



**Erie County Industrial Development Agency
Meeting of the Membership
September 25, 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
- 1.2 Welcome New Board Member – Legislature John Gilmour, Chair of the Economic Development Committee

2.0 Approval of Minutes:

- 2.1 Approval of Minutes of the August 28, 2024 Meeting of the Membership (Action Item) (Pages 2-6)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 7-10)
- 3.2 Finance & Audit Committee Update (Informational) (Page 11)
 - a) 2025 Budget Timetable (Informational) (Page 12)
 - b) Review of 2025 Proposed Budget (Informational) (Pages 13-21)
- 3.3 2024 Tax Incentive Induced/Closing Schedule (Informational) (Pages 22-23)
- 3.4 Approval of the Following Agreements (Action Item) (Pages 24-26)
 - a) Rail Lease Agreement with Erie County
 - b) Rail Operator Lease Agreements
- 3.5 Urban Land Institute Advisory Panel Special Projects Request (Action Item) (Pages 27-34)
- 3.6 Policy Committee Update (Informational)

4.0 Inducement Resolution:

	ECIDA Incentives	Private Investment	Municipality
4.1 Upstate Niagara Cooperative (Pages 35-67)	\$9,925,842	\$150,000,000	West Seneca

5.0 Amendatory Inducement Resolution:

- 5.1 Laborers Way 1, LLC (Pages 68-106)

6.0 Management Team Reports:

- 6.1 2025 Board Meeting Schedule (Informational) (Page 107)

7.0 Adjournment- Next Meeting - Meeting October 23, 2024

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

- DATE AND PLACE:** August 28, 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, Thomas Emmerling, Tyra Johnson, Richard Lipsitz, Jr., Brenda McDuffie¹, Glenn R. Nellis, Hon. Brian Nowak, Hon. Mark C. Poloncarz, Hon. Christopher Scanlon and Kenneth A. Schoetz
- EXCUSED:** Patrick Boyle, Hon. Bryon W. Brown, James Doherty, Hon. Joseph Emminger, Dottie Gallagher, Michael P. Hughes and Hon. Brian Kulpa
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; 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 Szewczyk, Director of Grants; Robbie Ann McPherson, Director of Marketing & Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of Erie County; Jason Hurley on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of the Buffalo News; Randy Huggins and Craig Caldwell² on behalf of Agile Cold Storage; and David Smith, Tom Smith and Christopher Sansone on behalf of Secondary Services

Recognizing that a quorum was not yet present, Mr. Lipsitz reviewed information items only.

Mr. Lipsitz introduced Thomas Emmerling, being the new chair of the Buffalo Niagara Partnership, as a member of the Agency.

¹ Ms. McDuffie participated via video conference pursuant to Section 103-A of the New York State Public Officer's Law and the Agency's Videoconferencing Participation Policy.

² Mr. Caldwell participated via video conference.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the July financial reports. The balance sheet shows that the IDA ended the month with total assets of \$35.9M including unrestricted cash & investments of \$6.5M available for Agency operations, and net assets of \$19.4M. the first half of City PILOT payments were received for 3 of the PILOT Increment Financing (PIF) funds, increasing Restricted cash & investments and Funds Held on Bhald of Others in July. The monthly income statement shows a net loss of \$110,000 in July. Operating revenue of \$173,000 was below the monthly budget by \$142,000, due mainly to the lack of administrative fees received during the month (\$339,000 of administrative fees have been received so far in August, bringing us to 52% of our annual administrative fee budget). We did however receive the annual profit share from Gateway Trade Center for the Port Terminal facility of \$111,000, included in the Rental Income line. Operating expenses were \$266,000 were \$10,000 above our monthly budget, with variance in salaries and benefits, building operating costs, and professional services. The variance in salaries and benefits is mostly due to timing and accruing payroll at month end. Building operating costs variance was due to the payment of the first half of property taxes for our building at 143 Genesee Street. Professional services had a negative variance for July due to a reclassification of a prior cost. After \$75,000 of strategic initiatives and net non-operating revenue of \$57,500, there was a net loss of \$110,028 for the month. The year-to-date income statement shows operating revenues of \$1.1M, including administrative fee revenue of \$590,000. We are at 33% of our annual budget through seven months of the year. Other revenue lines are in line with the YTD budget. Operating expenses of \$1.8M are \$75,000 below budget. The negative \$74,000 variance on the salaries & benefits line is mostly due to the budget including room for performance incentives. Professional services are about \$29,000 below budget, due to lower than expected legal and consulting costs. Public Hearing and marketing is \$28,000 above budget due to timing of 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 \$266,000, there is currently a net loss of \$761,023 for the year. Mr. Lipsitz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic advised members that the Committee reviewed the first drafts of the budgets for ECIDA/RDC/ILDC. The Committee will meet again in September and make recommendations to the Boards.

There now being a quorum present at 12:27 p.m., the meeting of the members of the Agency was called to order by the Vice Chair, Mr. Lipsitz.

MINUTES

The minutes of the June 26, 2024, meeting of the members were presented. Mr. Blue moved, and Mr. Nellis seconded to approve of the minutes. Mr. Lipsitz called for the vote and the minutes were unanimously approved.

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

Policy Committee Update: Mr. Lipsitz provided an update on the most recent Policy Committee meeting noting the Policy Committee approved the project that is before the Agency today. Mr. Lipsitz directed that the report be received and filed.

INDUCEMENT RESOLUTION

3200 Clinton Street, LLC / Agile Cold Storage, 3200 Clinton Street, West Seneca, New York. Mr. Cappellino reviewed this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits project consisting of the construction of additional manufacturing space for Rosina Foods (16,000 SF) and a cold storage warehouse for Agile Cold Storage (99,000 SF) which will increase Rosina's production space and to utilize a cold storage warehouse. This will also provide storage options for other frozen and refrigerated food manufactures in the area.

General discussion ensued regarding an update to include an additional 10 new FTE jobs to be created, thus increasing the new jobs from 45 to 55. General discussion also ensued regarding the local labor waiver request and the company's efforts to find additional local labor workers.

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 \$39,550,500 (which represents the product of 85% multiplied by \$46,530,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 47 FTE employees [being the product of 85% multiplied by 55 (being the 55 new FTE employee positions proposed to be created by the Company as stated in its Application)]. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's "Quarterly Employment Survey" form to be made available to the Company by the Agency.

- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Poloncarz moved and Mr. Blue seconded to approve the Project with updates, as reflected above, to include the additional 10 new FTE employee positions proposed to be created, and authorizing the local labor waiver. Mr. Lipsitz then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 3200 CLINTON ST., LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

MANAGEMENT TEAM REPORT

Ms. Profic presented an update on the legal counsel RFP process noting the Agency received 5 proposals for the three legal positions: general counsel, loan counsel and tax-exempt bond counsel. Interviews are expected to begin during September/October and staff anticipates making recommendations to the boards in October.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting of the Agency at 12:45 p.m.

Dated: August 28, 2024

Elizabeth A. O'Keefe, Secretary

Erie County Industrial Development Agency
Financial Statements
As of August 31, 2024

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

August 31, 2024

	August 2024	July 2024	December 2023
ASSETS:			
Cash and Equivalents *	\$ 6,604,852	\$ 6,477,878	\$ 7,476,867
Restricted Cash & Investments *	17,585,046	17,527,179	16,004,625
Due from Affiliates	3,706,024	3,670,436	4,819,702
Due from Buffalo Urban Development Corp.	94,556	81,343	125,210
Other Receivables	225,631	202,777	88,321
Total Current Assets	<u>28,216,109</u>	<u>27,959,613</u>	<u>28,514,725</u>
Grants Receivable	5,244,137	5,244,137	4,869,218
Lease Receivable	682,333	700,406	824,838
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,510,087	1,527,514	1,506,504
Total Long-Term Assets	<u>7,943,442</u>	<u>7,978,943</u>	<u>7,707,447</u>
TOTAL ASSETS	<u><u>\$ 36,159,552</u></u>	<u><u>\$ 35,938,557</u></u>	<u><u>\$ 36,222,172</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 207,964	\$ 157,066	\$ 455,331
Lease Payable	431,519	442,949	521,642
Deferred Revenues	4,927,496	4,992,820	4,764,541
Funds Held on Behalf of Others	10,337,598	10,266,736	9,516,218
Total Liabilities	<u>15,904,578</u>	<u>15,859,572</u>	<u>15,257,732</u>
Deferred Inflows of Resources Related to Leases	682,333	700,406	824,838
Net Assets	<u>19,572,641</u>	<u>19,378,579</u>	<u>20,139,601</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 36,159,552</u></u>	<u><u>\$ 35,938,557</u></u>	<u><u>\$ 36,222,172</u></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 August 2024

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 339,013	\$ 150,000	\$ 189,013
Management Fees - Affiliates and Others	39,033	39,100	(67)
Rental Income	18,144	18,433	(290)
Other Income	-	250	(250)
Total Revenues	396,190	207,783	188,406
EXPENSES:			
Salaries & Benefits	\$ 184,768	\$ 188,823	\$ (4,055)
General Office Expenses	20,677	21,508	(832)
Building Operating Costs	2,275	4,533	(2,258)
Professional Services	8,456	5,833	2,623
Public Hearings & Marketing	5,115	7,917	(2,801)
Travel, Mileage & Meeting Expenses	2,563	3,083	(521)
Depreciation and amortization	22,107	22,500	(393)
Other Expenses	884	1,396	(512)
Total Expenses	246,846	255,594	(8,748)
SPECIAL PROJECT GRANTS:			
Revenues	\$ 65,324	\$ 41,129	\$ 24,195
Expenses	(65,442)	(35,446)	(29,996)
	(118)	5,683	(5,801)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS :			
	149,226	(42,127)	191,353
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) :			
	149,226	(54,627)	203,853
NON-OPERATING REVENUE:			
Interest Income	\$ 46,682	\$ 13,208	\$ 33,474
Interest Expense	(1,846)	(10,000)	8,154
	44,836	3,208	41,628
NET INCOME/(LOSS):			
	\$ 194,063	\$ (51,419)	\$ 245,481

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: August 31, 2024

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 929,244	\$ 1,200,000	\$ (270,756)	\$ 929,244	\$ 1,263,339	\$ (334,095)
Affiliate Management Fees	313,517	314,050	(533)	313,517	317,917	(4,400)
Rental Income	255,496	254,467	1,030	255,496	21,634	233,863
Other Income	20,475	20,500	(25)	20,475	149,303	(128,828)
Total Revenues	1,518,732	1,789,017	(270,285)	1,518,732	1,773,541	(254,809)
EXPENSES:						
Salaries & Benefits	1,494,091	1,572,559	(78,468)	1,494,091	1,371,062	123,029
General Office Expenses	175,770	172,067	3,703	175,770	194,844	(19,074)
Building Operating Costs	32,748	36,267	(3,519)	32,748	32,403	345
Professional Services	50,612	77,067	(26,454)	50,612	66,160	(15,548)
Public Hearings & Marketing	88,213	63,333	24,879	88,213	46,966	41,247
Travel, Mileage & Meeting Expenses	27,299	24,667	2,632	27,299	13,888	13,410
Depreciation and amortization	176,860	180,000	(3,140)	176,860	178,321	(1,461)
Other Expenses	8,456	11,250	(2,794)	8,456	185,126	(176,670)
Total Expenses	2,054,048	2,137,209	(83,161)	2,054,048	2,088,770	(34,723)
SPECIAL PROJECT GRANTS:						
Revenues	428,531	329,033	99,498	428,531	325,858	102,673
Expenses	(444,856)	(283,566)	(161,290)	(444,856)	(247,363)	(197,493)
	(16,325)	45,467	(61,792)	(16,325)	78,495	(94,820)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS:						
	\$ (551,641)	\$ (302,725)	\$ (248,916)	\$ (551,641)	\$ (236,735)	\$ (314,907)
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):						
	(877,776)	(327,725)	(550,050)	(877,776)	(551,041)	(326,735)
NON-OPERATING REVENUE:						
Interest Income	326,897	105,667	221,231	326,897	\$ 223,353	103,545
Interest Expense	(16,082)	(10,000)	(6,082)	(16,082)	(5,608)	(10,474)
	310,816	95,667	215,149	310,816	217,745	93,071
NET INCOME/(LOSS):						
	\$ (566,960)	\$ (232,059)	\$ (334,901)	\$ (566,960)	\$ (333,296)	\$ (233,664)



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: September 25, 2024
Re: Finance & Audit Committee Report

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

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on September 17, 2024. Committee members present were: Michael Szukala, Chair, Patrick Boyle, Allison DeHoney, Thomas Emmerling, Glenn Nellis, and Brian Nowak. The following items were reviewed:

- 1) Draft 2025 ECIDA Operating & Capital Budget + 3 Year Forecast
The Committee reviewed this item and recommended it for approval by the ECIDA Board of Directors.
- 2) Draft 2025 RDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it for approval by the RDC Board of Directors.
- 3) Draft 2025 ILDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it for approval by the ILDC Board of Directors.
- 4) The Committee discussed the overall budget process and economic factors that impact each entity’s budget. They also reviewed the 2025 budget timeline.

