



**Erie County Industrial Development Agency
Meeting of the Membership
October 23, 2024
At 12:00 p.m.**

**ECIDA Offices
95 Perry Street, 4th Floor Conference Room
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 September 25, 2024 Meeting of the Membership (Action Item) (Pages 2-7)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 8-11)

3.2 Finance & Audit Committee Update (Informational)

a) 2025 Budget Timetable (Informational) (Page 12)

b) Approval of 2025 Proposed Budget (Action Item) (Pages 13-21)

3.3 Governance Committee Update (Informational) (Page 22)

a) Legal RFP (Action Item) (Pages 23-26)

3.4 2024 Tax Incentive Induced/Closing Schedule (Informational) (Pages 27-28)

3.5 Policy Committee Update (Informational) (Pages 29-32)

4.0 Inducement Resolution:

4.1 Hanes Supply, Inc. (33-77)

**ECIDA
Incentives
\$776,535**

**Private
Investment
\$ 6,000,000**

**Municipality
Buffalo**

5.0 Management Team Reports:

5.1

6.0 Adjournment- Next Meeting - Meeting November 20, 2024

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

- DATE AND PLACE:** September 25, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Denise Abbott, Rev. Mark Blue, Patrick Boyle, Thomas Emmerling, Hon. Joseph Emminger, Hon. John J. Gilmour, Michael P. Hughes, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Jr., Brenda McDuffie, Glenn R. Nellis, Hon. Brian Nowak, Hon. Mark C. Poloncarz, and Kenneth A. Schoetz
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, and Hon. Christopher Scanlon
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O’Keefe, Vice President of Operations¹; Jerry Manhard, Chief Lending Officer; Atiqa Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Michelle Moore, Compliance Associate; Lori Szweczyk, Director of Grants; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of Erie County; Mike Szukala on behalf of Erie County; Daniel Castle on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of the Buffalo News; Tony Masiello on behalf of M&M Associates; Ryan Herrell² on behalf of Laborers Way; Chuck Wilson on behalf of Upstate Niagara Corp.; and Adam Walters on behalf of Phillips Lytle

There being a quorum present at 12:03 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.

¹ Ms. O’Keefe participated via video conference.

² Mr. Herrell participated via video conference.

Mr. McDuffie welcomed John Gilmour as the new Erie County Legislative Chair of the Economic Development Committee, as a new member of the Board of the Agency.

MINUTES

The minutes of the August 28, 2024, 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 August financial reports. The balance sheet shows that the IDA ended the month with total assets of \$36.1M and net assets of \$19.6M. Overall assets increased due to an increase in cash during the month. The monthly income statement shows a net income of \$194,000 in August. Operating revenue of \$396,000 was above the monthly budget by \$188,000, due mainly to administrative fees received during the month. Operating expenses of \$247,000 were \$9,000 below our monthly budget, with most line variances under \$3,000. The variance in salaries and benefits is mostly due to differences in benefit costs from budget. After net non-operating revenue of \$45,000, there was a net loss of \$194,063 for the month. The year-to-date income statement shows operating revenues of \$1.5M, including administrative fee revenue of \$929,000. We are at 52% of our annual budget through eight months of the year. Other revenue lines are in line with the YTD budget. Operating expenses of \$2.05M are \$83,000 below budget. The negative \$78,000 variance on the salaries & benefits line is mostly due to the budget including room for performance incentives. Professional services are about \$26,000 below budget, due to lower than expected legal and consulting costs. Public Hearing and marketing is \$25,000 above budget due to additional marketing costs for RCP. Net special project grant expenses are \$16,000, and strategic initiatives year to date total \$326,000. After net non-operating revenue of \$311,000, there is currently a net loss of \$566,960 for the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Mr. Szukala, Chair of the Finance and Audit Committee, provided a report to the Board and noted that the Finance & Audit Committee unanimously recommended the 2025 budget be approved subject to changes of \$100,000 or more. Ms. Profic reviewed the 2025 proposed budget timeline. Ms. Profic noted the budgets have been reviewed and discussed in detail twice by the Finance & Audit Committee. After today's presentation of the draft budget to the Board, there will be two Budget Q&A sessions for Board members on October 3 and October 8. These are optional sessions, with one in person and one via Zoom. Calendar invitations for both sessions will be sent to board members after today's meeting as placeholders if you wish to attend. The budget will be presented for formal approval at next month's meeting. Budgets must then be submitted to the ABO by November 1. Ms. Profic then presented a PowerPoint of the proposed 2025 budget. Ms. McDuffie directed that the report be received and filed.

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

2024 Tax Incentives Induced/Closing Schedule. Mr. Cappellino provided this report. Ms. McDuffie directed that the report be received and filed.

Approval of the Rail Lease Agreement with Erie County and approval of the Rail Operator Lease Agreement. Mr. Cappellino reviewed the proposed Erie County railroad lease with the ECIDA and the related operating leases with the railroad operators.

Mr. Blue moved, and Mr. Nellis seconded to approve of the rail agreements. Mr. Poloncarz and Mr. Gilmour stated they would abstain from participating in the dialogue and the vote. Ms. McDuffie called for the vote, and the following resolution was unanimously approved with two members abstaining:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZING: (i) THE RATIFICATION AND CONFIRMATION OF AN EXTENSION TO A CERTAIN RAIL LINE LEASE AGREEMENT BY AND BETWEEN THE AGENCY AND THE COUNTY OF ERIE, AND (ii) THE NEGOTIATION AND EXECUTION OF EXTENSIONS OF CERTAIN RAIL LINE OPERATING AGREEMENTS BETWEEN THE AGENCY AND EXISTING OPERATORS

Urban Land Institute ("ULI") Advisory Panel Special Projects Request. Ms. McDuffie noted this item was tabled at last month's Agency board of director's meeting, and that she is now placing this item back on the agenda for consideration at today's meeting.

Mr. Cappellino reviewed the ULI funding request and confirmed with Mr. Blue that Mr. Brown's concerns related to the requested funding have been resolved.

Mr. Blue noted that he would abstain from voting.

General discussion ensued. Mr. Walters spoke on behalf of the ULI effort.

Mr. Kulpa expressed a timing concern with respect to the City's DRI application process.

Ms. McDuffie noted she is a local DRI application committee member and will abstain from consideration of this item.

Mr. Kulpa recommended language _____.

Mr. Kulpa moved and Mr. Nowak seconded to approve the ULI funding request provided the ULI actions be undertaken in a manner consistent with the City's DRI application process. Ms. McDuffie and Mr. Blue stated they would abstain from the vote. Ms. McDuffie then called for the vote and the following resolution was unanimously approved with two members abstaining:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY") TO (i) AUTHORIZE THE ALLOCATION OF \$25,000 FROM THE AGENCY'S U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT ("UDAG") REFLOW FUND TO BE UTILIZED IN FURTHERANCE OF AN URBAN

LAND INSTITUTE (“ULI”) ADVISORY SERVICES PANEL TO CONDUCT A REVIEW AND ANALYSIS OF THE JEFFERSON AVENUE CORRIDOR LOCATED IN THE CITY OF BUFFALO, AND (ii) TO ENTER INTO A GRANT AGREEMENT IN FURTHERANCE OF SAME

Policy Committee Update: Mr. Lipsitz noted there was no September Policy Committee meeting but noted in August, the Policy Committee approved the Upstate Niagara project. Ms. McDuffie directed that the report be received and filed.

Mr. Lipsitz moved and Mr. Emminger seconded to enter into Executive Session for the purpose of discussing a potential litigation matter against the Agency. The motion was then unanimously approved.

At 12:40 p.m., the Agency entered into Executive Session.

Upon motion made by Mr. Lipsitz and seconded by Mr. Blue, and unanimously approved, the Agency terminated Executive Session at 12:44 p.m.

INDUCEMENT RESOLUTION

Upstate Niagara Cooperative, Inc., North America Drive, West Seneca, New York. Mr. Cappellino reviewed this proposed sales and use tax and real property tax abatement benefits project consisting of the construction of 250,000 SF addition to the existing 225,000 SF facility which will significantly add to the manufacturing capacity as well as storage space for finished goods, ingredients and packaging.

General discussion ensued.

The Project’s cost benefit ratio was reviewed, 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 must covenant and agree 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, 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 \$127,500,000 (which represents the product of 85% multiplied by \$150,000,000, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 240 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 350 FTE employees [representing the sum of (x) 240 Baseline FTE and (y) 110 FTE employees, being the product of 85% multiplied by 130 (being the 130 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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.
- (vi) Construction Period Commitment – that the Company, in accordance with the EIP Policy, meets a 30% MWBE (25% MBE and 5% WBE) utilization rate, based upon total construction contract value, for construction activities.
- (vii) Post Construction Period Commitment – that the Company meets a 30% minority and women (minimum 20% minority and at least 30% minorities or women) job creation requirement within two years after Project completion and maintains those hires/percentages during the term of the applicable PILOT Agreement and on an annual basis completes/implements at least two (2) of the EIP Policy Best Practices as described therein during the term of the applicable PILOT Agreement.

Mr. Emminger moved and Mr. Nellis seconded to approve the Project. Mr. Emmerling stated he would abstain from the vote. Ms. McDuffie then called for the vote and the following resolution was unanimously approved with one abstention:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF UPSTATE NIAGARA COOPERATIVE, 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 AND (B) 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

AMENDATORY INDUCEMENT RESOLUTION

Laborers Way 1, LLC, 310 Ship Canal Parkway, Buffalo, New York. Mr. Cappellino described the proposed amendment to this already approved project to increase the sales and use tax exemption benefit due to overall general construction cost increases. General discussion ensued, regarding the amended increase in sales tax.

Mr. Poloncarz queried as to the timeline for completion. Mr. Herrell on behalf of the company responded March 2025 for certificate of occupancy. Mr. Poloncarz also queried as to only seeking sales tax since the building is already up and Mr. Cappellino stated in the affirmative.

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.

Mr. Poloncarz moved and Mr. Emminger seconded to approve the amendment. Mr. Emmerling abstained from the vote. Ms. McDuffie then called for the vote and the following resolution was unanimously approved with one abstention:

AMENDATORY RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE APPROVAL OF (i) AN INCREASE IN THE AMOUNT OF SALES TAX EXEMPTION BENEFIT AND (ii) CERTAIN MATERIAL TERMS AND CONDITIONS RELATED TO THE PROVISION OF FINANCIAL ASSISTANCE WITH RESPECT TO THE LABORERS WAY 1, LLC PROJECT (AS MORE FULLY DESCRIBED BELOW)

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:59 p.m.

