax exemption benefit will reduce Top Seedz share of the renovation and improvements costs to improve the building and the Premises for their use and occupancy.

Estimated date of occupancy

9/30/2023

PART 2 TO BE COMPLETED BY PROPOSED TENANT**Company Name:**

Top Seedz LLC

Local Contact Person:

Will Brady

Title:

Chief Operating Officer

Current Address:

247 Cayuga Road, Cheektowaga, NY 14225

Phone:

(716) 936-7345

Fax:**E-Mail:**

will@topseedz.com

Website:

www.topseedz.com

Company President/General Manager:

Rebecca Brady

Number of employees moving to new project location:**Full-Time:**

42

Part-Time:

0

Total:

42

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

Top Seedz (NAICS 311821) produces, packages and sells toasted, seed crackers and toasted seeds. All products are organic, gluten-free and vegan. Products are sold across the U.S. in grocery stores, specialty shops and on-line through the Top Seedz web site.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

Top Seedz is a woman-owned, Buffalo-based start-up company and 2021 winner of the 43 North competition

Please list the square footage which the proposed tenant will lease at the Project location

34,379

Please list the square footage which the proposed tenant leases at its present location(s)

6,653

Describe the economic reason for either the increase or decrease in leased space.

Top Seedz existing space in the Town of Cheektowaga is incubator type space that no longer can accommodate the growth in demand for their product. The increase in space at the 101 Oak Street location is required to accommodate Top Seedz 10-year growth plan.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

Yes

If owned, what will happen to the existing facility once vacated?

Existing space is located in a larger, multi-tenant building owned by the NFTA. Once vacated, NFTA will seek other tenants for the Top Seedz space.

If leased, when does lease expire?

3/31/2024

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

No

If yes, please provide details as to location, and amount of leased space, how long leased?

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Big Ditch Brewing

Property Address:

City/Town/Village

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

15,162

What percentage of the building does this represent?

22

Are terms of lease:

If GROSS lease, please explain how Agency benefits are passed to the tenant

Big Ditch Brewing is already in occupancy. The proposed project described in this application does not relate to their tenancy other than that their electric service will be switched over to the new electric service being installed in the building prompted by Top Seedz power requirements.

Estimated date of occupancy

7/1/2022

PART 2 TO BE COMPLETED BY PROPOSED TENANT**Company Name:****Local Contact Person:****Title:****Current Address:****Phone:****Fax:****E-Mail:****Website:****Company President/General Manager:****Number of employees moving to new project location:****Full-Time:**

0

Part-Time:

0

Total:

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

Please list the square footage which the proposed tenant will lease at the Project location

Please list the square footage which the proposed tenant leases at its present location(s)

Describe the economic reason for either the increase or decrease in leased space.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

<BLANK>

If owned, what will happen to the existing facility once vacated?

If leased, when does lease expire?

12/31/1969

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

<BLANK>

If yes, please provide details as to location, and amount of leased space, how long leased?

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

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. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: 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.

Current Address

101 Oak Street

City/Town

Buffalo

State

New York

Zip Code

14203

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:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

Yes

Within Erie County

Yes

If Yes to either question, please, explain

Top Seedz LLC is presently occupying incubator-type space owned by the NFTA alongside the Buffalo Niagara International Airport on Cayuga Road. This space was not intended to serve Top Seedz long term growth needs. Following Top Seedz winning the 2021 43 North Competition, it commenced a search for new space that could meet their long term needs to support sale of their product nationally.

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.)

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.)

The lease with Top Seedz for space at 101 Oak Street is already in place as Top Seedz was unable to find suitable space in the Town of Cheektowaga as further explained in a later response. They were looking for food grade, ight industrial zoned buildings with sufficient height to accommodate their food processing and related operations as well as supporting office space.

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 business was founded in Erie County-Though the principals of Top Seedz are neither Buffalo area or U.S. natives, they established the business in Erie County, reside here and prefer to grow the business here.-Top Seedz values its current employees (including many refugees) who all reside locally

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

Top Seedz presently leases space in a multi-tenant building owned by the NFTA. The space presently occupied by Top Seedz was intended to serve as incubator-type space to help establish the business. The space no longer meets Top Seedz current needs. Once Top Seedz occupies the Premises at 101 Oak Street, it is presumed that the NFTA will seek to lease the space on Cayuga Road to another tenant/business.

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.

Top Seedz retained an experienced commercial real estate broker to assist them in their search for space. It has been well publicized that there is minimal inventory of light industrial space in the Buffalo-Niagara region. Therefore, the search produced a limited number of properties for their consideration, including available space in two buildings located in the Town of Cheektowaga. The first space was located in the Concourse Center at 4039 Genesee Street and the second space was located at 425 Cayuga in the Airport Commerce Park. The space at the 4039 Genesee Street location was deemed by Top Seedz to be not suitable for their operation due its appearance/condition and that the office space would have had to be separated from the production/warehouse operation by some distance. The second space at 425 Cayuga, which is in a new, modern building, was found to be suitable. Top Seedz tendered an offer to lease this space however the landlord leased the space to a logistics company.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

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

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No