**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>via zoom</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

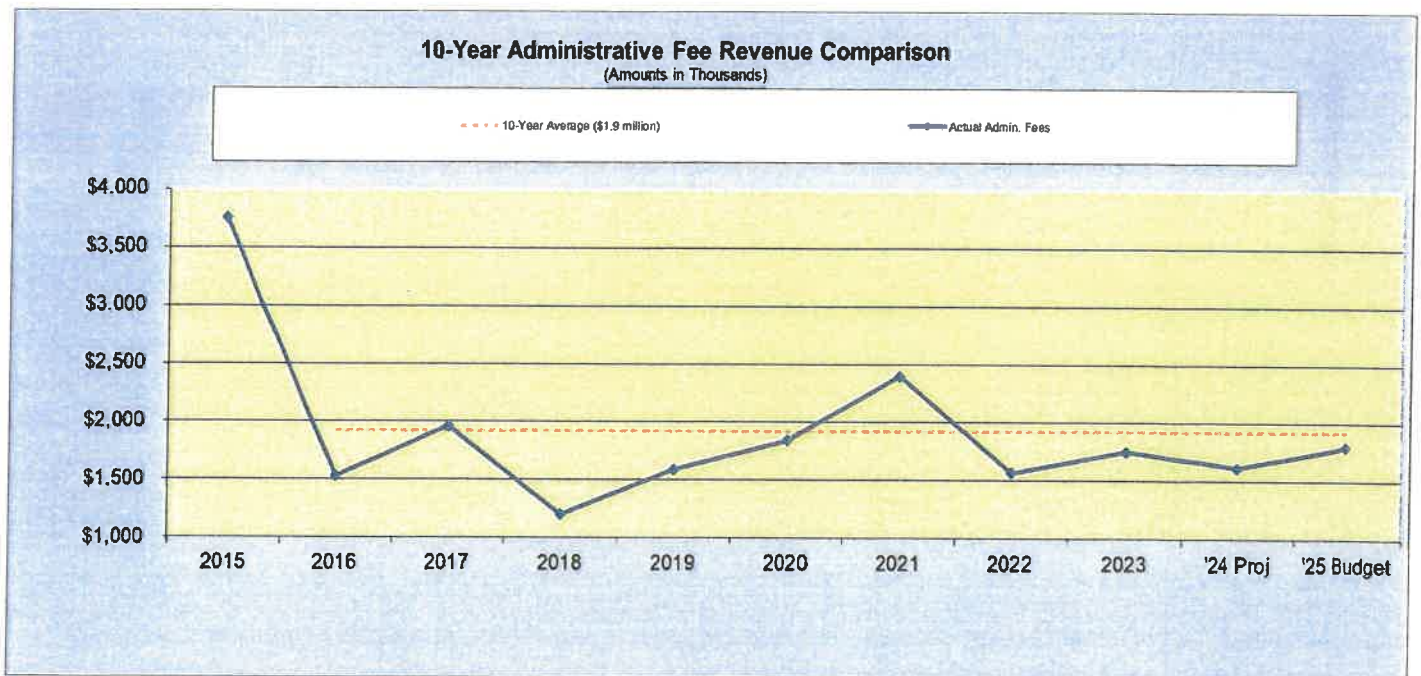
A. Overview of Changes in 2025 Budget (continued)

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

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
1 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
1 Mar-24	SL Evans 3200 Clinton Street, LLC/Agile	Evans	\$20,769,000	85% threshold \$17,653,650	0	0	0	0	0	90	79	Period of PILOT 20 Years	\$4,238,447	1:4
1 Aug-24	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

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	3	\$101,434,084	16	35	55	15	491	452	\$15,752,652

¹ Adaptive Reuse
²Amendatory Inducement



MEMORANDUM
September 25, 2024

To: Board of Directors, Erie County Industrial Development Agency

Re: Erie County Railroad Lease and Operator Agreements

Background:

Erie County owns two railroad rights of way which were acquired in 1980 as a result of a tax forgiveness agreement with the Erie Lackawanna Railroad. The railroad line which is designated 1242 runs through portions of the Town of Cheektowaga, and the Villages of Depew and Lancaster. The railroad line which is designated 1246 begins in the City of Buffalo, just to the south of the CP Draw railroad bridge crossing of the Buffalo River and runs to the south through the Erie County Southtowns to the county line in the Village of Gowanda. The rail lines serve small businesses along the rail corridor providing rail delivery of commodity goods, and agricultural related products.

Since 1985 the ECIDA through a Lease Agreement with Erie County has managed the assets of these two rail lines. By providing management of the rail lines the ECIDA has been successful in securing operators for the lines and receiving significant funding from various programs including NYSDOT for the maintenance and rehabilitation of the rail lines. Both operators have recently agreed to provide cash and in-kind services to help with the local match requirement which leveraged \$3.3 million in NYS Passenger Freight Rail Assistance Program (PFRAP) funding. The PFRAP projects will be undertaken in 2025 and will include mainline tie rehabilitation and refurbishment of several bridges on the lines.

Railroad line 1242 is operated by the Depew Lancaster and Western Railroad and line 1246 is operated by the Buffalo Southern Railroad. The rail operators are responsible for the day-to-day operation of the railroad, providing service to customers, general maintenance and complying with state and federal safety inspections and directives. Both operators

On June 20th, 2024 the Erie County Legislature resolved to authorize the County to enter into agreements to extend the current lease agreement with the Erie County Industrial Development Agency for the continued management and operation of the railroad lines.

Requested Action:

Seeking approval to memorialize the lease extension with Erie County for an additional five years for ECIDA management of the rail lines, and to extend the operating agreements with the rail operators to provide rail service on the rail lines for an additional five years to coincide with the county lease term.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, September 25, 2024, at 12:00 p.m.

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

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

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 as a public benefit corporation of the State 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 to prevent unemployment and economic deterioration; and

WHEREAS, the County of Erie (the "County") holds an ownership interest in a railroad right-of-way located in the Town of Cheektowaga and the Villages of Depew and Lancaster, with said right-of-way being designated Line 1242; and

WHEREAS, the County also holds an ownership interest in a railroad right-of-way located between the City of Buffalo and the Village of Gowanda, with said right-of-way being designated Line 1246 (Line 1246 and Line 1242 are hereinafter collectively referred to as the "Rail Lines"); and

WHEREAS, the County leased the Rail Lines to the Agency pursuant to that certain lease agreement dated June 1, 1985 (the "County Lease Agreement"), which is now due for renewal; and

WHEREAS, on June 20, 2024, the County Legislature resolved to authorize the County to enter into agreements to extend the County Lease Agreement with the Agency for the continued management and operation of the Rail Lines for a five (5) year period (the "Term Extension"), and on or about September 15, 2024, the Agency, by and through its President/Chief Executive Officer, entered into the Term Extension with the County; and

WHEREAS, the Agency has entered into two operating agreements for the operation of the Rail Lines, (collectively, the "Rail Line Operating Agreements"), including: (i) that certain Amended and Restated Operating Agreement dated as of September 14, 2019 by and between the Agency and Depew Lancaster & Western Rail Road, Inc. for the operation of Line 1242, and (ii) that certain Operating Agreement dated as of September 14, 2019 by and between the Agency and Buffalo Southern Railroad, Inc. for the operation of Line 1246 (Depew Lancaster & Western Rail Road, Inc.

and Buffalo Southern Railroad, Inc. are hereinafter collectively referred to as the “Operators”), and said Rail Line Operating Agreements are now due for renewal; and

WHEREAS, the Agency desires to (i) ratify and confirm the Term Extension, and (ii) to negotiate and execute appropriate amendments to the Rail Line Operating Agreements with the Operators for the purpose of extending the Rail Line Operating Agreements for a term commensurate with the County Lease Agreement, as extended by the Term Extension, and such other amendments and revisions as may be deemed appropriate (each, a “Operating Agreement Extension” and collectively, the “Operating Agreement Extensions”); and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA prior to undertaking the action as described herein.

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

Section 1. The Term Extension and Operating Agreement Extensions contemplated herein involve lease renewals where there will be no material change in permit conditions or the scope of permitted activities. Pursuant to 6 N.Y.C.R.R. §617.5(c)(32) of the SEQRA regulations, the Term Extension and Operating Agreement Extensions constitute Type II Actions as defined thereunder and no findings or determination of significance are required under SEQRA.

Section 2. The Agency hereby ratifies and confirms the Term Extension.

Section 3. The Agency hereby authorizes the President and Chief Executive Officer to negotiate and execute the Operating Agreement Extensions for terms commensurate with the County Lease Agreement, as extended by the Term Extension, and such other changes and revisions as the President and Chief Executive Officer deems appropriate, in consultation with the Chair and the Agency’s general counsel, and to execute all financial and administrative processes, agreements and related documents, and take all necessary actions in connection therewith.

Section 4. 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 5. These Resolutions shall take effect immediately.

Dated: September 25, 2024



ECIDA Board Memo

Wednesday, September 24, 2024

In June NAACP President Rev. Mark Blue made a special projects request for the ECIDA to allocate \$25,000 from its UDAG funds to support an Urban Land Institute Advisory panel that will convene in Buffalo this November. The panel will focus on the Jefferson Avenue corridor, examining the issues and challenges that have for years contributed to a decline in economic growth, and create a series of strategic action steps toward revitalization that community. The item was tabled at the June meeting, and Rev. Blue has requested the item be revisited for a Board vote.

Background

After the devastating mass shooting that occurred May 14, 2022 at the Tops on Jefferson Avenue in Buffalo, Rev. Blue has been closely involved with helping the community attempt to move forward. The unspeakably tragic murder of ten innocent people also brought to light the neighborhood's severe decline, and the long-overdue need for strengthening the community through economic investment. In 2023, Rev. Blue assembled the NAACP Economic Development Committee to explore ways the community could encourage economic growth for the businesses and legacy African-American families who have been there for generations.

The committee suggested convening an expert Urban Land Institute (ULI) Advisory Services panel to conduct a thorough review and analysis of the Jefferson Avenue community, offer a comprehensive vision, and recommend an executable, strategic economic growth plan for all stakeholders to implement.

ULI is the oldest and largest network of cross-disciplinary real estate and land use experts in the world, with 45,000 members. ULI members volunteer their time to participate in these advisory panels all over the United States, including locally for the Central Terminal, The Richardson Complex, and One Seneca tower. All three of these local ULI action plans are in various stages of implementation.

Advisory Service Program Process

ULI will choose eight to ten qualified volunteer national experts who will spend five concentrated days immersed in the Jefferson Avenue business district. Panelists will tour the neighborhood, interview hundreds of local business district and community stakeholders, hold informational meetings and review historically significant prior studies and development plans. The interviews, studies, tours and other information are identified in a comprehensive "briefing book" provided to the panel by the Local Organizing Committee, led by Pastor Blue. The briefing book will also describe the history, challenges, and circumstances in the Jefferson Avenue community that are relevant to the ULI objectives. The resulting analysis and recommendations will be community-driven, but with objective, independent action-based solutions.

Total Panel Cost

The total cost of convening a ULI Advisory Services panel is \$135,000, which includes convening and conducting the five-day panel (before, during, and after), and design, drafting and production of the panel week final presentation, the final 50-page comprehensive report,* and any other steps required to complete the panel objectives.