Dated: September 25, 2024

Elizabeth A. O'Keefe, Secretary

Erie County Industrial Development Agency
Financial Statements
As of September 30, 2024

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet
September 30, 2024

	September 2024	August 2024	December 2023
ASSETS:			
Cash and Equivalents *	\$ 6,511,719	\$ 6,604,852	\$ 7,476,867
Restricted Cash & Investments *	17,614,552	17,585,046	16,004,625
Due from Affiliates	4,097,161	3,706,024	4,819,702
Due from Buffalo Urban Development Corp.	110,030	94,556	125,210
Other Receivables	155,745	225,631	88,321
Total Current Assets	<u>28,489,208</u>	<u>28,216,109</u>	<u>28,514,725</u>
Grants Receivable	5,244,137	5,244,137	4,869,218
Lease Receivable	664,184	682,333	824,838
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,487,979	1,510,087	1,506,504
Total Long-Term Assets	<u>7,903,186</u>	<u>7,943,442</u>	<u>7,707,447</u>
TOTAL ASSETS	<u>\$ 36,392,394</u>	<u>\$ 36,159,552</u>	<u>\$ 36,222,172</u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 227,328	\$ 207,964	\$ 455,331
Lease Payable	420,042	431,519	521,642
Deferred Revenues	4,849,846	4,927,496	4,764,541
Funds Held on Behalf of Others	10,655,181	10,337,598	9,516,218
Total Liabilities	<u>16,152,396</u>	<u>15,904,578</u>	<u>15,257,732</u>
Deferred Inflows of Resources Related to Leases	664,184	682,333	824,838
Net Assets	19,575,814	19,572,641	20,139,601
TOTAL LIABILITIES & NET ASSETS	<u>\$ 36,392,394</u>	<u>\$ 36,159,552</u>	<u>\$ 36,222,172</u>

* Cash and restricted cash is invested in interest bearing accounts at M&T Bank and obligations of the United States of America at Wilmington Trust. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution. Collateral is not required for U.S. government obligations.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of September 2024

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 129,806	\$ 150,000	\$ (20,194)
Management Fees - Affiliates and Others	39,658	39,725	(67)
Rental Income	18,943	18,433	509
Other Income	6,930	6,500	430
Total Revenues	195,337	214,658	(19,321)
EXPENSES:			
Salaries & Benefits	\$ 176,157	\$ 188,823	\$ (12,666)
General Office Expenses	22,842	21,508	1,334
Building Operating Costs	4,214	4,533	(319)
Professional Services	1,313	5,833	(4,520)
Public Hearings & Marketing	3,978	7,917	(3,939)
Travel, Mileage & Meeting Expenses	705	3,083	(2,378)
Depreciation and amortization	22,107	22,500	(393)
Other Expenses	675	1,396	(721)
Total Expenses	231,993	255,594	(23,601)
SPECIAL PROJECT GRANTS:			
Revenues	\$ 76,845	\$ 41,129	\$ 35,716
Expenses	(80,545)	(35,446)	(45,099)
	(3,700)	5,683	(9,383)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS :	(40,356)	(35,252)	(5,104)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Bethlehem Steel Industrial Park Grant	\$ -	\$ (8,333)	\$ 8,333
Angola Ag Park Grant	-	(4,167)	4,167
	-	(12,500)	12,500
NET OPERATING INCOME/(LOSS) :	(40,356)	(47,752)	7,396
NON-OPERATING REVENUE:			
Interest Income	\$ 45,326	\$ 13,208	\$ 32,118
Interest Expense	(1,798)	(11,250)	9,452
	43,528	1,958	41,570
NET INCOME/(LOSS):	\$ 3,172	\$ (45,794)	\$ 48,966

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: September 30, 2024

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 1,059,050	\$ 1,350,000	\$ (290,950)	\$ 1,059,050	\$ 1,327,893	\$ (268,843)
Affiliate Management Fees	353,175	353,775	(600)	353,175	354,925	(1,750)
Rental Income	274,439	272,900	1,539	274,439	271,633	2,806
Other Income	27,405	27,000	405	27,405	32,376	(4,971)
Total Revenues	1,714,069	2,003,675	(289,606)	1,714,069	1,986,827	(272,758)
EXPENSES:						
Salaries & Benefits	1,670,248	1,761,382	(91,134)	1,670,248	1,534,101	136,146
General Office Expenses	198,612	193,575	5,037	198,612	224,369	(25,757)
Building Operating Costs	36,962	40,800	(3,838)	36,962	37,319	(357)
Professional Services	51,925	82,900	(30,975)	51,925	73,282	(21,357)
Public Hearings & Marketing	92,191	71,250	20,941	92,191	54,400	37,791
Travel, Mileage & Meeting Expenses	28,004	27,750	254	28,004	16,211	11,793
Depreciation and amortization	198,967	202,500	(3,533)	198,967	200,611	(1,644)
Other Expenses	9,131	12,500	(3,369)	9,131	186,236	(177,105)
Total Expenses	2,286,041	2,392,657	(106,616)	2,286,041	2,326,529	(40,489)
SPECIAL PROJECT GRANTS:						
Revenues	505,376	370,162	135,214	505,376	424,740	80,636
Expenses	(525,401)	(319,012)	(206,389)	(525,401)	(347,294)	(178,106)
	(20,025)	51,150	(71,175)	(20,025)	77,445	(97,470)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS:						
	\$ (591,997)	\$ (337,832)	\$ (254,165)	\$ (591,997)	\$ (262,257)	\$ (329,740)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Bethlehem Steel Industrial Park Grant	\$ (98,064)	\$ (100,000)	\$ 1,936	\$ (98,064)	\$ (164,061)	\$ 65,997
Angola Ag Park Grant	(12,545)	(50,000)	37,455	(12,545)	(46,270)	33,725
Bethlehem Steel Industrial Park Grant Reimb	-	300,000	(300,000)	-	-	-
Buffalo Urban Development Corporation	(100,000)	(100,000)	-	(100,000)	-	(100,000)
Other Strategic Initiatives	(115,525)	(75,000)	(40,525)	(115,525)	(103,975)	(11,550)
	(326,134)	(25,000)	(301,134)	(326,134)	(314,306)	(11,828)
NET OPERATING INCOME/(LOSS):						
	(918,131)	(362,832)	(555,300)	(918,131)	(576,563)	(341,568)
NON-OPERATING REVENUE:						
Interest Income	372,224	118,875	253,349	372,224	\$ 286,163	86,060
Interest Expense	(17,880)	(11,250)	(6,630)	(17,880)	(6,309)	(11,571)
	354,344	107,625	246,719	354,344	279,854	74,489
NET INCOME/(LOSS):						
	\$ (563,788)	\$ (255,207)	\$ (308,581)	\$ (563,788)	\$ (296,709)	\$ (267,078)

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

2025 Budget Process

<u>Date</u>	<u>Description</u>	
July-August	Review of draft 2025 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 20	Finance & Audit Committee meeting – initial review and discussion of proposed budgets.	✓
September 17	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	✓
September 25	Review of 2025 proposed budgets at Board meetings.	✓
October 3 10:30 a.m.	Board Q&A budget session #1 <u>in person</u> (voluntary).	✓
October 8 10:00 a.m.	Board Q&A budget session #2 <u>virtual</u> (voluntary).	✓
October	Adjustments to budget based on Board feedback and Finance & Audit Committee recommendation of final budgets (<i>if necessary</i>).	✓
October 23	Board meetings – action to approve final 2025 budgets.	
November 1	Deadline for final approved budgets to be submitted to the ABO.	

Erie County Industrial Development Agency
Proposed 2025 Budget

Erie County Industrial Development Agency (ECIDA)
2025 Budget + 3 Year Forecast

A. Overview of Changes in 2025 Budget

Presented herein is the projected operating budget for the Erie County Industrial Development Agency's ("ECIDA") year ending December 31, 2025 and a three-year forecast for 2026–2028.

The ECIDA is a not-for-profit, public benefit corporation that provides tax incentives, financing programs and economic development services in Buffalo and Erie County. In accomplishing its mission, ECIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the key source of revenue for the ECIDA is the administrative fees charged to those companies that utilize its various products and services. The income that the ECIDA generates is utilized to provide salaries to its professional staff for managing various economic development programs, as well as payments for professional fees, general office expenses, public notices/marketing, building costs and other miscellaneous expenses.

For the year ending December 31, 2025, the Agency is projecting net income from operations of \$97,518. Depreciation and amortization, noncash expenses, are estimated at \$235,290 and brings the budgeted operating loss to \$137,772. There are also expenses of \$300,000 budgeted for external projects, all of which is handled with existing UDAG funds, rather than operating cash. This leads to an overall budgeted net loss of \$437,772, which is driven by noncash expenses.

The following significant risk factors may impact the 2025 results:

1. A significant portion of the ECIDA's administrative fee income is derived from a few large tax incentives and/or tax-exempt bond projects. The Agency does not collect a fee until the project (usually construction) is started, since many factors affect project timing. Depending on the timing of these projects, the Agency's fee income can fluctuate significantly from year to year.
2. Changes in the overall national and/or regional economy could result in a decrease in local investment projects that are assisted by the Agency, resulting in a corresponding decrease in administrative fee income.