Panel Deliverables

- Public media presentation event at the end of the panel week, highlighting recommended executable action steps
- Final Report*: The final report is compiled, drafted, designed and produced in-house by ULI staff after the panel has concluded its research. The report is an executable series of strategic action items, and a more detailed account of the recommendations presented on-site during the last day of the week-long panel. Final reports tend to average around 50 pages.*

**see attachments for ULI final report example from the Rochester “Bull Head” neighborhood review and relevant correspondence, including a support letter from ULI*

Approximate cost breakdown:

8-10 panel volunteer experts: travel and lodging for 6 days	\$30,000
Meeting & interview facilities/logistics, equipment	\$15,000
Meals and meeting catering	\$20,000
Media presentation and final report (ULI draft/design/production/printing)	<u>\$70,000</u>
	\$135,000

The \$25,000 special projects allocation from the ECIDA would help pay for these direct expenses incurred in conducting the panel and for the final deliverables.

The NAACP Committee has secured funding commitments from several stakeholders, including a \$25,000 underwritten by ULI and \$5,000 from the local ULI chapter, and continues its outreach efforts:

- ULI Foundation: \$25,000*
- ULI Western New York: \$5,000*
- Additional \$20,000 in total committed from People Inc., CB Emmanuel, Uniland Development
- \$15,000 from M&T Bank
- \$10,000 in soft commitments from various entities
- In-kind donations for various ad hoc panel expenses

Because NAACP is not a 501(c)3, the Buffalo Urban League has agreed to serve as the independent steward of the funds prior to disbursement to ULI.

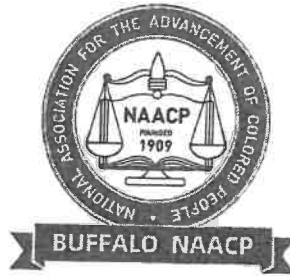
The request of the ECIDA Board is to approve the allocation of \$25,000 in ECIDA UDAG funds toward the \$135,000 cost of convening an Urban Land Institute Advisory Panel. The panel of eight to ten volunteer urban planning and development experts from around the country will review the Jefferson Avenue business corridor and present a comprehensive report of executable action items that will create economic growth and increase investment in the Jefferson Avenue Business District.

ECIDA intends to utilize its HUD UDAG reflow fund to provide the funding for this initiative. This is an eligible UDAG expenditure under Section 105(a)(12) & (15) of the Housing and Community Development Act of 1974. Supporting the redevelopment and revitalization of distressed neighborhoods and encouraging economic growth for minority business districts are both high priorities in line with the adopted ECIDA Mission Statement.

National Association for the Advancement of Colored People

Rev. Mark Blue, President
Buffalo NAACP Branch

Chartered 1915



163 Broadway Street
Buffalo, New York 14204

Phone (716) 884-7242
Fax (716) 884-724

"The greatness of nations is shown by their strict regard for human rights, rigid enforcement of the law without bias, and just administration of the affairs of life."

*~ Mary Burnett Talbert, Co-Founder
1915*

September 17, 2024

To: Mrs. Brenda McDuffie
Chair
ECIDA Board of Directors
c/o Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

RE: Urban Land Institute Advisory Panel Special Projects Request

Dear Chair McDuffie:

As the President of the NAACP Buffalo Chapter and a dedicated advocate for the Jefferson Avenue community, I am requesting that the agenda item regarding the \$25,000 Special Projects allocation from the ECIDA to bring an Urban Land Institute Advisory Panel to the Jefferson Avenue Business Corridor be added to the agenda for the September 25, 2024, ECIDA Board meeting.

The Urban Land Institute (ULI) has been working with the NAACP Economic Committee spearheading this effort. ULI has agreed to help us define the possibilities for the Jefferson Avenue Corridor by convening an advisory panel of experts here in November. The panel will interview dozens of stakeholders, tour the Jefferson community, and review decades of plans, studies, and reports to assess the Jefferson Avenue district's needs thoroughly.



The ULI Advisory Panel will provide a thorough, impartial, expert evaluation of the challenges in the Jefferson Avenue Corridor and offer practical recommendations for stakeholders to consider.

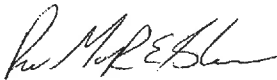
The Urban Land Institute has generously agreed to underwrite \$25,000 of the panel's \$135,000 cost through its ULI Foundation, and our local ULI chapter has pledged \$5,000 as well. People Inc., Uniland Development, and CB Emmanuel have offered pledges totaling \$20,000, and various organizations and individuals have pledged an additional \$10,000.

The Buffalo Urban League is the 501(c)(3) organization responsible for managing the funds we raise.

The \$25,000 in Special Projects allocation from the ECIDA will help support the revitalization of Jefferson Avenue and, in turn, serve a critical mission of the ECIDA—creating economic growth in our underserved minority communities.

I appreciate your consideration.

Sincerely,



Rev. Mark E. Blue
President Buffalo Branch

cc: ECIDA Board of Directors
NAACP Economic Development Committee
John Cappellino
ULI



Dear Reverend Mark Blue,

Thank you for your letter expressing interest in the Urban Land Institute Advisory Services Program (ASP) focused on the Jefferson Avenue Corridor. We appreciate your recognition of ULI's role in leveraging this program to further our mission and impact communities at a local level. We are excited about the potential collaboration and the positive change it can bring to the Jefferson Avenue Corridor.

As you know, ASP has a strong history in Buffalo, with local projects including Buffalo's Central Terminal, the Richardson Complex, Gates Circle, Seneca Tower/Buffalo One HSBC, and Rainbow Center. Given this history of partnership with the Urban Land Institute and ASP, we're excited to support and collaborate with the NAACP Buffalo Chapter's Economic Development Committee and the soon-to-be-formed Local Organizing Committee to lead the charge of reinvestment of the Jefferson Avenue Corridor through this process.

To underscore the Urban Land Institute's commitment to this effort and its potential impact on the East Side community, we are pleased to announce that, with generous contributions from both the ULI Foundation and ULI Western New York, we can provide a substantial amount of \$25,000. This funding will be used to convene a ULI Advisory Services panel focused on the revitalization of the Jefferson Avenue corridor in Buffalo.

We look forward to this new chapter in our ongoing partnership with the Buffalo community and are excited to begin working on this important initiative.

Sincerely,

Kelsey Steffen
Executive Director, ULI Advisory Services



About ULI Advisory Services

ULI is the world's oldest and largest network of cross-disciplinary real estate experts. Its mission inspires and guides it every day: to shape the future of the built environment for transformative impact in communities worldwide. Perhaps the most direct manifestation of ULI's mission-driven focus is its Advisory Services Program (ASP), which, for 75 years, has solved land use and real estate issues for more than 700 communities in partnership with its members.

Through this program, ULI connects its members with communities worldwide and pairs the brightest minds in real estate with the most challenging problems facing our cities. Convening cross-disciplinary real estate leaders for immersive, onsite panels, ASP panels produce a set of impactful recommendations to address topics such as economic development and revitalization, housing attainability, and community resilience. Each panel includes a presentation of recommendations made immediately available to the community so that critical conversations and implementation can begin immediately. In the months following the on-site panel, the ASP team and local ULI District Council are available to connect with key regional stakeholders to further implementation efforts, and a final report of recommendations is produced.

One of ASP's unique attributes is that its participants are unbiased and are leaders in their fields who volunteer their skills, time, and energy to create an authentic blueprint for change. This independent perspective means that the participants are not beholden to what local leaders want to hear so much as what local leaders need to hear. Therefore, an essential element of ASP panels includes connecting with the local community through on-site events and stakeholder interviews. The input of local stakeholders with on-the-ground knowledge and the panel participants' expertise produces the most vital recommendations.

To learn more, visit: <https://americas.uli.org/programs/advisory-services/>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, September 225, 2024, at 12:00 p.m.

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

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 FURTHERENCE 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 FURTHERENCE OF SAME

WHEREAS, the NAACP Economic Development Committee (the “Committee”) has explored ways the community could encourage economic growth for the businesses and legacy African American families located within the Jefferson Avenue Corridor in the City of Buffalo (the “Corridor”); and

WHEREAS, the Committee desires to convene an Urban Land Institute (“ULI”) Advisory Services panel, composed of real estate and land use experts from around the world, to conduct a thorough review and analysis of the Corridor, offer a comprehensive vision, and recommend an executable, strategic economic growth plan for the implementation by stakeholders (the “Panel”); and

WHEREAS, the Panel will consist of eight (8) to ten (10) qualified experts who will spend five (5) days studying the Corridor, and will include a tour of the neighborhood, interviews with stakeholders, informational meetings and a review of historically significant prior studies and development plans, in an effort to generate a final report produced by ULI staff summarizing an executable series of strategic action items and detailed account of the recommendations presented during the Panel (the “Report”); and

WHEREAS, the total cost associated with the Panel and the Report will be \$135,000, which includes conducting the Panel, design, drafting and production of the Panel’s final presentation, the Report, and any other steps required to complete the Panel objectives; and

WHEREAS, the NAACP has solicited and secured funding commitments from various stakeholders to underwrite the Panel and Report costs, and has secured the assistance of the Buffalo Urban Leage (the “BUL”) to accept and disburse funds related to the Panel and the Report on behalf of the NAACP; and

WHEREAS, to facilitate the undertaking of the Panel, the NAACP has requested the Agency to provide funding in the amount of \$25,000 (the “Funding Request”); and

WHEREAS, the Agency desires to facilitate the Panel's efforts and production of the Report to encourage new investment and job creation for the benefit of the residents of the Corridor and Erie County, and desires to approve the Funding Request; and

WHEREAS, the Agency maintains an Urban Development Action Grant Reflow Fund (the "UDAG Fund"), and pursuant to the Housing and Community Development Act of 1974, the Funding Request as described herein is an eligible UDAG expenditure under 42 U.S.C.A Section 5305 (a)(12).

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

Section 1. The Agency authorizes and approves the utilization of the Agency's UDAG Fund in the amount of \$25,000 for the purpose of facilitating the Funding Request.

Section 2. The Agency authorizes the President/Chief Executive Officer to negotiate and execute a grant agreement (the "Grant Agreement"), as appropriate, by and between the Agency, ULI, BUL and the NAACP in consultation with the Agency's general counsel, that shall include such other terms and conditions as the President/Chief Executive Officer determines to be appropriate and in the best interest of the Agency for purposes of the funding the Panel, the Report, and fulfilling the Funding Request.

Section 3. In accordance with the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations promulgated thereto at 6 NYCRR Part 617 (collectively referred to as "SEQRA"), based upon a review of the Panel activities and Funding Request the Agency hereby determines that no further SEQRA compliance is required pursuant to 6 N.Y.C.R.R. Section 617.15.(c)(27) because the Panel and associated Funding Request are Type II actions constituting "studies and preliminary planning and budgetary processes necessary to the formulation of a proposal for action, provided those activities do not commit the agency to commence, engage in or approve such action."

Section 4. 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 documents and agreements as may be related hereto and 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 as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution.

Section 5. Any and all actions heretofore taken or authorized by the Agency and/or its officers, employees and agents with respect to this resolution are hereby ratified, approved and confirmed in all aspects.

Section 6. This resolution shall take effect immediately.

Dated: June 26, 2024

Upstate Niagara Cooperative, Inc.
\$ 150,000,000.00
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 311511

COMPANY INCENTIVES

- Approximately \$5,988,343 in real property tax savings
- Up to \$ 3,937,500 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 240 FT
- Projected retained jobs: 240 FT
- Est. salary/yr. of jobs retained: \$71,000
- Projected new jobs: 130 FT
- Est. salary/yr. of jobs created: \$70,000
- Annual Payroll: \$ 26,500,000
- Construction Jobs: 592

Project Title: W Seneca Expansion
 Project Address: North America Drive, West Seneca, NY14224
 (West Seneca Central School District)

Agency Request

A sales and real property tax abatement associated with a 250,000 SF expansion to an existing plant in West Seneca. The additional space will primarily be used for manufacturing purposes with some additional SF allocated to warehouse and office space.

Building Addition	\$ 60,000,000
Manufacturing Equipment	<u>\$ 90,000,000</u>
Total Project Cost	\$ 150,000,000
85%	\$ 127,500,000

Company Description

Upstate Niagara Cooperative, Inc is a dairy cooperative made up of approximately 260 dairy farms, whose valued members are the dairy farmers who own the business. Upstate Niagara Cooperative a food and beverage company, has been producing a wide variety of award winning, high quality dairy products since 1971. These offerings include milk, cream, flavored milk, shelf stable ready to drink beverages, yogurt, dip, sour cream, cottage cheese, canned evaporated milk and ice cream mix products. These products are marketed under the names, Upstate Farms, Bison, Intense Milk, Milk for Life, Spring Farms, Gold Cow and Valley Farms brands in addition to numerous contract and retail customer labels.