The following information details the key changes in the 2025 budget compared to the 2024 projected revenues and expenses:

Erie County Industrial Development Agency (ECIDA)

2025 Budget + 3 Year Forecast

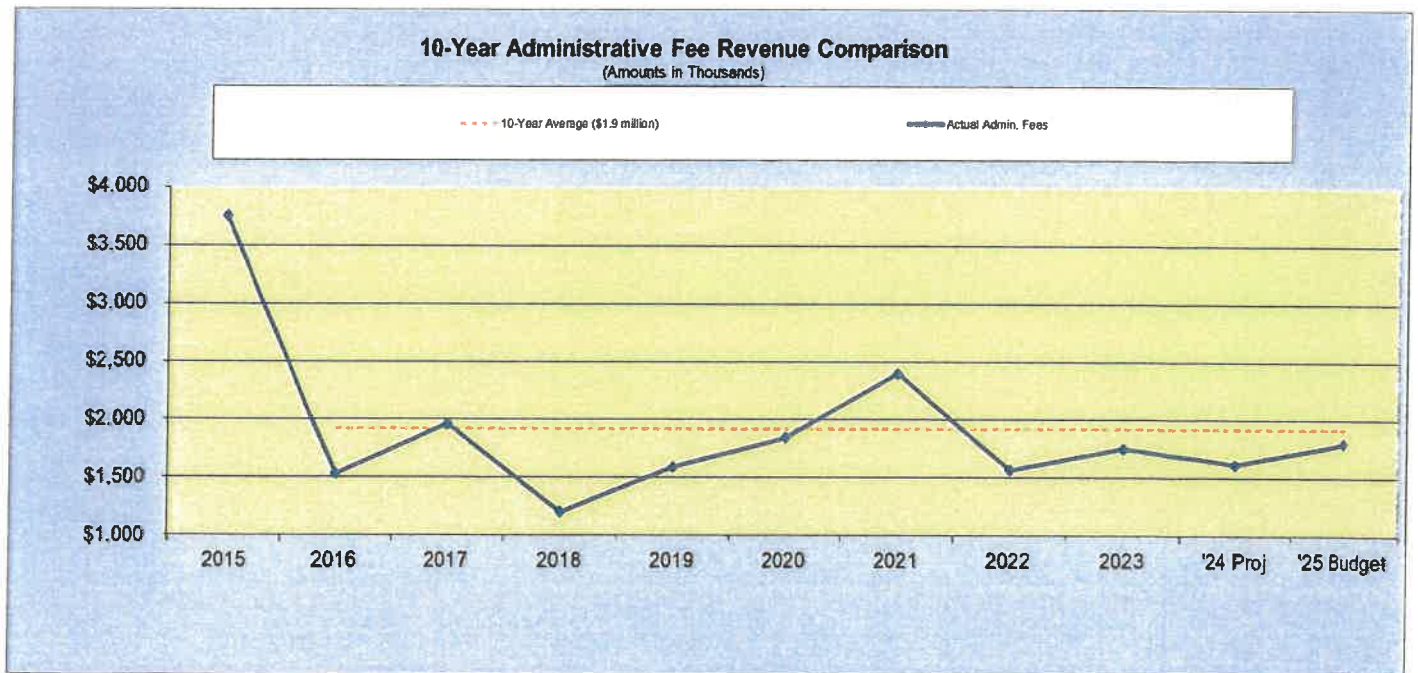
A. Overview of Changes in 2025 Budget (continued)

Revenues:

Administrative Fees (2025 Budget - \$1.8 million):

Administrative fees primarily consist of fees earned by the ECIDA through the provision of tax abatements. During 2024, administrative fees included projects such as Moog in Elma and Solar Liberty Energy Systems in Evans. Additionally, the Agency has closed on one tax-exempt bond issuance in 2024, which resulted in fees collected of \$337,000. Since some fees are recognized over multiple years (in accordance with the terms of the related fee agreements), the Agency expects to recognize approximately \$1 million of fees in 2025 related to prior year project approvals. The budgeted figure of \$1.8 million was derived using the 2015-2024 10-year average.

The following chart summarizes the actual administrative fee revenue over the past 10 years compared to the average administrative fee for the 10-year period from 2015-2024:



Erie County Industrial Development Agency (ECIDA)
2025 Budget + 3 Year Forecast

A. Overview of Changes in 2025 Budget (continued)

Affiliate Management Fees (increasing 50.4% from \$321,500 to \$483,500):

Affiliate Management Fees represent salary, benefit, and facilities costs charged to ECIDA's affiliated companies (RDC & ILDC) for office space and services that ECIDA employees provide to these organizations, since they have no employees of their own. Previously, charges to ILDC related to the Erie County Business Development Fund (BDF) microloan fund only, while time related to land development was supported by ECIDA. ILDC has operational support included in its 2025 budget which will result in additional ECIDA staff time charged to that entity.

Management Fees – BUDC (increasing 1.0% from \$102,000 to \$103,000):

Management Fees – BUDC are salaries and benefit costs charged to Buffalo Urban Development Corporation (“BUDC”) and its affiliates for services that ECIDA employees provide. ECIDA provides financial reporting, facilities management, and administrative services to BUDC as part of a shared services agreement. Management fees are expected to increase slightly in 2025 due to increased salaries and benefits costs for employees who charge hours to BUDC and its affiliates.

Rental Income (decreasing 6.4% from \$328,700 to \$307,700):

Rental Income represents rent received by ECIDA from BUDC for office space, two facilities owned by ECIDA and other smaller agreements. Rent for leased space at 143 Genesee Street is recognized as a combination of rent revenue and interest income related to the lease, with the lease agreement in place through July 2027. The decrease in the overall budget is due to rent from the Port Terminal management agreement budgeted at \$73,000 in 2025 based on projections from the management company, with \$111,000 being received in 2024.

Expenses:

Salaries & Benefits (increasing 6.2% from \$2.25 million to \$2.39 million):

The increase in the 2025 budgeted salaries and benefits compared to the projected 2024 figures is due to several factors. Salary increases and a potential performance incentive pool calculated at 4% of total salaries are included in the budget. Compensation increases are based on an independent compensation study of ECIDA employees, comparing Agency employee salaries with other individuals in the local labor market who have similar titles and responsibilities. These adjustments, if any, will also be reviewed and approved by the ECIDA Board Compensation Committee for Executive Management and by the CEO for other staff. Significant annual rate increases for health care also contribute to higher employee benefit costs. Professional development and training costs are also included in this category. As an organization of specialized professionals, salaries and benefits account for 79% of 2025 budgeted operating expenses.

General Office Expenses (increasing 6.1% from \$142,300 to \$151,000):

The increase in 2025 budgeted general office expenses compared to the projected 2024 figures is due mainly to increases in budgeted copier and postage costs, as well as membership dues and subscriptions. Other expenses included in this line item are information technology expenses, telephone and internet, and office supplies.

Erie County Industrial Development Agency (ECIDA)
2025 Budget + 3 Year Forecast

A. Overview of Changes in 2025 Budget (continued)

Building Operating Costs (increasing 48.4% from \$75,500 to \$112,000):

Building operating costs include costs related to ECIDA’s office at 95 Perry Street (rent and interest expense associated with the lease, parking) and the ECIDA-owned building at 143 Genesee Street (property taxes, maintenance, etc.). Costs associated with ECIDA’s office lease are recognized as a liability and intangible right-to-use asset in accordance with GASB Statement No. 87, *Leases*. As a result, cash outflows will differ from expense recorded. ECIDA’s office lease was renewed in 2023 and requires ECIDA to pay its proportionate percentage of property taxes and operating costs of the building, which are budgeted at \$38,000 for 2025. Under the previous sublease agreement these costs were not passed on to ECIDA.

Professional Services (increasing 48.6% from \$60,400 to \$89,800):

Professional Services consist of the following:

	2025 Budget	2024 Budget	2024 Projection
Legal	\$45,000	\$45,000	\$29,400
Consultants	\$15,000	\$25,000	\$600
Auditing	\$29,800	\$30,400	\$30,400
Total	\$89,800	\$100,400	\$60,400

In 2025, legal expenses are budgeted at \$45,000, consistent with the 2024 budget. Consultant expenses are budgeted at \$15,000. 2024 consultant costs are projected lower than budget due to ECIDA’s use of consultants specific to grant or special project funding in 2024. Audit costs are in accordance with current proposals.

Erie County Industrial Development Agency (ECIDA)
2025 Budget + 3 Year Forecast

B. External Special Projects

The ECIDA’s 2025 budget currently includes \$175,000 for external projects and \$125,000 allocated for carrying costs related to ILDC property holdings that are consistent with the restrictions on the UDAG and/or General Funds as follows:

Project	2025 Budget	2024 Budget	2024 Projection
External Special Projects	\$ 175,000	\$ 175,000	\$ 175,000
Renaissance Commerce Park Grant	100,000	100,000	100,000
Angola Ag Park Grant	25,000	50,000	50,000
Other Strategic Initiatives	-	-	40,525
Reserves for Future Projects:			
Forgivable Attraction Loan	-	1,000,000	-
Total	\$ 300,000	\$ 1,325,000	\$ 365,525

External Special Project allocations of \$175,000 include organizations that have received funding in the past, such as Downtown Initiatives spearheaded by BUDC (\$100,000) and the Agency’s annual membership expenditure with Invest Buffalo Niagara (\$75,000). These items will not require specific Board action to be expended.

\$100,000 is budgeted for Renaissance Commerce Park, representing anticipated carrying costs related in 2025, while \$25,000 is budgeted for Angola Ag Park.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget for 2025

	Proposed Budget 2025	Approved Budget 2024	Projected 2024	Actual 2023
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 1,616,000	\$ 1,749,882
Affiliate Management Fees	483,500	341,700	321,500	247,752
Management Fees - BUDC	103,000	130,000	102,000	112,025
Rental Income	307,730	328,200	328,724	316,002
Other Income	34,000	34,000	31,445	44,666
Interest Income - Cash & Investments	375,000	125,000	380,184	368,456
Interest Income - Leases	25,318	33,500	36,346	43,976
Total Revenues	3,128,548	2,792,400	2,816,199	2,882,759
EXPENSES:				
Salaries & Benefits	2,385,980	2,327,850	2,245,809	2,035,058
General Office Expenses	151,000	138,100	142,344	162,381
Insurance Expense	120,000	110,000	121,311	104,563
Building Operating Costs	112,000	69,400	75,480	92,749
Professional Services	89,800	100,400	60,441	82,563
Marketing, Promotion & Public Hearings	105,000	95,000	116,545	118,995
Travel, Mileage & Meeting Expenses	35,500	37,000	38,079	24,571
Website Compliance & Design	15,000	10,000	25,550	-
Other Expenses	16,750	16,750	26,059	189,753
Total Expenses	3,031,030	2,904,500	2,851,619	2,810,634
GRANT INCOME:				
Revenues	5,198,286	2,439,804	465,531	517,991
Expenses	(5,198,286)	(2,431,604)	(457,878)	(469,897)
	-	8,200	7,652	48,094
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	97,518	(103,900)	(27,767)	120,219
Depreciation and amortization	(235,290)	(270,000)	(265,290)	(204,228)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	(137,772)	(373,900)	(293,057)	(84,009)
EXTERNAL SPECIAL PROJECTS:				
Buffalo Downtown Initiatives (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	75,000	75,000	75,000
Renaissance Commerce Park grant paid	100,000	100,000	100,000	164,061
ILDC Land Sale Proceeds (reimbursement)	-	(300,000)	(274,450)	-
Angola Ag Park grant paid	25,000	50,000	50,000	46,270
Other Strategic Initiatives	-	-	40,525	28,975
Total Special Projects	300,000	25,000	91,075	414,306
NET INCOME (LOSS) BEFORE OTHER RESERVES:	(437,772)	(398,900)	(384,132)	(498,315)
Other Reserves:				
Use of IDA reserves for operations	-	-	(118,842)	-
Forgivable Attraction Loan(s)	-	1,000,000	-	-
Total Other Reserves	-	1,000,000	(118,842)	-
NET INCOME/(LOSS):	\$ (437,772)	\$ (1,398,900)	\$ (265,290)	\$ (498,315)