Project Description

The addition of 250,000 SF of space that would more than double the size of Upstate Niagara Cooperative's existing plant (225,000 SF) in West Seneca. New business opportunities and creating operational efficiencies are the main drivers in the company's decision to expand their West Seneca plant. The project will add significant manufacturing capacity as well as storage space for finished goods, ingredients and packaging. Products manufactured at this facility will be distributed throughout the U.S. and will utilize a significant amount of milk from local dairy farmers.

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$849,874,586
 - Spillover Jobs: 1,302
- Total Payroll: 801,774,552

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

Incentives: \$9,349,181
 Community Benefit: \$769,112,877
 Cost: Benefit Ratio
 • 1:82

* 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	\$ 5,988,343
	Sales	\$ 3,937,500
	Total	\$ 9,925,843
	Discounted at 2%	\$ 9,349,181

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 90,655,374
			Payroll Permanent	\$711,119,178
		Public	Property Taxes	\$ 1,496,888
			Sales Taxes	\$ 4,910,869
			Other Muni Revenue (NFTA)	\$ 0
	New York State	Public	Income Taxes	\$ 36,079,855
			Sales Taxes	\$ 5,612,422
			Total Benefits to EC + NYS***	\$849,874,586
			Discounted at 2%	\$769,112,877

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

Discounted Cost \$ 9,349,181
 Discounted Benefit \$769,112,877
 Ratio 1:82

Conclusion: The Cost Benefit for this project is: 82:1. For every \$1 in costs (incentives), this project provides \$82 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$101 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	Additional School Revenue over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
10 Year Standard PILOT	\$ 182,997	\$ 9,000,000	\$ 551,684	\$ 874,222	\$ 1,900,951	\$ 931,520
			<u>\$ 308,944*</u>	<u>\$ 489,564*</u>	<u>\$ 1,064,532*</u>	
			\$ 860,628	\$1,363,786	\$ 2,965,483	
10 Year EIP PILOT (Tier 2): has 12 yr benefit period			\$649,608	\$1,029,396	\$2,238,370	
Combined Tax Rate: \$ 83.17						

*added 2 years 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 = \$150,000,000 85% = \$ 127,500,000
Employment	Coincides with 10-year PILOT	Maintain Base = 240 FTE Create 85% of Projected Projected = 130 FTE 85% = 110 FTE Recapture Employment = 350 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 240 FTE jobs and created 110 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

- 7/29/24: Public hearing held.
- 9/25/24: Inducement Resolution presented to Board of Directors adopting a Neg Dec in accordance with SEQRA
- 9/25/24: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

- 8/2000: \$ 1.16M Construction of 20,400 SF cold storage & dry room. Property & Sales Tax Incentives - Cheektowaga
- 8/2000: \$ 8.14M Renovations 34,000 SF management & admin building, Property & Sales Tax Incentives - Cheektowaga
- 6/2002: \$1.03M Equipment Purchases. Sales Tax Incentive - Cheektowaga
- 6/2004: \$38M Construction of 165,000 SF manufacturing facility. Property & Sales Tax Incentives – West Seneca
- 10/2013: \$2.9M Building Addition = 8,600 SF. Sales Tax Incentive – West Seneca

**EVALUATIVE CRITERIA
MANUFACTURING/WAREHOUSE/DISTRIBUTION**

Project: Upstate Niagara Cooperative – W Seneca Expansion 2024

Wage Rate (above median wage for area)	Average wages for existing employees = \$71,000 and for created jobs = \$ 70,000
Regional Wealth Creation (% sales/customers outside area)	Sales within Erie County = 3% Sales outside the area (97%) include: Outside EC but in NYS = 33% Outside NYS but in US = 63% Outside US = 1%
In Region Purchases (% of overall purchases)	In region (Erie County) purchases = 3% Additional Note: Upstate’s milk purchases from Erie County Farms result in the employment of 87 persons. Milk coming from surrounding farms in: Niagara, Chautauqua, Cattaraugus, Genesee and Wyoming support employment of 1,034. In region purchases – defined broadly as all Counties noted above, brings the % of “in region” purchases to 55%.
Research & Development Activities	N/A
Investment in Energy Efficiency	Yes. New equipment being purchased is more energy efficient than current equipment used by the plant.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The Comprehensive Plan for West Seneca notes its successful North America Drive industrial park where the Town promotes available land for continued investment with areas already zoned for manufacturing uses, consistent with the overall vision and desired character of the Town.
LEED/Renewable Resources	N/A
Retention/Flight Risk	N/A
DEI Questionnaire	Construction contractors will strive to achieve MBE/ WBE goals in accordance with EIP criteria. See DEI questionnaire.
Workforce Access – Proximity to Public Transportation	N/A

DATE OF INDUCEMENT: September 25, 2024

Revised: July 19, 2024

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-Upstate Niagara Cooperative

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
60,000,000	9,000,000	13.79	21.86	47.52

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$36,549	\$57,917	\$125,938	\$220,404	\$931,520	\$711,116
2	0.1	\$42,756	\$67,752	\$147,324	\$257,831	\$931,520	\$673,689
3	0.15	\$48,962	\$77,587	\$168,709	\$295,259	\$931,520	\$636,261
4	0.15	\$48,962	\$77,587	\$168,709	\$295,259	\$931,520	\$636,261
5	0.2	\$55,168	\$87,422	\$190,095	\$332,686	\$931,520	\$598,834
6	0.2	\$55,168	\$87,422	\$190,095	\$332,686	\$931,520	\$598,834
7	0.25	\$61,375	\$97,257	\$211,481	\$370,113	\$931,520	\$561,407
8	0.25	\$61,375	\$97,257	\$211,481	\$370,113	\$931,520	\$561,407
9	0.3	\$67,581	\$107,092	\$232,866	\$407,540	\$931,520	\$523,980
10	0.35	\$73,788	\$116,927	\$254,252	\$444,967	\$931,520	\$486,553
TOTAL		\$551,684	\$874,222	\$1,900,951	\$3,326,857	\$9,315,200	\$5,988,343

***** 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	Total of Other Public Incentives (Infrastructure & ESD Grants are PENDING)
\$150,000,000	\$ 5,988,343	3,937,500	8,000,000

Note: special district taxes are not subject to PILOT abatement

Calc % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 12%

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-Upstate Niagara Cooperative EIP 10 YR Enhanced – tier 2

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate /1000	School Tax Rate/1000
\$60,000,000	9,000,000	13.79	21.86	47.52

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$36,549	\$57,917	\$125,938	\$220,404	\$931,520	\$711,116
2	0.05	\$36,549	\$57,917	\$125,938	\$220,404	\$931,520	\$711,116
3	0.1	\$42,756	\$67,752	\$147,324	\$257,831	\$931,520	\$673,689
4	0.1	\$42,756	\$67,752	\$147,324	\$257,831	\$931,520	\$673,689
5	0.15	\$48,962	\$77,587	\$168,709	\$295,259	\$931,520	\$636,261
6	0.15	\$48,962	\$77,587	\$168,709	\$295,259	\$931,520	\$636,261
7	0.2	\$55,168	\$87,422	\$190,095	\$332,686	\$931,520	\$598,834
8	0.2	\$55,168	\$87,422	\$190,095	\$332,686	\$931,520	\$598,834
9	0.25	\$61,375	\$97,257	\$211,481	\$370,113	\$931,520	\$561,407
10	0.25	\$61,375	\$97,257	\$211,481	\$370,113	\$931,520	\$561,407
11	0.3	\$67,581	\$107,092	\$232,866	\$407,540	\$931,520	\$523,980
12	0.5	\$92,407	\$146,432	\$318,409	\$557,249	\$931,520	\$374,271
TOTAL		\$649,608	\$1,029,396	\$2,238,370	\$3,917,374	\$11,178,240	\$7,260,866

***** 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	Total of Other Public Incentives (Infrastructure & ESD Grants are pending)
\$150,000,000	7,260,866	\$ 3,937,500	\$8,000,000

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 12.8%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: July 19, 2024
 Project Title: Upstate Niagara Coop
 Project Location: North America Drive, West Seneca, NY 14224

Economic Impacts

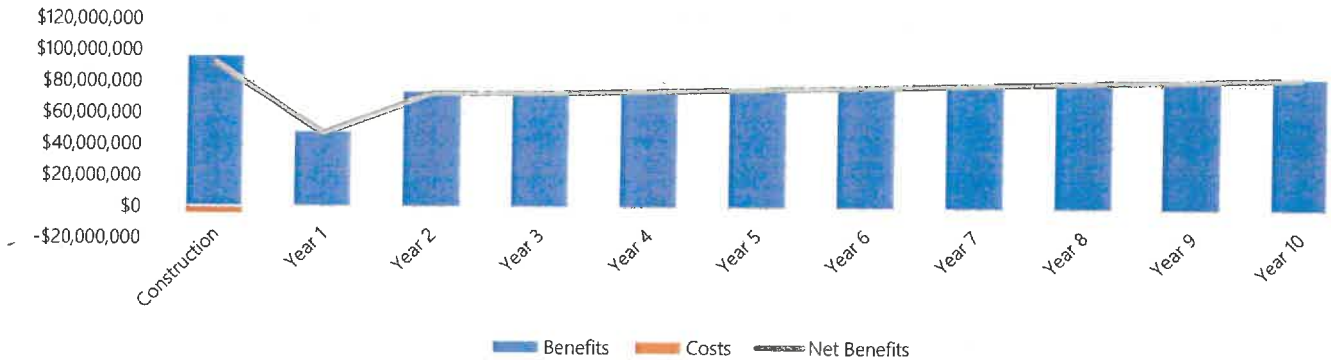
Summary of Economic Impacts over the Life of the PILOT
 Project Total Investment
 \$150,000,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	592	531	1123
Earnings	\$57,288,551	\$33,366,824	\$90,655,374
Local Spend	\$150,000,000	\$103,610,859	\$253,610,859

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	370	771	1141
Earnings	\$267,538,811	\$443,580,367	\$711,119,178

Figure 1

Net Benefits

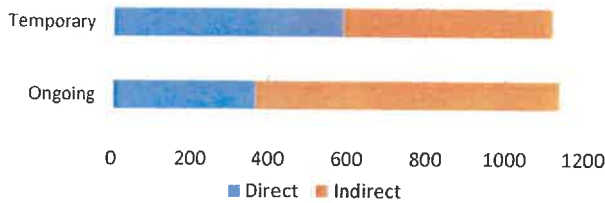


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

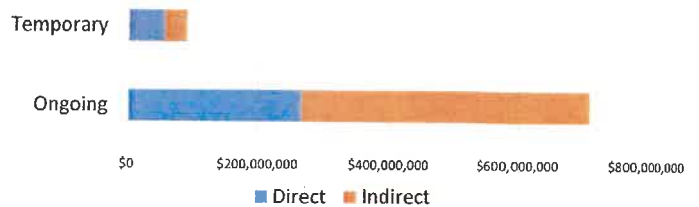
Figure 2

Figure 3

Total Jobs



Total Earnings



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$5,988,342	\$5,411,681
Sales Tax Exemption	\$3,937,500	\$3,937,500
Local Sales Tax Exemption	\$1,837,500	\$1,837,500
State Sales Tax Exemption	\$2,100,000	\$2,100,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$9,925,842	\$9,349,181

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$808,182,309	\$731,380,430
To Private Individuals	<u>\$801,774,552</u>	<u>\$725,623,992</u>
Temporary Payroll	\$90,655,374	\$90,655,374
Ongoing Payroll	\$711,119,178	\$634,968,618
Other Payments to Private Individuals	\$0	\$0
To the Public	<u>\$6,407,757</u>	<u>\$5,756,437</u>
Increase in Property Tax Revenue	\$1,496,888	\$1,311,990
Temporary Jobs - Sales Tax Revenue	\$555,264	\$555,264
Ongoing Jobs - Sales Tax Revenue	\$4,355,605	\$3,889,183
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$41,692,277	\$37,732,448
To the Public	<u>\$41,692,277</u>	<u>\$37,732,448</u>
Temporary Income Tax Revenue	\$4,079,492	\$4,079,492
Ongoing Income Tax Revenue	\$32,000,363	\$28,573,588
Temporary Jobs - Sales Tax Revenue	\$634,588	\$634,588
Ongoing Jobs - Sales Tax Revenue	\$4,977,834	\$4,444,780
Total Benefits to State & Region	\$849,874,586	\$769,112,877

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$731,380,430	\$7,249,181	101:1
State	\$37,732,448	\$2,100,000	18:1
Grand Total	\$769,112,877	\$9,349,181	82:1

*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-resourcelist>

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.

Our contractor has had MWBE goals in the past and will attempt to make the best efforts to achieve the goals set by the agency for the economic inclusion program of 25% MBE, 5% WBE.

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/employerservices>
- 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:

Diversity and inclusion at our organization is a team effort and we expect and encourage employees to contribute to this goal. Together with the support of our workforce development team, we support a workplace that offers every individual the opportunity to attain professional goals and contribute to accomplishing our mission. For the past two years we have been an industry sponsor for Northland Workforce Training Center and have hired their students/graduates into our company. We work with the Department of Labor (NYS job bank) to post all of our employment opportunities and are developing our relationship with Workforce Buffalo. We keep a community presence by attending local job fairs at technical schools, colleges, high schools and community centers.

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

Upstate Niagara Cooperative, 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 July 29, 2024 at 9:00 a.m.,
at the Town of West Seneca Community Center & Library,
located at 1300 Union Road, West Seneca, NY 14224

ATTENDANCE:

Chuck Wilson – Update Niagara Cooperative

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the 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 Upstate Niagara Cooperative, Inc. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, July 18, 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 vacant land on North America Drive, Town of West Seneca, Erie County, New York and all other lands in the Town of West Seneca where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the construction on the Land of an approximately 250,000 square-foot addition to the existing 222,851 sq. ft. warehouse facility to be utilized for manufacturing as well as storage for finished goods, ingredients and packaging (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 August 27, 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.

Chuck Wilson - Upstate Niagara Cooperative. Good morning and thank you for inviting Upstate Niagara Cooperative to present our proposal for an expansion of our West Seneca facility located at 3300 North America Drive. The facility is currently around 220,000 sq. ft. We are exploring the feasibility of adding another 250,000 sq. ft. at that location. In doing so, we would increase the production of yogurt, sour cream and cottage cheese by over 100 million pounds annually, doubling the current capacity of the plant. This would utilize over 200 million pounds of additional milk from New York Farms, and we would be creating around 130 new good-paying jobs. Upstate needs this expansion to grow with existing customers and service new business. The products produced would be sold throughout the United States. The anticipated cost of the project would be \$150 million, \$60 million for the addition to the facility, creating close to 200 construction jobs over the period of the project, and \$90 million in modern production and production related equipment. We are looking for financial support from the IDA to be able to maximize the expansion. Without support we would need to limit the size of the project significantly, cutting back on new employees and additional milk purchases from New York Farms. We have been successfully operating the current West Seneca facility since 2005 and look forward to growing in the community. The location has been a good fit for Upstate, located near a Thruway entrance, allowing easy access for employees and trucks delivery milk, other raw materials and picking up finished goods. Thank you again. We look forward to continued growth in West Seneca and Erie County.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:05 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

July 29, 2024, at 9:00 a.m.
at the Town of West Seneca Community Center & Library,
located at 1300 Union Road, West Seneca, NY 14224
regarding:

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

Project Location: V/L North America Drive, West Seneca, New York 14224

Name	Company and/or Address	X box to speak/ comment
Chuck Wilson	Upstate Niagara Cooperative 3200 North America Drive West Seneca, New York 14224	X

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**UPSTATE NIAGARA COOPERATIVE, 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, September 25, 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 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

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

on vacant land on North America Drive, Town of West Seneca, Erie County, New York and all other lands in the Town of West Seneca where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the “Land”), (ii) the construction on the Land of an approximately 250,000 square-foot addition to the existing 222,851 sq. ft. warehouse facility to be utilized for manufacturing as well as storage for finished goods, ingredients and packaging (the “Improvements”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on July 29, 2024 at 9:00 a.m., at the Town of West Seneca Community Center & Library, located at 1300 Union Road, West Seneca, NY 14224, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, 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 2 payment in lieu of tax agreement (the “PILOT Agreement”) with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, the Project is located within the Town of West Seneca (the “Town”) Industrial Park (the “Industrial Park Project”); and

WHEREAS, the Industrial Park Project entailed and entails the acquisition and development of an industrial, warehousing, and distribution park of approximately 400-500 acres within the Town to ultimately be developed as various individual parcels within the Industrial Park by private developers; and

WHEREAS, the Town, 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 coordinated review with respect to the Industrial Park Project, established itself as Lead Agency as defined in SEQR, and determined that the Industrial Park Project was a Type I Action; and

WHEREAS, the Agency, on or about October 11, 1989, affirmed and confirmed the status of the Town as “Lead Agency” within the meaning of and for all purposes of complying with SEQR with respect to the Industrial Park Project; and

WHEREAS, on August 12, 1991, the Town accepted the Final Environmental Impact Statement (the “FEIS”) for the Industrial Park Project; and

WHEREAS, on November 7, 2019, the Town’s Industrial Park Review Committee reviewed the Project and recommended that the Town approve of the Project; and

WHEREAS, on September 23, 2024, the Town completed its review of the Project and related materials and the FEIS and specifically determined that there were no potentially significant adverse environmental impacts associated with the Project, that no further environmental impact statement is necessary; and that the environmental impacts resulting from the Project are consistent with the provisions of the FEIS as related to the Industrial Park 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; 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 August 1, 2024 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 of the Act.

(I) In reviewing the Project as currently proposed pursuant to the conditions and mitigation measures set forth in the FEIS that were prepared for the Industrial Park Project, the Town determined that no further SEQR compliance is required for the Project since it will be carried out in conformance with the conditions and thresholds established in the FEIS, and as such, no further SEQR review is required for the Project pursuant to 6 N.Y.C.R.R. Section 617.10(d)(1).

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

(i) *Wage Rate (above median wage for area):* Average wages for existing employees = \$71,000 and for created jobs = \$ 70,000.

(ii) *Regional Wealth Creation (% sales/customers outside area)*: Sales within Erie County = 3%; Sales outside the area (97%) include: Outside EC but in NYS = 33%; Outside NYS but in US = 63%; Outside US = 1%

(iii) *In Region Purchases (% of overall purchases)*: 3%.

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

(v) *Investment in Energy Efficiency*: Yes. Equipment being purchased is more energy efficient than equipment currently being used at the plant.

(vi) *Locational Land Use Factors, Brownfields or Locally Designated Development Areas*: The Comprehensive Plan for West Seneca notes its successful North America Drive industrial park where it promotes available land for continued investment with areas already zoned for manufacturing uses, consistent with the overall vision and desired character of the Town.

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

(viii) *Retention/Flight Risk*: N/A

(ix) *DEI Questionnaire*: See attachment in Board package. Construction contractors will strive to achieve MBE/WBE goals in accordance with EIP criteria.

(x) *Workforce Access-Proximity to Public Transportation*: N/A.

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 \$45,000,000, 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 \$3,937,500, 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 \$5,988,343, resulting in estimated total PILOT payments of \$3,326,857 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 2 ten (10) year PILOT Agreement to provide for the standard seven 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 \$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.

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

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

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

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

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

Dated: September 25, 2024

**UNC-2024-01**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	W Seneca Expansion 2024
Project Summary	Expand West Seneca Plant to accommodate new business and create efficiencies in our operations
Applicant Name	Upstate Niagara Cooperative, Inc.
Applicant Address	PO Box 268/368 Pleasant View Drive
Applicant Address 2	
Applicant City	Lancaster
Applicant State	New York
Applicant Zip	14086
Phone	(716) 892-3156
Fax	
E-mail	cwilson@uncdairy.com
Website	https://www.upstateniagara.com/
NAICS Code	311511

Business Organization**Type of Business**

Corporation

Year Established

1965

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 CertifiedIndividual Completing Application

Name Chuck Wilson
Title Director of Risk Management
Address PO Box 268/368 Pleasant View Drive
Address 2
City Lancaster
State New York
Zip 14086
Phone (716) 892-3156
Fax
E-Mail cwilson@uncdairy.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Michael J Fuchs
Title Chief Financial Officer
Address PO Box 268/368 Pleasant View Drive
Address 2
City Lancaster
State New York
Zip 14086
Phone (716) 892-3156
Fax
E-Mail cwilson@uncdairy.com

Company Counsel

Name of Attorney Joseph G Casion
Firm Name Harter Secrest & Emery LLP
Address 1600 Bausch & Lomb Place
Address 2
City Rochester
State New York
Zip 14604
Phone (585) 231-1407
Fax
E-Mail jcasion@hselaw.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%.

Upstate is a dairy cooperative made up of approximately 260 dairy farms, primarily located in New York State. We are a food and beverage company that has been producing a wide variety of award winning, high-quality dairy products since 1971. These offerings include milk, cream, flavored milk, shelf stable ready-to-drink beverages, yogurt, dip, sour cream, cottage cheese, canned evaporated milk, and ice cream mix products marketed under the Upstate Farms, Bison, Intense Milk, Milk for Life, Spring Farms, Gold Cow and Valley Farms brands, in addition to numerous contract and retail customer labels.

Estimated % of sales within Erie County	3 %
Estimated % of sales outside Erie County but within New York State	33 %
Estimated % of sales outside New York State but within the U.S.	63 %
Estimated % of sales outside the U.S.	1 %

(*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?

3

Describe vendors within Erie County for major purchases

The majority of our Erie County purchases are with local dairy farms for milk used in processing

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

North America Drive

Town/City/Village of Project Site

West Seneca

School District of Project Site

West Seneca Central

Current Address (if different)

3300 North America Drive

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

West Seneca

SBL Number(s) for proposed Project

135.10-3-2 / 135.01-2-1.1

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

\$1,223,281 including school tax, excluding sewer charges

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

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

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

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

Yes

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

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

No

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

The site is already owned, Existing building / Vacant Land

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)

We plan on adding an approximately 250,000 square foot addition, with associated equipment, to our existing 222,851 square foot warehouse at 3300 North America Drive in West Seneca, NY utilizing adjacent vacant land currently owned by Upstate Niagara Cooperative. This will add significant manufacturing capacity as well as storage for finished goods, ingredients and packaging. The product manufactured will be distributed throughout the United States, including New York and will utilize significant milk from local dairy farms

Municipality or Municipalities of current operations

West Seneca

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?

No

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

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

Although the project could be undertaken without the financial assistance of the agency, it will need to be cut back and reduce the financial impact to the region.

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 agencies financing is necessary to maximize the utilization of the expansion to assure the most utilization of local labor and milk from local dairy farms as possible.

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 unable to obtain financial assistance for the project, we will cut back on the project, not creating as many local jobs and not utilizing as much milk from local dairy farms.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

No

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

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

No

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.

8/26/2024

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

Yes

Describe the present zoning/land use

M2 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?

Yes

If yes, please provide a copy.

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

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Equipment being purchased will be more efficient than the equipment currently in the plant, prior to the expansion. You may also attach additional information about the machinery and equipment at the end of the application.

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

No

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

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

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

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

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

Please check any and all end uses as identified below.

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

No Renewable Energy

No Other

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

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

			Cost	% of Total Cost
Manufacturing/Processing	203,845 square feet	\$	40,000,000	67%
Warehouse	36,117 square feet	\$	19,800,000	32%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	10,597 square feet	\$	200,000	1%
Specify Other	square feet	\$	0	0%

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

No

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

9/16/2024

End date : Estimated completion date of project

12/31/2026

Project occupancy : estimated starting date of occupancy

11/30/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 60,000,000 250,000 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 90,000,000

6.) Infrastructure Work

\$ 0

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

\$ 0

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

\$ 0

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 150,000,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 60,000,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 32,900,000
% sourced in Erie County	10%

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	\$ 45,000,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 3,937,500

** 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:	There has been money spent on engineering studies to evaluate the feasibility of the project

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$
Bank Financing:	\$ 142,000,000
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):	\$ 8,000,000
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	Resilient Food Systems Infrastructure Grant \$3,000,000 ESD \$5,000,000; these are estimates pending approval.
Total Sources of Funds for Project Costs:	\$150,000,000
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

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

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

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

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

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

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

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

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	240	240	130	130
Part time	0	0	0	0
Total	240	240	130	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	60	\$ 89,300	\$ 22,000	0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Administrative	6	\$ 51,520	\$ 29,250	0	\$ 0	\$ 0
Production	304	\$ 71,400	\$ 22,200	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	370			0		

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

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

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

Address	368 Pleasant View Dr. Lancaster, NY	1730 Dale Rd. Cheektowaga, NY	
Full time	155	182	0
Part time	0	0	0
Total	155	182	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

26,500,000

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

71,000

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

0

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

70,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	35,000	To (Full Time)	120,000
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

3300 North America Drive, West Seneca, NY and adjacent property

Name and Address of Owner of Premises

Upstate Niagara Cooperative, Inc 368 Pleasant View Drive Lancaster, NY 14086

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

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

The current construction was completed in 2005. The facility produces and distributes a variety of dairy products, including yogurt, cottage cheese, sour cream and dips

Describe all known former uses of the Premises

This was a new build in 2005 and has been occupied by Upstate Niagara Cooperative since then.