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget and Three Year Forecast 2026-2028**

	Proposed Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,850,000	\$ 1,900,000	\$ 1,900,000
Affiliate Management Fees	483,500	493,000	503,000	513,000
Management Fees - BUDC	103,000	105,000	107,000	109,000
Rental Income	307,730	307,730	307,730	307,730
Other Income	34,000	40,000	40,000	40,000
Interest Income - Cash & Investments	375,000	386,000	398,000	410,000
Interest Income - Leases	25,318	26,000	27,000	28,000
Total Revenues	3,128,548	3,207,730	3,282,730	3,307,730
EXPENSES:				
Salaries & Benefits	2,385,980	2,434,000	2,483,000	2,557,000
General Office Expenses	151,000	156,000	161,000	166,000
Insurance Expense	120,000	124,000	128,000	132,000
Building Operating Costs	112,000	116,000	119,000	122,000
Professional Services	89,800	92,000	95,000	98,000
Marketing, Promotion & Public Hearings	105,000	108,000	111,000	114,000
Travel, Mileage & Meeting Expenses	35,500	37,000	38,000	39,000
Website Compliance & Design	15,000	20,000	-	-
Other Expenses	16,750	17,000	18,000	19,000
Total Expenses	3,031,030	3,104,000	3,153,000	3,247,000
GRANT INCOME:				
Revenues	5,198,286	250,000	250,000	250,000
Expenses	(5,198,286)	(250,000)	(250,000)	(250,000)
	-	-	-	-
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	97,518	103,730	129,730	60,730
Depreciation and amortization	(235,290)	(235,000)	(235,000)	(235,000)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	(137,772)	(131,270)	(105,270)	(174,270)
EXTERNAL SPECIAL PROJECTS:				
Buffalo Downtown Initiatives (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	75,000	75,000	75,000
Renaissance Commerce Park grant paid	100,000	50,000	45,000	45,000
ILDC Land Sale Proceeds (reimbursement)	-	(150,000)	(150,000)	(150,000)
Angola Ag Park grant paid	25,000	25,000	25,000	25,000
Total Special Projects	300,000	100,000	95,000	95,000
NET INCOME/(LOSS):	\$ (437,772)	\$ (231,270)	\$ (200,270)	\$ (269,270)

Erie County Industrial Development Agency
Proposed Five Year Capital Budget 2025-2029

	2025	2026	2027	2028	2029	Total
Facilities:						
143 Genesee Street	\$ 30,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 90,000
95 Perry Street	5,000	5,000	5,000	5,000	5,000	25,000
Total Facilities	35,000	20,000	20,000	20,000	20,000	115,000
Information Technology:						
Replace Laptops	-	25,500	-	-	-	25,500
Servers	12,000	-	-	12,000	-	24,000
Infrastructure Upgrade	-	-	-	-	-	-
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
Total Information Technology	15,000	28,500	3,000	15,000	3,000	64,500
GRAND TOTAL	\$ 50,000	\$ 48,500	\$ 23,000	\$ 35,000	\$ 23,000	\$ 179,500



To: ECIDA, RDC, and ILDC Board of Directors

From: Governance Committee – Brenda McDuffie (Chair)

Date: October 23, 2024

Re: Governance Committee Report

In accordance with the Governance Committee Charter, the Governance Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

Committee members in attendance: Brenda McDuffie (Chair), Thomas Baines, Zachary Evans, Tyra Johnson, Hon. Brian Kulpa, Hon. Christopher Scanlon, Kenneth Schoetz, and David State

The ECIDA, RDC, and ILDC Joint Governance Committee met on October 18, 2024 to review the following item:

Legal RFP Recommendations: The Governance Committee received a comprehensive description of the process undertaken to perform the recent RFP for professional legal services. The Committee was then presented with the summary scoring and staff committee’s recommendations for General Counsel, Loan Counsel, and Tax-Exempt Bond Counsel positions, with primary and conflict recommendations for each. After thorough discussion of the staff committee’s recommendations, the Governance Committee voted in the affirmative to recommend the slate as presented to the Board.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

Legal RFP Timetable

Anticipated Date		Completed
June 17 – June 28	Draft RFP & scoring sheet distributed to review team and Governance Committee for review & comments	✓
July 1 – 16	Finalize RFP with review team & Governance Committee feedback	✓
July 17	Legal RFP sent to top 10 largest Erie County law firms and notice published in various publications and website	✓
July 26	Due date for questions regarding Legal RFP from bidders	✓
August 2	Responses to Legal RFP Questions posted to ECIDA’s website	✓
August 23	Due date for Legal RFP responses	✓
August 26 – September 6	Legal RFP responses reviewed, ranked and discussed by review team	✓
September 25-26	Interviews conducted for top-ranked General Counsel, Loan Counsel & Tax-Exempt Bond Counsel firms by review team	✓
October	References checked (if needed) for top-ranked legal firms by review team	✓
October 18	Governance Committee review and recommendation of legal counsel	✓
October 23	Board Meeting to approve Governance Committee’s recommended legal counsel	
By November 30	New Contract finalized with selected legal counsel*	

* Note: Current contracts extended to November 30, 2024

Erie County Industrial Development Agency & Affiliates

LEGAL REQUEST FOR PROPOSAL

RFP Development/Review:

The 2024 Legal Request for Proposal (RFP) process undertaken by ECIDA staff was based on the 2018 RFP process and feedback resulting from that process. A draft of the RFP was distributed to the Governance Committee on June 27, 2024 for review and comment.

RFP Notice/Distribution:

Copies of the RFP were distributed on July 17, 2024 to the top 10 law firms with corporate-related expertise as referenced in the Business First “Book of Lists”, plus a currently engaged firm outside of that list. Public notices of the RFP were placed in The Buffalo News, The Buffalo Criterion, The Challenger News and posted on the ECIDA website. Copies of the RFP were also sent to the Erie County Bar Association, Minority Bar Association of WNY and Women’s Bar Association of WNY for distribution to their membership.

RFP Questions/Responses:

RFP questions were due July 26, 2024. One law firm submitted a question related to current counsel hourly rates. The response was posted on the ECIDA website for reference by all bidders.

Evaluation of Responses:

Five responses were received on or before August 23, 2024. A list indicating each firm’s desired positions are outlined in Attachment A.

A committee comprised of five ECIDA staff members reviewed the legal proposals based on the following criteria (also detailed in the RFP):

- 1) Qualifications and experience of the partners and associates to be assigned to the engagement (40% of total score)
- 2) Fees (25% of total score)
- 3) Qualifications and experience of the firm (25% of total score)
- 4) M/WBE Development (10%)

The ECIDA staff review committee short-listed the firms (outlined in Attachment A) and conducted interviews on September 25-26 (2 for general counsel, 3 for loan counsel and 2 for tax-exempt bond counsel. ECIDA staff conducted reference checks as necessary.

Governance Committee Review:

The Governance Committee met on October 18, 2024 and reviewed the RFP process as well as detailed information summarizing the ECIDA staff review committee’s evaluations and recommendations for legal counsel. The Governance Committee unanimously recommended the law firms listed below for approval by the ECIDA, RDC, and ILDC Boards.

Board Action:

The Board is requested to approve entering into contracts for legal services with each of the following law firms recommended by the Governance Committee consistent with the ECIDA's Professional Services RFP policy, the legal RFP, and applicable law firm's bid documents. The term of the contracts will be for a period of three years, with two one-year extensions available. Contracts will also include the ability for either party to cancel with 90-days' notice.

Primary Counsels:

- | | |
|----------------------------|--------------|
| 1. General Counsel | Harris Beach |
| 2. Tax-Exempt Bond Counsel | Hodgson Russ |
| 3. Loan Counsel | Hurwitz Fine |

Conflict Counsels:

- | | |
|----------------------------|--------------|
| 1. General Counsel | Hurwitz Fine |
| 2. Tax-Exempt Bond Counsel | Harris Beach |
| 3. Loan Counsel | Harris Beach |

**Erie County Industrial Development Agency
Legal Proposals Received - 8/23/24**

<p>X = Bid Received Shaded = Short-listed by Review Committee and interviewed</p>
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	General Counsel		Tax-Exempt Bond Counsel		Loan Counsel	
	Primary	Conflict	Primary	Conflict	Primary	Conflict
Harris Beach	X	X	X	X	X	X
Hawkins Delafield Wood			X	X	X	X
Hodgson Russ			X	X	X	X
Hurwitz Fine	X	X			X	X
Rupp Pfalzgraf	x	x			x	x
Total Number Proposing	3	3	3	3	5	5

Tax Incentives Approved - 2024

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
Mar-24	BPS Commissary ²	Buffalo	\$34,135,084	85% threshold \$29,014,821	16	35	0	15	85% - New 12 PT	156	141	project completion date + 2 yrs	\$1,479,997	1.22
Mar-24	SL Evans	Evans	\$20,769,000	85% threshold \$17,653,650	0	0	0	0	0	90	79	20 Years	\$4,238,447	1.4
Aug-24	3200 Clinton Street, LLC/Agile Cold Storage	West Seneca	\$46,530,000	85% threshold \$39,550,500	0	0	55	0	85% - New 46 FT	245	232	Period of PILOT 10 Years	\$10,034,208	1.10
Sep-24	Upstate Niagara Cooperative, Inc.	West Seneca	\$150,000,000	85% threshold \$127,500,000	240	0	130	0	85% - New 110 FT	592	1,302	Period of PILOT 10 Years	\$9,925,843	1.82
Sep-24	Laborers Way 1, LLC ²	Buffalo	\$45,290,000	85% threshold \$38,496,500	0	0	20	34	85% - New 31 FTE	179	191	Period of PILOT 15 Years	\$1,630,000	1.24

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								
	2024 Total	\$296,724,084	256	35	205	49	1,262	1,945	\$27,308,495

Tax Incentives Closed - 2024

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
2/1/2024	Sumitomo Rubber USA, LLC	Tonawanda	\$127,671,671	1,399	0	0	0	10/27/2021	12/31/2023
5/30/2024	1175 Delaware/Delaware Place Stark Real Estate/Stark	Buffalo	\$16,750,000	0	0	0	2	6/28/2023	12/31/2025
5/30/2024	Renewables	Tonawanda	\$16,250,000	50	0	120	10	11/29/2023	8/31/2026

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

	3	\$160,671,671	1,449	0	120	12
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**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

DATE AND PLACE: October 3, 2024 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, A.J. Baynes, Rev. Mark E. Blue, Gregory R. Inglut, Richard Lipsitz, Jr., Dr. Susan McCartney, Brenda W. McDuffie, Hon. Glenn R. Nellis, Laura Smith and Lavon Stephens

EXCUSED: Hon. April Baskin, Hon. Byron W. Brown, Zachary Evans and David J. State

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O’Keefe, Vice President of Operations; Grant Lesswing, Director of Business Development; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Michelle Moore, Compliance Associate, Elizabeth Hughes, Esq., Harris Beach PLLC and Robert G. Murray, Esq., as General Counsel/Harris Beach PLLC

GUESTS: Yessica Vasquez on behalf of the City of Buffalo; Josh Veronica on behalf of Buffalo Niagara Partnership; William Hanes on behalf of Hanes Supply and Robert Kapilevich on behalf of Pfannenber

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

Mr. Lipsitz welcomed new committee member, Greg Inglut, as a newly appointed Policy Committee member.

MINUTES

The minutes of the August 1, 2024 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Dr. McCartney, the Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino presented the project matrix to the Committee. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATION

Hanes Supply Inc., 55 James E. Casey Drive, Buffalo, New York 14206. Ms. O'Keefe presented this proposed sales and use tax and real property tax abatement benefits project consisting of the construction of a 56,575 SF addition to the existing 55,000 SF facility for additional warehouse/production uses as the company has outgrown their current space.

Ms. O'Keefe confirmed that Hanes Supply Inc. is seeking approximately \$776,535 in assistance including sales tax exemption and real property tax exemption. Annual payroll at the site upon project completion is projected at \$7,000,000. The resulting cost benefit is 141:1 so for every \$1 of incentives the community benefit is \$141 in payroll & tax revenue. For Erie County, for every \$1 of incentives the community benefit is \$182 in benefits to the community.

Ms. McDuffie queried about the company's anticipated participation in the EIP Program.

Mr. Hanes responded on behalf of the company.

At this point in time, Mr. Blue and Ms. Abbott joined the meeting.

Mr. Baynes queried if the Buffalo growth includes consolidating other facilities. Mr. Hanes responded that the Buffalo facility is growing on its own and without any consolidation with other facilities.

Mr. Stephens queried as to the types of new jobs that may be created and Mr. Hanes responded accordingly and noted it primarily relies on social media and word of mouth for hiring opportunities.

Mr. Stephens stated that Work Force Buffalo will be able to help locate potential new employees.

General discussion ensued.

Ms. Smith commended the company for its efforts to utilize the Agency's EIP policies.

Ms. O'Keefe stated that in exchange for providing the sales and use tax and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to 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 = \$6,000,000 85% = \$5,100,000
Employment	Coincides with 10-Year PILOT	Maintain Base = 87 FTE Create 85% of Projected Projected = 10 FTE 85% = 8 FTE Recapture Employment = 95 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 and real property tax

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

Pfannenbergl Realty USA Inc., 13595 Broadway, Alden, New York 14004. Ms. O’Keefe presented this proposed sales and use tax benefits project involving the moving of their facility to Alden and the renovation of an existing 143,000 square-foot manufacturing facility for office related uses and for renovation of manufacturing space for operations, testing lab purposes, and to accommodate operations and future growth including upgrades to loading docks and the creation of quality warehousing space.

Ms. O’Keefe confirmed that Pfannenbergl Realty USA Inc. is seeking approximately \$176,750 in assistance including sales tax exemption. Total annual payroll is projected at \$7,000,000 upon project completion. The resulting cost benefit is 199:1 so for every \$1 of incentives the community benefit is \$199 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$349 in benefits to the community.

Ms. O’Keefe stated that in exchange for providing the sales and use tax benefit, 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 = \$11,500,000 85% = \$9,775,000
Employment	2 years after project completion	Maintain Base = 104 FTE Create 85% of Projected Projected = 36 FTE 85% = 30 FTE Recapture Employment = 134 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	2 years after project completion	Adherence to policy
Unpaid Tax	2 years after project completion	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes

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

There being no further business to discuss, the meeting was adjourned at 9:38 a.m.

Dated: October 3, 2024

Elizabeth A. O'Keefe, Secretary

Expansion - Warehouse & Production Space / Hanes Supply Inc
\$ 6,000,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 332610

COMPANY INCENTIVES

- Approximately \$ 417,785 in real property tax savings.
- Up to \$358,750 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 85 FT, 5 PT (87 FTE)
- Est. salary/yr. of jobs retained: \$61,000
- Projected new jobs: 10 FT
- Est. salary/yr. of jobs created: \$ 48,000
- Annual Payroll: \$ 7,000,000
- Total jobs after project completion: 97
- Construction Jobs: 24

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$115,864,788
 - Spillover Jobs: 80
- Total Payroll: \$109,401,384

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

- Incentives: \$736,300
- Net Present Value of Property Tax Exemption: \$ 377,550
- Community Benefit: \$104,113,787
- Cost: Benefit Ratio
- 1:141

Project Title: Hanes Supply Inc - Expansion

Project Address 55 James E. Casey Drive, Buffalo, NY 14206
 (Buffalo City School District)

Agency Request

A sales tax, and real property tax abatement in connection with a 56,500 SF building that is adjacent to the applicant's current 55,000 SF facility. The new building will be used primarily as warehouse space with additional space for offices, restrooms and a breakroom.

New Building Construction	\$ 5,500,000
Manufacturing Equipment	\$ 50,000
Non- Manufacturing Equipment	\$ 300,000
Soft Costs/Other	\$ 150,000
Total Project Cost	\$ 6,000,000
 85%	 \$ 5,100,000

Company Description

Hanes Marine & Cable was founded in 1930 by Ted Hanes Sr, an American Airlines worker who learned to splice cable while studying to earn his Federal Aircraft Mechanics license. Ted extended his wire rope splicing services to several local contractor friends for extra income - eventually securing office space for his business in Buffalo. By 1962 the company outgrew the facility, officially incorporated as Hanes Supply, Inc (HSI) and moved to 1294 Seneca St allowing for a larger sling shop and enabling HSI to become an Allied Product Supply House offering more products and faster service. In 1980, Ted's son Bill Hanes, a UB Civil Engineering graduate became President of Hanes Supply. Today the company is HQ at 55 James E Casey Drive in Buffalo and has facilities in NY: Rochester, Syracuse, Watertown and Albany, as well as in Midland, NC and Guilford, CT. HSI is a leader in the rigging and heavy lifting industry specializing in manufacturing American-made slings and below-the-hook lifting devices. Ownership structure: William C. Hanes is 95% owner.

Project Description

Hanes Supply has outgrown its current 55,000 SF location and is considering adding a 56,575 SF building located at the rear of the existing facility for additional warehouse / production uses. In their current space, Hanes is struggling to handle the double-digit growth they've experienced over the past few years. The company notes that this expansion is extremely important for the growth of the business. They also note that the expansion will serve a crucial role with the construction of the new Buffalo Bills High Mark Stadium as well as with several large project throughout the U.S.

* 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	\$ 417,785
	Sales	\$ 358,750
	Mortgage Recording	0
	Total	\$ 776,535
	Discounted at 2%	\$ 736,300

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction		\$ 3,626,215
			Payroll Permanent		\$ 105,775,169
		Public	Property Taxes		\$ 104,449
			Sales Taxes		\$ 670,084
			Other Muni Revenue (NFTA)		\$ 0
	New York State	Public	Income Taxes		\$ 4,923,063
			Sales Taxes		\$ 765,810
				Total Benefits to EC + NYS***	\$ 115,864,788
				Discounted at 2%	\$ 104,113,787

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

Discounted Cost \$ 736,300
 Discounted Benefit \$104,113,787
 Ratio 1:141

Conclusion: The Cost Benefit for this project is: 141:1. For every \$1 in costs (incentives), this project provides \$141 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$182 in benefits to the community.**

New Tax Revenue Estimated

PILOT Type	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
10 Year Standard PILOT	\$ 39,167	\$ 3,500,000	\$ 96,265 \$ 7,600*	\$ 399,854 \$ 31,567*	\$ 91,390
			\$103,865	\$ 431,421	
10 Year EIP PILOT (Tier 1: has 11 yr benefit period)			\$ 101,838	\$ 423,004	

*added 1 year at full property taxes – for comparison purposes

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 = \$ 6,000,000 85% = \$ 5,100,000
Employment	Coincides with 10-year PILOT	Maintain Base = 87 FTE Create 85% of Projected Projected = 10 FTE 85% = 8 FTE Recapture Employment = 95 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

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 87 FTE jobs and created 8 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

- 9/24/24: Public hearing held.
- 10/23/24: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 10/23/24: Lease/Leaseback Inducement Resolution presented to the Board of Directors

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-Hanes Supply Inc

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Combined City & School Tax Rate /1000
\$5,500,000	\$3,500,000	5.066581	21.044972

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$8,107	\$33,672	\$41,778	\$91,390	\$49,612
2	0.1	\$8,613	\$35,776	\$44,390	\$91,390	\$47,001
3	0.15	\$9,120	\$37,881	\$47,001	\$91,390	\$44,390
4	0.15	\$9,120	\$37,881	\$47,001	\$91,390	\$44,390
5	0.2	\$9,627	\$39,985	\$49,612	\$91,390	\$41,778
6	0.2	\$9,627	\$39,985	\$49,612	\$91,390	\$41,778
7	0.25	\$10,133	\$42,090	\$52,223	\$91,390	\$39,167
8	0.25	\$10,133	\$42,090	\$52,223	\$91,390	\$39,167
9	0.3	\$10,640	\$44,194	\$54,834	\$91,390	\$36,556
10	0.35	\$11,146	\$46,299	\$57,445	\$91,390	\$33,945
TOTAL		\$96,265	\$399,854	\$496,120	\$913,904	\$417,785

***** 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.)
\$6,000,000	\$ 417,785	\$358,750	N/A	\$154,000 (ESD proposal – pending)

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 16%

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-*Hanes Supply Inc* EIP Tier 1

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Combined City & School Tax Rate /1000
\$5,500,000	\$3,500,000	5.066581	21.044972