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

Discharge is into the sanitary sewer

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

Storm water is first released into a new retention pond and then proceeds to the existing wetland at the northwest portion of the site.

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

Various above ground tanks utilized to store chemicals for sanitation of the lines used in the production process.

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 Upstate Niagara Cooperative, Inc
Address 368 Pleasant View Drive, Lancaster, NY
Contact Person Chuck Wilson
Phone (716) 892-3156
Fax
E-Mail cwilson@uncdairy.com
Federal ID # 16-0845625
SIC/NAICS Code 311511

SS

Section VI: Retail Determination

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

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

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

Section VII: Adaptive Reuse Projects

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

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

No

Section VIII: Inter-Municipal Move Determination

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

Current Address

City/Town

State

Zip Code

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

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

No

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

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

No

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

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

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?

<BLANK>

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

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

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.

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

Laborers Way 1, LLC / Zephyr (Managing Partner)

\$ 45,290,000

AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531120

COMPANY INCENTIVES

- Original: Approved \$1,088,281 in sales tax savings
- Request: Amendment to increase sales tax benefit to \$1,630,125

JOBS & ANNUAL PAYROLL

- Current Jobs: 0
- Projected / new jobs: 20 FT, 34 PT (37 FTE)
- Est. salary/yr. of jobs created: \$60,000 FT, \$35,000 PT
- Total jobs after project completion: 37 FTE
- Construction Jobs: 179

PROJECTED COMMUNITY BENEFITS*

- Term: 15 YEARS – PILOT Deviation (BLCP PILOT Agmt)
 - NET Community Benefits: \$97,661,171
 - Spillover Jobs: 191
- Total Payroll: \$90,738,492

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

Incentives: \$3,586,862
 Community Benefit: \$86,853,990
 Cost: Benefit Ratio
 • 1:24

Project Title: Laborers Way 1
 Project Address: 310 Ship Canal Parkway
 Buffalo, NY 14218
 (City of Buffalo School District)

Amended Agency Request

This request is to increase the sales tax exemption benefit as project costs have increased due to a raise in construction labor cost, materials cost as well as additional costs due to a higher quality & improved design of the interior space. The original request approved by the ECIDA Board in Aug 2022 consisted of a \$27.8 M private investment that included property, sales and mortgage recording tax benefits. The current project costs exceed \$45M.

	Prior	Current
Land Acquisition	\$ 425,000	\$ 400,000
New Building Construction	\$ 21,825,000	\$ 34,210,000
Infrastructure	\$ 3,050,000	\$ 3,050,000
Soft Costs/Other	<u>\$ 2,500,000</u>	<u>\$ 7,630,000</u>
Total Project Cost	\$ 27,800,000	\$ 45,290,000
85%	\$ 23,630,000	\$ 38,496,500

Company Description

Laborers Way 1, LLC is the owner/ landlord of this facility. The tenant, RIV Capital will sublease the property to their subsidiary Etain. Etain currently has a medicinal license for one manufacturing facility and four retail dispensaries in NY State. In July 2023 Etain received approval from Office of Cannabis Management (OCM) to add the Buffalo facility to their license. Prior to starting operations, Etain must submit a certificate of occupancy (or temporary cert of occupancy) to the OCM as a final step in their approval process. Project ownership is fully controlled by Laborers Way Partner, LLC with 50% controlled by Zephyr Laborers Way LLC and 50% controlled by USA DRES, LLC Additionally, Brad Termini is a member with indirect ownership of more than 20%.

Project Description

Since being approved for incentives by the Erie County Industrial Development Agency in August 2022, the applicant Laborers Way 1, has begun construction of the 2 single story steel framed structures to be built – that will total 75,000 SF of space. The majority of the space will be used for cannabis production – manufacturing, cultivating, packaging and distribution. Less than 10% of the space will be used for office space. This project is the first phase of a plan to create an approximately 211,000 sq ft campus on this site, comprised of 3 buildings supporting cultivation and manufacturing operations.

* 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 ****	\$2,115,032
	Sales	\$1,630,125
	Mortgage Recording	\$ 120,000
	Total	\$3,865,157
	Discounted at 2%	\$3,586,862

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 27,371,879
			Payroll Permanent	\$ 63,366,613
		Public	Property Taxes	\$ 1,410,013
			Sales Taxes	\$ 754,264
			Other Muni Rev (NFTA)	\$ 40,000
	New York State	Public	Income Taxes	\$ 4,083,233
			Sales Taxes	\$ 635,169
			Total Benefits to EC + NYS***	\$97,661,171
			Discounted at 2%	\$86,853,990

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period *** may not sum to total due to rounding
 ****property taxes updated to reflect amounts based upon 2024 tax rates

Discounted Cost \$ 3,586,862
 Discounted Benefit \$86,853,990
 Ratio 1:24

Conclusion: The Cost Benefit for this project is 1:24. For every \$1 in costs (incentives), this project provides \$24 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$30 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$10,466	\$9,400,800	\$273,595	\$1,136,428	\$235,004
Combined Tax Rate: \$ 26.111553				

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 = \$ 45,290,000 85% = \$ 38,496,500
Employment	Coincides with 15-year PILOT	Maintain Base = 0 Create 85% of Projected Projected = 37 FTE 85% = 31 FTE Recapture Employment = 31 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 15-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 15-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 15-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has created 31 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

- 8/2/22: Public hearing held.
- 8/24/22: Inducement Resolution presented to Board of Directors adopting SEQR with City of Buffalo Common Council as lead agency confirmation that the project will be carried out in conformance with the conditions and thresholds contained in the 2002 FGEIS.
- 8/24/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 9/05/24: Public Hearing held.
- 9/25/24: Amendatory Inducement Resolution presented to the Board of Directors

Erie County Industrial Development Agency MRB Cost Benefit Calculator

Date: September 25, 2024
Project Title: Laborer's Way 1 Amended
Project Location: 310 Ship Canal Parkway, Buffalo, New York 14218

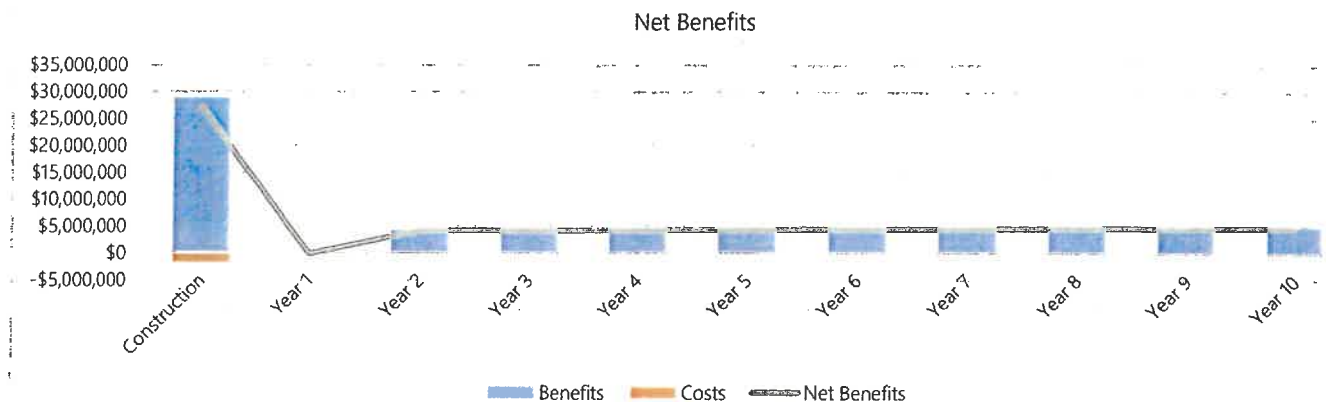
Economic Impacts

Summary of Economic Impacts over the Life of the PILOT
Project Total Investment
\$45,290,000

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	179	160	339
Earnings	\$17,297,323	\$10,074,556	\$27,371,879
Local Spend	\$45,290,000	\$31,283,572	\$76,573,572

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	37	31	68
Earnings	\$34,810,336	\$28,556,277	\$63,366,613

Figure 1



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

Figure 2

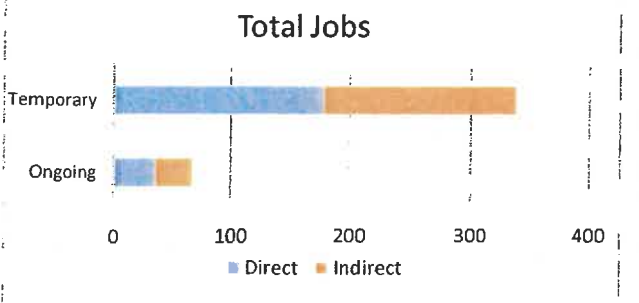
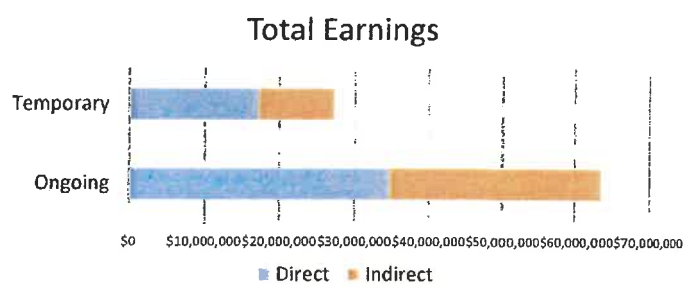


Figure 3



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

Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$2,115,032	\$1,836,737
Sales Tax Exemption	\$1,630,125	\$1,630,125
Local Sales Tax Exemption	\$884,925	\$884,925
State Sales Tax Exemption	\$745,200	\$745,200
Mortgage Recording Tax Exemption	\$120,000	\$120,000
Local Mortgage Recording Tax Exemption	\$40,000	\$40,000
State Mortgage Recording Tax Exemption	\$80,000	\$80,000
Total Costs	\$3,865,157	\$3,586,862

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$92,942,769	\$82,654,418
To Private Individuals	\$90,738,492	\$80,760,998
Temporary Payroll	\$27,371,879	\$27,371,879
Ongoing Payroll	\$63,366,613	\$53,389,119
Other Payments to Private Individuals	\$0	\$0
To the Public	\$2,204,277	\$1,893,420
Increase in Property Tax Revenue	\$1,410,013	\$1,182,878
Temporary Jobs - Sales Tax Revenue	\$227,529	\$227,529
Ongoing Jobs - Sales Tax Revenue	\$526,735	\$443,797
Other Local Municipal Revenue	\$40,000	\$39,216
State Benefits	\$4,718,402	\$4,199,572
To the Public	\$4,718,402	\$4,199,572
Temporary Income Tax Revenue	\$1,231,735	\$1,231,735
Ongoing Income Tax Revenue	\$2,851,498	\$2,402,510
Temporary Jobs - Sales Tax Revenue	\$191,603	\$191,603
Ongoing Jobs - Sales Tax Revenue	\$443,566	\$373,724
Total Benefits to State & Region	\$97,661,171	\$86,853,990

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$82,654,418	\$2,761,662	30:1
State	\$4,199,572	\$825,200	5:1
Grand Total	\$86,853,990	\$3,586,862	24:1

*Discounted at 2%

Additional Comments from IDA

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



Project Overview

September 2024

Private & Confidential

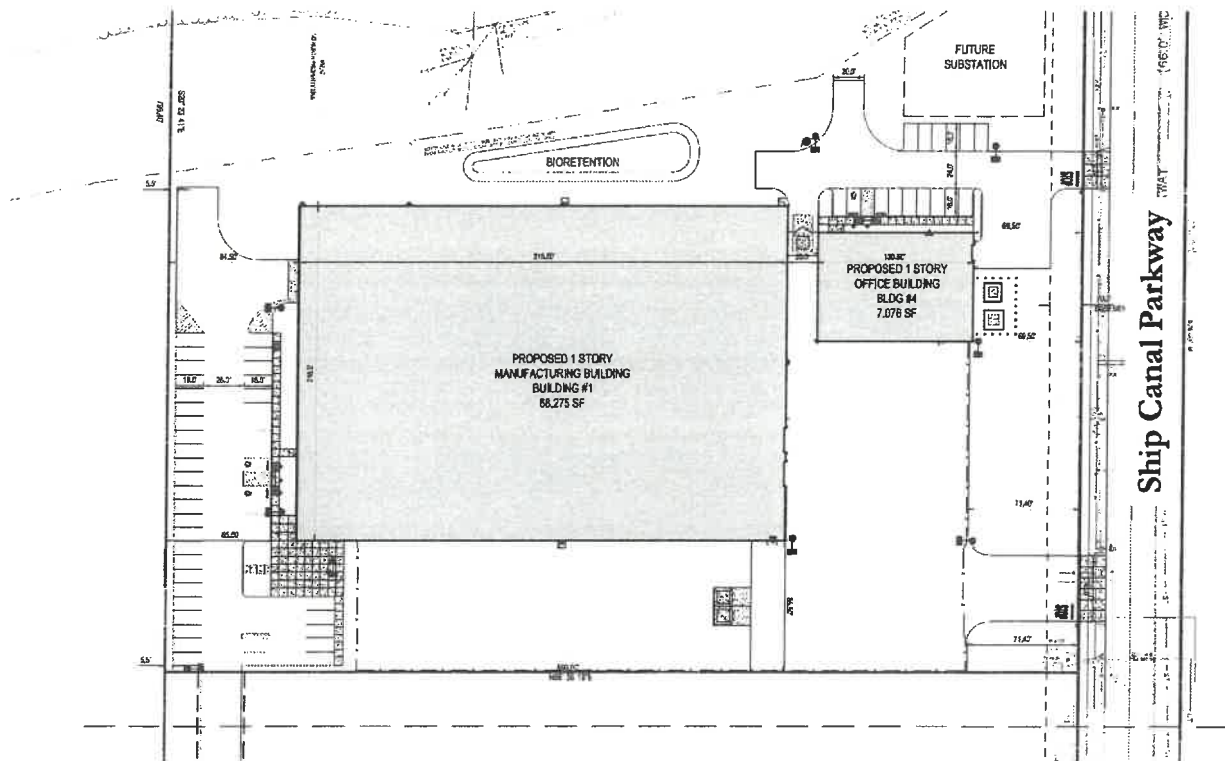
LAKESIDE COMMERCE PARK (BUFFALO, NY)

Private & Confidential

Project Map



Proposed Project – Site Plan



ZEPHYR

Photos



Photos



ZEPHYR

6

Photos



Photos



ZEPHYR

Photos



PUBLIC HEARING SCRIPT

**Laborers Way 1, LLC and/or Individual(s)
or Affiliate(s), Subsidiary(ies), or Entity(ies)
formed or to be formed on its behalf Project**

Public Hearing to be held on September 5, 2024 at 10:00 a.m.,
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Tony Masiello – Masiello, Martucci & Associates

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:00 a.m. My name is Andy Federick. I am the Property and Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Laborers Way 1, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, August 22, 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 310 Ship Canal Parkway, City of Buffalo, Erie County, New York (the "Land"), (ii) the construction on the Land of an approximately 75,000+/- sq. ft. cannabis cultivation facility to be utilized for the production, packaging and distribution of cannabis (the "Improvements"), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility").

The Agency has acquired a leasehold interest in the Facility and leased the Facility back to the Company. The Company will operate the Facility during the term of the lease. Under previous agreements between the Agency and the Company, the Agency provided the Company with certain financial assistance with respect to the Project and the Facility in the form of (i) sales and use tax exemptions, and (ii) a mortgage recording tax exemption, each consistent with the policies of the Agency, and (iii) a partial real property tax abatement.

The Company has submitted an update to its Application requesting that the Agency provide the Company with an increase in sales and use tax exemptions (as so increased, the “Financial Assistance”) in connection with the construction of the Improvements and the acquisition and installation of the Equipment in and around the Facility. The Agency contemplates that it will provide the Financial Assistance to the Company in connection with the construction of the Improvements and the acquisition and installation of the Equipment in the form of sales and use tax exemptions consistent with the policies of the Agency.

☒ 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 September 24, 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.

Tony Masiello, Masiello, Martucci & Associates. I am a consultant representing Zephyr Partners. Zephyr is the Managing Member of the project applicant, Laborers Way 1, and is a southern California based real estate developer with local ties to Buffalo through its CEO, Brady Termini. As a reminder, the applicant appeared before the board in August 2022 and formally entered into an Agent and Financial Assistance Project Agreement with the ECIDA in September 2022. The applicant is now seeking board approvals for an increase to the sales and use tax exemptions that were previously approved by the board.

Some history on the project In August 2022, Zephyr's subsidiary acquired 73 acres of land in the Lakeside Commerce Park located in southern Buffalo from the Buffalo Urban Development Corporation. The project applicant, Laborers Way 1, sits on approximately 5 net acres within the park and is in the first phase of a multi-phased project that will ultimately create an approximate 1 million square foot industrial cannabis campus. The first phase includes the construction of two buildings totaling approximately 75,000 square feet that will be utilized for manufacturing, cultivation, packaging and distribution. The facility will focus on both adult-use and medicinal cannabis consistent with New York State laws and the Office of Cannabis Management regulations. And 100% of the products produced at the facility will be sold within New York State.

The project is currently under construction with an estimated completion date in early 2025. The project has experienced delays due to the longer than expected design layouts for the interior improvements to the facilities. Additionally, the project has incurred higher than previously estimated construction costs due to the cost of the interior buildout and inflation on materials and labor. Regarding tenancy, the applicant executed a lease with RIV Capital US Real Estate who will sublease the property upon substantial completion of the development to Etain. Etain is a vertically integrated cannabis company operating in the state of New York and was one of the original five registered organizations licensed to sell medical cannabis in New York State. In December 2023, Etain was approved to transition to an adult-use operator. In July 2023, Etain received approval from the Office of Cannabis Management to add the subject facility to their license upon receipt of a certificate of occupancy to operate in the facility. Once the first phase is fully operational, the facility is anticipated to produce 50 new permanent jobs plus temporary construction jobs. The permanent jobs will include roles such as cultivation laborers, product development specialists, maintenance technicians, packaging technicians, administrative staff, and marketing professionals.

To conclude, we are very thankful for the opportunity to reapply for the ECIDA's financial assistance programs. We would like to thank the ECIDA staff for diligently working with us throughout the application process and the board for considering our application. Thank you.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 10:08 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

September 5, 2024 at 10:00 a.m.,
at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203
regarding:

**Laborers Way 1, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 310 Ship Canal Parkway, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Tony Masiello	Masiello, Martucci & Associates 438 Main St #500 Buffalo, NY 14202	X

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FIRST AMENDMENT TO INDUCEMENT RESOLUTION

**LABORERS WAY 1, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, September 25, 2024 at 12:00 p.m.

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

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)

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, LABORERS WAY 1, LLC or on behalf of an affiliated entity formed or to be formed (the “Company”) has submitted an application to the Agency (the “Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 310 Ship Canal Parkway, City of Buffalo, Erie County, New York (the “Land”), (ii) the construction on the Land of an approximately 75,000+/- sq. ft. cannabis cultivation facility to be utilized for the production, packaging and distribution of cannabis (the “Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”); and

WHEREAS, by resolution adopted on August 24, 2022 (the “Original Resolution”) the Agency authorized financial assistance to the Company with respect to the Application in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, (b) a mortgage recording tax exemption benefit for the financing related to the Project, and (c) a partial

abatement from real property taxes benefit through a fifteen (15) year “payment in lieu of tax agreement” (the “PILOT Agreement”) with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, with respect to the foregoing, the Agency authorized and approved 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 \$12,437,500, 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 \$1,088,281, and

WHEREAS, the Agency recently received notification from the Company that Project costs have increased due to longer than expected design requirements for the interior improvements of the Facility as well as higher than anticipated construction costs and on August 16, 2024, the Company submitted an amended application for Financial Assistance (the “Amended Application”) requesting an increase in the approved expenditure amount of goods and services to be purchased as so related to the Project, and that would otherwise be subject to New York State and local sales and use tax, from \$12,437,500 (as approved in the Original Resolution) to \$18,630,000, thus increasing the sale tax benefit amount from \$1,088,281 up to an amount not to exceed \$1,630,125 (the “Revised Sales Tax Exemption Benefit”); and

WHEREAS, related thereto, pursuant to General Municipal Law Section 859-a, on September 5, 2024, at 10:00 a.m., at the Agency’s offices, at 95 Perry Street, Suite 403, 4th Floor Conference Room, Buffalo, New York 14203, the Agency held a public hearing with respect to the Project and the proposed Amended Application and financial assistance (as herein described) 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, the Agency desires to amend the Original Resolution with respect to the Revised Sales Tax Exemption Benefit.

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

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

Section 2. With respect to the foregoing and based upon the representations and warranties made by the Company in its Amended Application, the Agency hereby authorizes and approves the Revised Sales Tax Exemption Benefit with respect to the Project and the increased Project costs.

Section 3. Based upon the representations and warranties made by the Company in its Amended Application, subject to the terms and conditions as described herein, and Agency Board member review, discussion and consideration of same, the Agency hereby finds, determines and hereby amends Section 3(A)(i) of the Original Resolution in its entirety to read as follows:

- (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 estimated amount up to \$18,630,000, which may result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed \$1,630,125. The Agency may consider any requests by the Company for increases in the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 4. Based upon the representations and warranties made by the Company in its Amended Application, subject to the terms and conditions as described herein, and Agency Board member review, discussion and consideration of same, the Agency hereby finds, determines and hereby amends Section 3(C)(i) of the Original Resolution in its entirety to read as follows:

- (i) Investment Commitment – the total investment made with respect to the Project at the time of Project completion equals or exceeds \$38,496,500 (which represents the product of 85% multiplied by \$45,290,000, being the total project cost as stated in the Company’s Amended Application).

Section 5. Unless otherwise amended pursuant to the terms contained herein, the terms of the Original Resolution shall remain unchanged.

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

Section 8. These Resolutions shall take effect immediately.

Dated: September 25, 2024



Laborers Way 1

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	Laborers Way 1
Project Summary	The applicant is planning on developing approx. 75,000 square feet of manufacturing space in Buffalo.
Applicant Name	Laborers Way 1, LLC
Applicant Address	329 S. Highway 101
Applicant Address 2	Suite 150
Applicant City	Solana Beach
Applicant State	California
Applicant Zip	92075
Phone	(310) 480-6766
Fax	
E-mail	slevin@zephyrpartners.com
Website	NA
NAICS Code	531120

Business Organization

Type of Business
Limited Liability Company

Year Established
2021

State
Delaware

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

[No] Minority Owned
 [No] Woman Owned

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

[No] NYS Certified
 [No] Erie Country Certified

Individual Completing Application

Name Seth Levin
Title CFO
Address 329 S. Highway 101
Address 2 Suite 150
City Solana Beach
State California
Zip 92075
Phone
Fax
E-Mail slevin@zephyrpartners.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Brad Termini
Title CEO
Address 329 S. Highway 101
Address 2 Suite 150
City Solan Beach
State California
Zip 92075
Phone
Fax
E-Mail Brad@Zephyrpartners.com

Company Counsel

Name of Attorney Amy Fitch
Firm Name Hodgson Russ LLP
Address 140 Pearl Street
Address 2 Suite 100
City Buffalo
State New York
Zip 14202
Phone (716) 848-1384
Fax (716) 819-4653
E-Mail afitch@hodgsonruss.com

Benefits Requested (select all that apply)