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$8,107	\$33,672	\$41,778	\$91,390	\$49,612
2	0.05	\$8,107	\$33,672	\$41,778	\$91,390	\$49,612
3	0.1	\$8,613	\$35,776	\$44,390	\$91,390	\$47,001
4	0.1	\$8,613	\$35,776	\$44,390	\$91,390	\$47,001
5	0.15	\$9,120	\$37,881	\$47,001	\$91,390	\$44,390
6	0.15	\$9,120	\$37,881	\$47,001	\$91,390	\$44,390
7	0.2	\$9,627	\$39,985	\$49,612	\$91,390	\$41,778
8	0.2	\$9,627	\$39,985	\$49,612	\$91,390	\$41,778
9	0.25	\$10,133	\$42,090	\$52,223	\$91,390	\$39,167
10	0.25	\$10,133	\$42,090	\$52,223	\$91,390	\$39,167
11	0.3	\$10,640	\$44,194	\$54,834	\$91,390	\$36,556
TOTAL		\$101,838	\$423,004	\$524,842	\$1,005,295	\$480,453

***** 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.)
\$6,000,000	\$ 480,453	\$358,750	N/A	\$154,000 (ESD proposal – pending)

Note: special district taxes are not subject to PILOT abatement

Calc % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 14.9%

**EVALUATIVE CRITERIA
MANUFACTURING/WAREHOUSE/DISTRIBUTION**

Project: Hanes Supply Inc. Expansion

Wage Rate (above median wage for area)	Per capita income = \$36,530 Average Annual Salaries for: <ul style="list-style-type: none"> • Current Employment = \$61,000 • Jobs to be Created = \$48,000
Regional Wealth Creation (% sales/customers outside area)	17% Sales in Erie County 83% Sales outside Erie County (32% elsewhere in NYS, 51% outside NYS, elsewhere in U.S.) <hr style="width: 10%; margin-left: 0;"/> 100%
In Region Purchases (% of overall purchases)	65% to include EC businesses: USITEK, Independent Health, Weco Tire, Duke Holtzman and Tronconi.
Research & Development Activities	N/A
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	In 1982, the City of Buffalo and Erie County Industrial Development Agency teamed up and released a plan to build a new industrial park on mostly abandoned railroad property between Dingens and William streets. The applicant is currently located at this site.
LEED/Renewable Resources	N/A
Retention/Flight Risk	Yes. Company has been contacted by: Virginia, North Carolina and South Carolina.
DEI Questionnaire	See Attached. Goal of 30% MWBE for construction – contractors & suppliers.
Workforce Access – Proximity to Public Transportation	Site is accessible via bus line – NFTA Bus Route 19 Bailey & Abbott

DATE OF INDUCEMENT: October 23, 2024

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: September 16, 2024
 Project Title: Hames Supply Inc.
 Project Location: 55 James E. Casey Drive, Buffalo, New York 14203

Economic Impacts

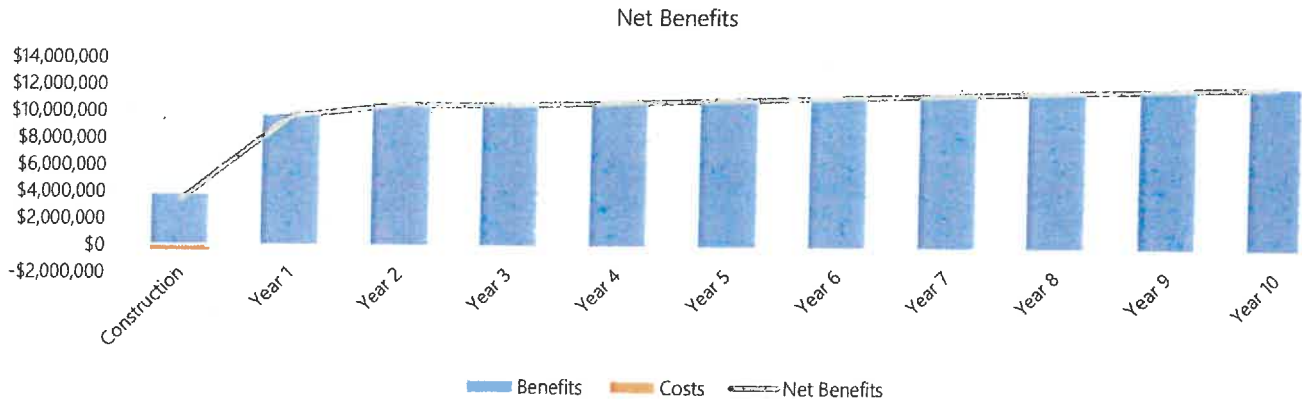
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$6,000,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	24	21	45
Earnings	\$2,291,542	\$1,334,673	\$3,626,215
Local Spend	\$6,000,000	\$4,144,434	\$10,144,434

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	97	59	156
Earnings	\$60,763,642	\$45,011,527	\$105,775,169

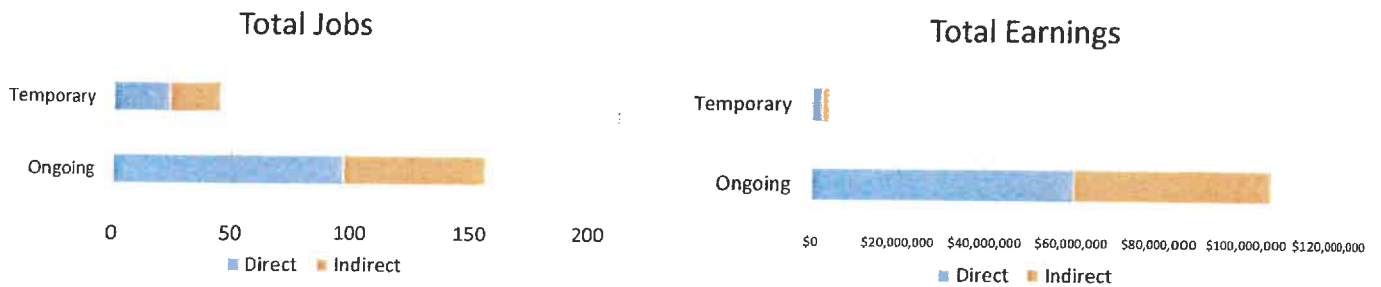
Figure 1



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

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$417,781	\$377,550
Sales Tax Exemption	\$358,750	\$358,750
Local Sales Tax Exemption	\$167,417	\$167,417
State Sales Tax Exemption	\$191,333	\$191,333
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$776,531	\$736,300

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$110,175,916	\$99,001,767
To Private Individuals	<u>\$109,401,384</u>	<u>\$98,308,082</u>
Temporary Payroll	\$3,626,215	\$3,626,215
Ongoing Payroll	\$105,775,169	\$94,681,867
Other Payments to Private Individuals	\$0	\$0
To the Public	<u>\$774,532</u>	<u>\$693,685</u>
Increase in Property Tax Revenue	\$104,449	\$91,548
Temporary Jobs - Sales Tax Revenue	\$22,211	\$22,211
Ongoing Jobs - Sales Tax Revenue	\$647,873	\$579,926
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$5,688,872	\$5,112,020
To the Public	<u>\$5,688,872</u>	<u>\$5,112,020</u>
Temporary Income Tax Revenue	\$163,180	\$163,180
Ongoing Income Tax Revenue	\$4,759,883	\$4,260,684
Temporary Jobs - Sales Tax Revenue	\$25,384	\$25,384
Ongoing Jobs - Sales Tax Revenue	\$740,426	\$662,773
Total Benefits to State & Region	\$115,864,788	\$104,113,787

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$99,001,767	\$544,966	182:1
State	\$5,112,020	\$191,333	27:1
Grand Total	\$104,113,787	\$736,300	141:1

*Discounted at 2%

Additional Comments from IDA

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



Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

- New York State MWBE Certified List: <https://ny.newnycontracts.com/>
- Erie County MWBE Certified List: <https://www3.erie.gov/eo/mbe-wbe-resource-list>

Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

Hanes Supply will have a goal of 30% of the project's contractors and suppliers be MWBE. We will utilize the links provided by the ECIDA to vet and source viable MWBE vendors and contractors. Hanes Supply's last constructed a new building in 1991 and did not retain any information on MWBE utilization. We will be in discussion with our general contractor to review the links provided by the ECIDA to utilize viable MWBE vendors and contractors. Hanes Supply currently utilizes WBE companies such as Frederick Machine Repair Inc, Buffalo Concrete Accessories, and Irish Welding as vendors.

2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

- Northland Workforce Training Center: <https://northlandwtc.org/employers/>

- Workforce Buffalo: <https://www.workforcebuffalo.org/business-services/employer-services>
- New York State Job Bank: <https://myjobsny.usnlx.com/>
- Local Minority Newspapers: <https://www3.erie.gov/eo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

Hanes Supply Inc prides itself on being an equal opportunity employer. We have completed our Affirmative Action Plan every year from 2014 to 2024. We have been a third-generation family-owned business with roots in Buffalo since 1930. We hire a wide range of ethnic and diverse team members at Hanes. We are located in the Kaisertown neighborhood of Buffalo which enables us to offer employment to the diverse culture of Buffalo. We post our ads to Indeed, Regional Help Wanted, State Job Banks, Hire Patriots, social media, and local schools in all areas of Buffalo. Our statement: Hanes Supply Inc. provides equal employment opportunities to all employees and applicants for employment and prohibits discrimination and harassment of any type without regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state, or local laws. This policy applies to all terms and conditions of employment, including recruiting, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

We will continue to support and encourage diverse practices in our family-owned business.

3. Economic Inclusion Program

The ECIDA's Economic Inclusion Program (EIP) is a voluntary "opt in" program providing an enhanced real property tax abatement to applicants who commit to implementing and meeting MWBE utilization and minority and women employment goals. The mission of the EIP is to enhance the beneficial public impact of projects receiving ECIDA assistance and to further the ECIDA's goal of advancing opportunities for MWBE businesses and minorities and women, in general, in the Erie County workforce. Please note, for a company to be considered an MWBE under the EIP it must be certified as an MWBE by New York State or Erie County.

Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a *voluntary opt-in program* providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.

PUBLIC HEARING SCRIPT

**Hanes Supply, 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 September 24, 2024 at 9:00 a.m.,
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

William Hanes – Hanes Supply, Inc.
Brian Krygier – ECIDA
Carrie Hocieniec - ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:07 a.m. My name is Grant Lesswing. I am the Director of Business Development 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 Hanes Supply, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, September 13, 2024.

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 55 James E. Casey Drive, City of Buffalo, Erie County, New York and all other lands in the City of Buffalo where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the construction on the Land of an approximately 56,575 square-foot addition to the existing 55,000 sq. ft. facility to be utilized for additional warehouse/production space to hold inventory and allow for growth in areas of manufacturing and distribution as well as

offices, restrooms and a break room (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 and the Existing Improvements, the “Facility”).

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

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

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. 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 at 4:00 p.m. on October 22, 2024. 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.

William C. Hayes - President of Hanes Supply since 1980. Our project, what we're doing at our corporate headquarters on 55 James E. Casey Drive. Little trivia 55 was after Double Nickels, so that's how we came up with a number working back in the 1990's with the Buffalo Urban Renewal Agency. We are severely constrained for space from both the production aspect and our warehousing operation and what we're electing to do is work with the ECIDA to more than double the facility and add on 56,500 square feet of production warehousing capacity along with some offices, restrooms, break room areas for our associates

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:11 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

September 24, 2024, at 9:00 a.m.
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203
regarding:

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

Project Location: 55 James E. Casey Drive, Buffalo, New York 14206

Name	Company and/or Address	X box to speak/ comment
William Hanes	55 James E. Casey Drive, Buffalo, New York 14206	X
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**HANES SUPPLY, 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, October 23, 2024 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 HANES SUPPLY, 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, AND (B) 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, HANES SUPPLY, INC., 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 55 James E.

Casey Drive, City of Buffalo, Erie County, New York and all other lands in the City of Buffalo where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the “Land”), (ii) the construction on the Land of an approximately 56,575 square-foot addition to the existing 55,000 sq. ft. facility to be utilized for additional warehouse/production space to hold inventory and allow for growth in areas of manufacturing and distribution as well as offices, restrooms and a break room (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 and the Existing Improvements, the “Facility”). The Facility will be initially owned and operated by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on September 24, 2024, 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) 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 partial abatement from real property taxes benefit consistent with the Agency’s Economic Inclusion PILOT Policy, dated as of April 26, 2023 (the “EIP Policy”) through a 10 year Tier 1 “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 and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, the City of Buffalo Planning Board (the “Planning Board”) in accordance with 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”), undertook uncoordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, determined that the Project was an Unlisted Action, and issued a negative declaration (“Negative Declaration”) under SEQR on July 29, 2024, with respect to the Project; and

WHEREAS, pursuant to and in accordance with applicable provisions of SEQR, the Company has submitted to the Agency an Environmental Assessment Form (the “EAF”) with respect to the Project; 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 October resolution to recommend Agency approval of 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) 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 Planning Board Negative Declaration, 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 hereby finds that the Project will not impact the land as the construction will occur upon previously disturbed and impervious surfaces, no air permits are required so there will be no impact on air quality, on-site storm water management will comply with City of Buffalo Sewer Authority requirements so there will be no adverse impacts related thereto, road capacity is adequate within this developed urban area to accommodate any increases in traffic generated by the Project and the site is also served by public transportation, the Project will comply with City of Buffalo lighting requirements and there will not be any adverse changes in noise levels or odors, the Project is not located within a 100-year floodplain and there will be no flooding impacts, the site is within an urban area and not within or adjacent to a Critical Environment Area and there will be no impacts on any resident flora or fauna or threatened or endangered special of animal or plant or other adverse impacts to natural resources, the Project is generally consistent with the existing community and neighborhood character and the community’s current plans and goals, the site will not impact any historic or archeological resources, minor increases in energy uses will not increase demand beyond current capacity, the Project will not create a hazard to human health as the proposed use doe not involve hazardous materials and/or operations, no impacts on aesthetic resources will result from the Project because the Project will not create a substantial change in the use or intensity use of the land, a large number of people will not be attracted to the site, the Project will not involve changes in two or more elements of the environment no one of which has a significant impact but when considered together results in a substantial adverse impact, and the Project does not include two or more related actions none of which has or would have a significant impact but when considered cumulatively would produce a significant impact, and as such, the Project will not have a potential significant adverse environmental impact warranting the preparation of an environmental impact statement. 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):* Per capita income = \$36,530.

Average Annual Salaries for:

- Current Employment = \$61,000
- Jobs to be Created = \$48,000

(ii) *Regional Wealth Creation (% sales/customers outside area):* 17% Sales in Erie County; 83% Sales outside Erie County (32% elsewhere in NYS, 51% outside NYS, elsewhere in U.S.).

(iii) *In Region Purchases (% of overall purchases):* 65% to include EC businesses: USITEK, Independent Health, Weco Tire, Duke Holtzman and Tronconi.

(iv) *Research & Development Activities:* N/A.

(v) *Investment in Energy Efficiency:* N/A.

(vi) *Locational Land Use Factors, Brownfields or Locally Designated Development Areas:* In 1982, the City of Buffalo and Erie County Industrial Development Agency teamed up and released a plan to build a new industrial park on mostly abandoned railroad property between Dingens and William streets. The applicant is currently located at this site.

(vii) *LEED/Renewable Resources:* N/A.

(viii) *Retention/Flight Risk:* Yes. Company has been contact by: Virginia, North Carolina and South Carolina.

(ix) *DEI Questionnaire:* Goal of 30% MWBE for construction – contractors and suppliers. Further details were provided to the Agency.

(x) *Workforce Access-Proximity to Public Transportation:* Site is accessible via bus line – NFTA Bus Route 19 Bailey & Abbott.

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 \$4,100,000, 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 \$358,750, 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 real property tax abatement benefits ("PILOT benefits") to be provided over the term of the PILOT Agreement are estimated to be approximately \$417,785, resulting in estimated total PILOT payments of \$496,120 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 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 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 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 (x) subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below in (C)(i)-(v) and/or (y) subject to the potential modification of the EIP Policy Tier 1 ten (10) year PILOT Agreement to provide for the standard ten year PILOT Schedule as described within the EIP Policy for failure to meet the commitments and thresholds as described below in (C)(vi) and (vii), 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 \$5,100,000 (which represents the product of 85% multiplied by \$6,000,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 87 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 95 FTE employees [representing the sum of (x) 87 Baseline FTE and (y) 8 FTE employees, being the product of 85% multiplied by 10 (being the 10 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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.
- (vi) Construction Period Commitment – that the Company, in accordance with the EIP Policy, meets a 30% MWBE (25% MBE and 5% WBE) utilization rate, based upon total construction contract value, for construction activities.
- (vii) Post Construction Period Commitment – that the Company meets a 30% minority and women (minimum 20% minority and at least 30% minorities or women) job creation requirement within two years after Project completion and maintains those hires/percentages during the term of the PILOT Agreement and on an annual basis completes/implements at least two (2) of the EIP Policy Best Practices as described therein during the term of the PILOT Agreement.

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, (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: October 23, 2024



Hanes Supply Inc ECIDA

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	Hanes Supply Inc
Project Summary	The reason for the planned construction project is that our warehouse capacity is running out of space at our 55 James E Casey Drive Buffalo location. This project will increase our production and warehouse facilities to accommodate our present and future growth. Hanes Supply would more than double its facility at James E Casey, with a 56,500 square foot addition to its 55,000 square foot facility. The expansion footprint is additional warehouse / production space to hold inventory and allow for growth in areas of manufacturing and distribution. We would like to add space right next to the existing facility to operate more efficiently from a logistics standpoint. The new expansion will be located at 55 James E. Casey Drive Buffalo, NY 14206. There is also space dedicated for 4-5 more offices, restrooms, and a break room. We plan to optimize our production in our warehouse facility to increase capacity to service our marketplaces. Our existing production will be relocated to the new addition, allowing us to redesign the building to achieve operational efficiencies in all aspects of our business. In the attached drawings, you will see the existing warehouse design and proposed footprint.
Applicant Name	Hanes Supply Inc
Applicant Address	55 James E Casey Drive
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14206
Phone	(716) 826-2636
Fax	
E-mail	mseifert@hanessupply.com
Website	https://www.hanessupply.com/
NAICS Code	332610

Business Organization

Type of Business
Subchapter S Corp

Year Established
1956

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 Michelle Seifert
Title Assistant Controller
Address 55 James E Casey Drive
Address 2
City Buffalo
State New York
Zip 14206
Phone (716) 826-2636
Fax
E-Mail mseifert@hanessupply.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name William C Hanes
Title President
Address 55 James E Casey Dr
Address 2
City Buffalo
State New York
Zip 14206
Phone (716) 826-2636
Fax
E-Mail wchanes@hanessupply.com

Company Counsel

Name of Attorney Gary Kanaley
Firm Name DUKE HOLZMAN PHOTIADIS & GRESENS LLP
Address 701 Seneca Street, Suite 750
Address 2
City Buffalo
State New York
Zip 14210
Phone (716) 855-1111

Fax

E-Mail gkanaley@dhpqlaw.com

Benefits Requested (select all that apply)

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	No
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%.

Ownership structure is William C Hanes with 95% ownership and William T. Hanes with 5% ownership. Hanes Marine and Cable was founded in 1930 by Ted Hanes Sr., an American Airways worker who learned to splice cable while studying to earn his Federal A and E Aircraft Mechanics License. After leaving American Airways in 1936 to pursue firefighting, Ted began to extend his wire rope splicing services to several local contractor friends as a means of putting extra bread on the table. As operations grew, Ted secured office space at 23 Poplar Ave. in Buffalo, NY. By 1962, the company outgrew the facility, officially incorporated as Hanes Supply, Inc, and relocated to 1294 Seneca St, allowing for a larger sling shop and enabling HSI to become an Allied Product Supply House, offering more products and faster service. In 1980, Ted's son Bill Hanes took over as president of Hanes Supply. Today the company is headquartered at 55 James E. Casey Dr. in Buffalo, NY, and has grown to include facilities in Rochester, Syracuse, Watertown, and Albany, NY; Midland, NC; and Guilford, CT. Over the years our hardworking fabrication crew has mastered sling production. In addition to our in-house American sling manufacturing, we take great pride in our knowledgeable sales associates who are here to offer solutions to your industry needs, and our talented trainers whose years of experience deliver expert value and knowledge. Some of our associates have been with the Hanes family for a decade-some for more than three. Bill Hanes, President of Hanes Supply, grew up watching founder Ted Hanes Sr. splice wire rope and grow the family business. He became President in 1980 after graduating as a civil engineer from the University at Buffalo. His lifetime of experience makes him a true veteran of the wire rope industry. Our seasoned wire rope expert and Vice President of Operations Dave Learn has headed our production department since 1978. His brother Ron has led the nylon sling fabrication team since 1983. Vice President of Sales Dick Streicher has managed our Rochester division since 1993. The HSI team's loyalty to our company mission and to our customers shows in the great pride we take in providing the highest quality products and expertise alongside world class value added services. HSI: Hanes Supply, Inc. has been splicing wire rope and manufacturing slings since 1930. We are a leader in the rigging and heavy lifting industry specializing in manufacturing American made slings and below-the-hook lifting devices. As an ISO 9001:2015 registered company, we are known for our superior customer service and commitment to quality in every aspect of our business. We build trust and relationships with the goal of earning your respect as a customer for life. HSI's American-made slings and custom engineered below-the-hook lifting devices serve construction industries around the world. Our business is to provide solutions for difficult rigging jobs, and our custom solutions have backed projects from the Panama Canal to the North Pole for industries ranging from wind energy to marine and military. HSI manufactures slings for any rigging application, including wire rope slings, nylon and polyester slings, and chain slings. Additionally, we are an official Slingmax® manufacturer and dealer, offering products like high performance Twin-Path® slings- the world's strongest and lightest slings. Our specialty sling products include Gator-Laid®, Tri-Flex®, and hand tucked wire rope slings, as well as custom assemblies made to your specifications. When it comes to rigging hardware, we have you covered with the industry's most highly regarded rigging fitting lines, including Crosby®, CM®, Campbell®, Skookum®, Van Beast®, and Actek®. Hanes Supply is a complete construction and industrial supplier offering professional power tools and hand tools, safety supplies, fall protection systems, and personal protective equipment (PPE) from the most trusted, well-known brands and manufacturers. We stock a broad range of contractor and industrial supplies, totaling over 100,000 individual SKU's. We are a proud member of world-class organizations including the Web Sling & Tie Down Association, AWRP, STAFDA, ACRP, SCRA, NATE, AWEA, and the National Safety Council. Our relationships with these industry leaders are one of the reasons our customers trust Hanes Supply to deliver the highest quality products, services, and customer support. Hanes Supply is your one-stop-shop for lifting solutions and construction supply. To fulfill this promise, we back our world class products with value-added services including equipment rental, sling testing, inspection and certification, custom lifting device fabrication, training, Vendor Managed Inventory services, and a wealth of technical information and resources. Hanes Supply services customers in many different markets. Our primary customers are contractors, industrial manufacturers, transmission and distribution, utility, power generation facilities, and government facilities including local, regional, and national municipalities.

Estimated % of sales within Erie County	17 %
Estimated % of sales outside Erie County but within New York State	32 %
Estimated % of sales outside New York State but within the U.S.	51 %

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?

65

Describe vendors within Erie County for major purchases

Our top spending categories include trade vendors like Engineered Lifting Technologies, Superior Glove Work, Dynabrade, Echelon Supply, and Designer Folding Box. Our top Erie County spend for expense vendors include USITEK Inc for Technology, Independent Health for Healthcare, Weco Tire for Automotive, Duke Holtzman for Legal services, and Tronconi for Financial Advisory services.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

55 James E Casey Drive

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

112.19-3-9.2

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

42,162

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.)

The present use is vacant land. The project site will be directly adjacent to the current location of Hanes Supply Inc at 55 James E Casey Drive Buffalo, NY 14206. Hanes Supply Inc owns the land we are proposing to build on. The 56,500 sq. ft. building expansion work area is located at the rear of the existing light-industrial warehouse facility that backs up to the rear pavement of South Ogden Plaza. The project work area has virtually no visual street front impact.

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)

Hanes Supply Inc. is headquartered in the City of Buffalo at 55 James E. Casey Dr. with facilities in Rochester, Syracuse, Watertown, and Albany, NY; Midland, NC; and Guilford, CT. Our current 55,000 Square feet of space has been the same since 1991 when we built the building. The current facility is bottle-necked on space and the operations is struggling to handle the growth we've been experiencing the last few years. We would like to add space right next to the existing facility to operate more efficiently from a logistics standpoint. Our ecommerce business and business in general has grown significantly at our Buffalo location over the past three years. Our sales have continued to grow at a double-digit rate for the past 3 years. 21% in 2022; 12% in 2023; and this year at a rate of 20%. The 56,575 sq. ft. building expansion work area is located at the rear of the existing light-industrial warehouse facility that backs up to the rear pavement of South Ogden Plaza. A Site Plan indicates foundation plantings along the existing front façade and pine trees to screen a large emergency generator. The project work area has virtually no visual street front impact. The expansion footprint is additional warehouse / production space to hold inventory and allow for growth in areas of manufacturing and distribution. The new expansion will be located at 55 James E. Casey Drive Buffalo, NY 14206. There is also space dedicated for 4-5 more offices, restrooms, and a break room. The \$ 5,000,000.00 building project is extremely important for this growing business serving a crucial role with the construction of the new Buffalo Bills Highmark Stadium as well as several large projects throughout the U.S. With our expansion plan detailed above, we are planning to grow the ecommerce portion of our business, further penetration into our primary vertical markets and diversify into additional products for our target markets.

Municipality or Municipalities of current operations

Buffalo, NY

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?

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?

Yes

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

Empire State Development contacted us. Applying for approximately \$500,000, anticipating to receive a tax credit of \$154,000. Other states have contacted us. We have had inquiries from many state agencies including Virginia, North Carolina, South Carolina and other local development agencies out of state.

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)

The industrial construction distribution industry is highly competitive. We have competition at the local, regional, and national levels. The increasing costs of doing business in Erie County and NYS, along with decreasing margins in our industry, especially from national competitors like Grainger, Fastenal, and Amazon require us to have assistance from the ECIDA. The reason for the planned construction project is that our warehouse capacity is running out of space at our 55 James E Casey Drive Buffalo location. This project will increase our production and warehouse facilities to accommodate our present and future growth. Hanes Supply would more than double its facility at James E Casey, with a 56,000 square foot addition to its 55,000 square foot facility. The expansion footprint is additional warehouse / production space to hold inventory and allow for growth in areas of manufacturing and distribution. We would like to add space right next to the existing facility to operate more efficiently from a logistics standpoint. The new expansion will be located at 55 James E. Casey Drive Buffalo, NY 14206. There is also space dedicated for 4-5 more offices, restrooms, and a break room. We plan to optimize our production in our warehouse facility to increase capacity to service our marketplaces. Our existing production will be relocated to the new addition, allowing us to redesign the building to achieve operational efficiencies in all aspects of our business. In the attached drawings, you will see the existing warehouse design and proposed footprint. This proposed footprint is not public information yet and is not to be made public as of now.

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?

If we are not able to obtain financial assistance for this project, we would look in other areas of the country to assure we remain relevant and competitive to serve our customers. Future jobs in Erie County would not be added, and current jobs could be at risk of relocation.

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)

Yes a bus line. Route number #19 NFTA bus route for Bailey and Abbott.

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.

See attached

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

Yes

Describe the present zoning/land use

Light Industrial

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 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 No

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities

4/1/2025

End date : Estimated completion date of project

11/1/2025

Project occupancy : estimated starting date of occupancy

11/1/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 5,500,000 56,500 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 50,000

6.) Infrastructure Work

\$ 0

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

\$ 300,000

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

\$ 150,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 6,000,000

Construction Cost Breakdown:

Total Cost of Construction \$ 5,500,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials \$ 3,800,000
% sourced in Erie County 65%

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 \$ 4,100,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 358,750

** 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? Yes

If Yes, describe particulars: Yes, \$58,000 of architectural work.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 2,000,000
Bank Financing: \$ 4,000,000
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): \$ 0

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) Empire State Development proposed tax credit of \$154,000.

Total Sources of Funds for Project Costs: \$6,000,000
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). 0

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): 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?

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 Genessee.

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	85	85	10	10
Part time	5	5	0	0
Total	90	90	10	

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	3	\$ 150,000	\$ 0	0	\$ 0	\$ 0
Professional	15	\$ 70,000	\$ 0	0	\$ 0	\$ 0
Administrative	35	\$ 52,000	\$ 0	0	\$ 0	\$ 0
Production	47	\$ 45,000	\$ 0	5	\$ 25,000	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	100			5		

** 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	N/A		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

7,000,000

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

61,000

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

20,000

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

48,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	40,000	To (Full Time)	50,000
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

55 James E Casey Drive Buffalo, NY 14206

Name and Address of Owner of Premises

William C Hanes 51 Briggswood Drive Elma, NY 14059

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

The new expansion will be located at 55 James E. Casey Drive Buffalo, NY 14206 directly adjacent to our existing facility. This is flat industrial property.

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

Distribution and light manufacturing.

Describe all known former uses of the Premises

55 James E Casey Drive Buffalo, NY is currently being used as our current facility. The land we own adjacent to the existing facility is currently not being used for anything.

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

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

We do not discharge any industrial products into any body of water.

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

None

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

None

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?

No

If yes, please identify the materials

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 Hanes Supply Inc
Address 55 James E Casey Drive
Contact Person William C Hanes
Phone (716) 826-2636
Fax
E-Mail wchanes@hanessupply.com
Federal ID # 16-0808918
SIC/NAICS Code 332618

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?

Yes

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

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

11 %

If the answer to this is **less than 33%** do not complete the remainder of the page, proceed to the next section.

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

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

<BLANK>

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

<BLANK>

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

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

<BLANK>

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

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

<BLANK>

If yes, explain

Is the project located in a Highly Distressed Area?

<BLANK>

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

55 James E Casey Drive

City/Town

Buffalo

State

New York

Zip Code

14206

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.)

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?

Our current 55,000 Square feet of space has been the same since 1991 when we built the building. The current facility is bottle-necked on space and the operations is struggling to handle the growth we've been experiencing the last few years. We would like to add space right next to the existing facility to operate more efficiently from a logistics standpoint.

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

N/A current facility is not being abandoned.

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.

Location #1: 61 N. Gates Ave LACKAWANNA , NY 14218. Condition of the building was not good. Logistics issues with 2 warehouse in Buffalo. 61 North GatesMay2024.pdf (loopnet.com) Location #2: 2117 Old Union Road Cheektowaga, NY 14227. Condition of the building was not good. Layout was not appropriate. PowerPoint Presentation- 2117 Old Union RoadCheektowagaFlyerLedyard SeiderPBC22.pdf (loopnet.com) Location #3: 271 Dingens St Buffalo, NY 14206. Site was not large enough. 271 Dingens St, Buffalo, NY 14206- Industrial for Sale | LoopNet

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