Exemption from Sales Tax Yes
Exemption from Mortgage Tax No

Exemption from Real Property Tax No

Tax Exempt Financing* No

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

Applicant Business Description

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

The Applicant entered into an Agent and Financial Assistance Project Agreement with the ECIDA in September 2022. The Project is currently under construction with an estimated completion date in 2nd Quarter 2025. The Project has experienced delays due to longer than expected design requirements for the interior improvements of the facilities. Additionally, the Project has incurred higher than previously estimated construction costs primarily due to the high quality and improved design of the interior improvements within the production facility. Another major contributor to the increased costs is inflation both from materials and labor since the time the original project budget was prepared. We are seeking increased sales and use tax exemptions due to the updated construction costs of the Project. Below is additional background on the Project. The subject Project includes a total of two buildings in one-story steel-framed structures with approximately 72 surface parking spaces and located on approximately 5.3 net acres of unimproved land along the waterfront in Buffalo Lakeside Commerce Park. The Property was adjacent to a former steel mill and is a designated brownfield site that was owned by the Buffalo Urban Development Corporation ("BUDC") and included within a city-approved redevelopment plan to revitalize the historically industrial area. The Applicant acquired the Property from BUDC in August 2022. Prior to closing on the land, the Applicant spent several years and invested capital to entitle the Project, which has received land use approvals by the City of Buffalo, allowing the development to proceed. Planning Board approved the Project in October 2021, and the Project received a building permit in August 2022. Additionally, the Project has received support from the City of Buffalo Mayor's Office and BUDC. The Applicant performed remediation of the site under the standards and requirements outlined within the New York State Brownfield Cleanup Program. The Applicant is in process of building the Project including install of equipment and has leased the space to a tenant who will operate the facility. The Applicant has an executed lease with a tenant, RIV Capital US Real Estate, LLC, who will sublease the property upon substantial completion of the development to their subsidiary, Etain, LLC, for the 75,000 square feet of space. Furthermore, the additional site acreage at the Property allows for up to 1.25 million square feet and the long-term plan is to continue expansion at the site as the New York state market matures over time. The Project will be used primarily as a cannabis production facility, with space for a variety of uses including manufacturing, cultivation, packaging, and distribution. The facility will focus on both adult-use and medical cannabis consistent with New York State (NYS) laws and the Office of Cannabis Management (OCM) regulations. NYS has a process by which they are converting medicinal licenses to adult-use, as regulations are introduced. Etain is a vertically-integrated cannabis company operating in the state of New York and was one of the original five registered organizations licensed to sell medical cannabis in New York State. In December 2023, Etain was approved to transition to an adult-use operator. Etain's adult-use "registered organization with dispensing" license allows for the cultivation, processing, and dispensing of adult-use and medical cannabis products. In July 2023, Etain received approval from OCM to add our Buffalo facility to their license. Prior to starting operations at our Buffalo facility, Etain must submit a certificate of occupancy or temporary certificate of occupancy to the OCM as a final step in their approval process. Etain will comply will all NYS cannabis regulations and licensing laws, and products include raw cannabis flower and other cannabis-based products. 100% of the products produced at the facility will be created and sold within NYS. Including the land acquisition, the Project is estimated to cost approximately \$45,290,000. Upon completion of the Project, the facility is anticipated to produce 20 new full-time jobs and 34 new part-time jobs, for a total of 54 new jobs. The completed Project will include jobs for skilled manufacturing, product development specialists, maintenance technicians, packaging technicians, administrative staff, and marketing professionals. It is anticipated that the part-time employees will work on average between 20-30 hours per week, but we have budgeted for up to 40 hours per week on average. Project employment policies will have a commitment to promoting social equity and diversity, with a focus on hiring members of disadvantaged communities to create a diverse, equitable, and inclusive environment. Additionally, reinvestment will be focused on communities that have been significantly impacted by cannabis-related convictions. Beyond the jobs that will be created once fully operational, construction jobs will also be immediately created with specific goals for hiring minority and communities that have been disproportionately impacted by cannabis-related crimes. Priority employment will also be given to employees that live locally in Buffalo. The Project will also include facilities geared towards helping new operators establish a business with minimal capital investment, onsite job training, and business mentoring. Laborers Way 1, LLC is be the owner/landlord and LW1 Operator, LLC, which is wholly owned by Laborers Way 1, LLC, is set up to be the operating entity. Project ownership is fully controlled by Laborers Way Partners, LLC with 50% controlled by Zephyr Laborers Way, LLC and 50% controlled by USA DRES, LLC. Additionally, Brad Termini is a member with an indirect ownership of more than 20%.

Estimated % of sales within Erie County 10 %

Estimated % of sales outside Erie County but within New York State 90 %

Estimated % of sales outside New York State but within the U.S. 0 %

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?

20

Describe vendors within Erie County for major purchases

Cleaning, Service/Maintenance, Food Service, Hardware (tools, PVC/tubing, screws, nails, bolts, and other miscellaneous supplies), and Hard Goods (pots, hoses, fans, etc.)

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

310 Ship Canal Parkway

Town/City/Village of Project Site

Buffalo

School District of Project Site

City of Buffalo School District

Current Address (if different)

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

SBL Number(s) for proposed Project

132.15-2-1

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

0

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

Land

\$ 400,800

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.)

Vacant land with improvements under construction

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)

Project is new construction of 75,000 square feet to be used for cannabis cultivation facilities including production, packaging and distribution.

Municipality or Municipalities of current operations

City of Buffalo

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

We are only considering New York State for this expansion project.

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

State Department of Environmental Conservation's Brownfield Cleanup Program- TBD

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

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

The Agency's financial assistance is necessary for our business operations and expansion within the New York market. When determining which market to expand to, we analyzed various locations and determined that the subject site in Buffalo and the ability to apply for financial assistance was essential in attracting the tenant and current investor stakeholders. If financial assistance from the Agency and other local incentive programs are not received our business would need to be reevaluated from the stakeholders perspective.

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?

Applicant would need to reassess business expansion to this location and explore other locations for expansion.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

Bus stop at Fuhrmann Blvd & Buffalo Harbor for the 42 bus line.

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.

05/14/2019

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

Yes

Describe the present zoning/land use

Zoning of D-IL

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?

Yes

If yes, please explain

Site is enrolled into the Brownfield Cleanup Program for known slag fill materials, petroleum and metals in the soils.

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

No

If yes, please provide a copy.

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

Yes

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Equipment selection will be made to ensure efficient use of energy. Energy recovery measures will also be evaluated and considered when equipment is secured for the project

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

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

Yes

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

5%

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

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

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

Retail Sales No

Services No

Please check any and all end uses as identified below.

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

No Renewable Energy

No Other

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

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

			Cost	% of Total Cost
Manufacturing/Processing	68,040 square feet	\$	42,690,000	94%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	7,000 square feet	\$	2,600,000	6%
Specify Other	square feet	\$	0	0%

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

No

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

Standard

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

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

11/30/-0001

End date : Estimated completion date of project

4/1/2025

Project occupancy : estimated starting date of occupancy

4/1/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 400,000 square feet 6 acres

2.) New Building Construction

\$ 34,210,000 75,000 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 3,050,000

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

\$ 0

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

\$ 7,630,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 45,290,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 37,260,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 18,630,000
% sourced in Erie County	50%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 18,630,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 1,630,125

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

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

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

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 23,890,000
Bank Financing:	\$ 21,400,000
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	Brownfield Tax Credit (amount of tax credits are not known at this time)
Total Sources of Funds for Project Costs:	\$45,290,000

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): No

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

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

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and 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	0	0	20	20
Part time	0	0	34	34
Total	0	0	54	

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	1	\$ 150,000	\$ 22,500	0	\$ 0	\$ 0
Professional	3	\$ 110,000	\$ 16,500	0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Production	16	\$ 45,000	\$ 6,750	34	\$ 35,000	\$ 5,250
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	20			34		

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

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

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

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

2,390,000

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

0

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

0

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

60,000

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

35,000

Estimated salary range of jobs to be created

From (Full Time)	45,000	To (Full Time)	150,000
From (Part Time)	30,000	To (Part Time)	40,000

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

310 Ship Canal Parkway, Buffalo, New York 14218

Name and Address of Owner of Premises

Laborers Way 1, LLC 329 S Highway 101, Suite 150 Solana Beach, CA 92075

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

unimproved land with roadway bisecting Premises and preserved wetlands to the north.

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

land with improvements under development for 75,000 square feet of manufacturing and office space

Describe all known former uses of the Premises

former steel mill and designated brownfield site

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

Current owner is Buffalo Urban Development Corporation. Applicant is under contract to acquire the Premises.

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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 TBD

Address 310 Ship Canal Parkway

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

SS

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

RIV Capital US Real Estate LLC

Property Address:

310 Ship Canal Parkway

City/Town/Village

Buffalo

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

75,000

What percentage of the building does this represent?

100

Are terms of lease:

NET

If GROSS lease, please explain how Agency benefits are passed to the tenant

Estimated date of occupancy

4/1/2025

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

RIV Capital US Real Estate LLC (a wholly-owned subsidiary of RIV Capital Inc.)

Local Contact Person:

Matt Mundy

Title:

General Counsel and Chief Strategy Officer

Current Address:

40 King St. West Suite 3303, Toronto, Ontario, Canada, M5H 3C2

Phone:

(905) 466-2191

Fax:

E-Mail:

matt@rivcapital.com

Website:

rivcapital.com

Company President/General Manager:

Michael Totzke

Number of employees moving to new project location:

Full-Time:

0

Part-Time:

0

Total:

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

NAICS Code: 053 Type of Business: Real Estate Leasing/Subleasing Description of Business: RIV Capital US Real Estate LLC is engaged in the business of leasing and sub-leasing properties. It is a wholly owned subsidiary of RIV Capital Inc. RIV Capital US Real Estate LLC will sublease the property to Etain LLC, which owns and operates legally licensed medical cannabis cultivation and retail dispensaries in the state of New York. Percent of total sales in Erie County and United States: 10% and 100%, respectively

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

About RIV Capital: For complete detail on the history of RIV Capital Inc. (CSE: RIV) (the "Company"), please refer to: (i) Schedule G (Information Concerning RIV Capital) in the Company's Management Information Circular, dated July 12, 2024 ("2024 Circular"), as well as the Company's annual consolidated financial statements for the nine-months ended December 31, 2023 ("Annual Financial Statements"), and related Management's Discussion and Analysis ("Annual MD&A"), each dated April 29, 2024. The 2024 Circular, the Annual Financial Statements and the Annual MD&A are available on the Company's profile on SEDAR+ at www.sedarplus.com and also on the Company's website at www.rivcapital.com/investors. On March 30, 2022, the Company entered into definitive agreements (the "Etain Purchase Agreements") to acquire (the "Etain Acquisition") ownership and control of Etain IP LLC and Etain, LLC, owners and operators of legally licensed cannabis cultivation and retail dispensaries in the state of New York, ("Etain"). The Etain Acquisition was structured to close in two stages. On April 22, 2022, the initial closing of the Etain Acquisition was completed. On November 21, 2022, the New York State Cannabis Control Board (the "CCB") and the New York State Office of Cannabis Management (the "OCM") approved Etain, LLC's change of control request, and on December 15, 2022, the Company completed the Etain Acquisition. On May 30, 2024, the Company entered into a definitive arrangement agreement with Consortium Inc. (CSE: TIUM.U) ("Consortium"), a vertically integrated, multi-state cannabis company operating under the Fluent™ brand, pursuant to which all of the issued and outstanding shares of the Company will be acquired by Consortium in exchange for 1.245 common shares of Consortium (the "Business Combination"). The closing of the Business Combination is subject to shareholder and court approvals, as well as the receipt of all required regulatory approvals and other closing conditions. Assuming timely receipt of all necessary approvals and satisfaction of all other conditions, closing of the Business Combination is expected to occur in the fourth quarter of 2024. Upon closing of the Business Combination, the combined company is expected to operate in Florida, New York, Texas, and Pennsylvania. Operations in these states will be comprised of 8 cultivation and processing facilities and 42 retail dispensaries. For additional details regarding the Business Combination, please refer to the Company's 2024 Circular, available on the Company's profile on SEDAR+ at www.sedarplus.com and also on the Company's website at www.rivcapital.com/investors. About Etain: Etain, LLC is a vertically-integrated cannabis company operating in the state of New York. It was founded as a women- and family-owned company in 2015 and was one of the original five registered organizations licensed to sell medical cannabis in New York State. On December 8, 2023, the CCB approved Etain, LLC's transition to an adult-use operator. Etain, LLC's adult-use "registered organization with dispensing" license allows for the cultivation, processing, and dispensing of adult-use and medical cannabis products. Etain LLC currently operates a cultivation and processing facility in Chestertown, New York, as well as four retail dispensaries in the state of New York. On February 14, 2024, Etain LLC relocated one of its medical dispensaries from Yonkers, New York, to White Plains, New York. The new White Plains dispensary is Etain's first co-located adult-use and medical dispensary. On August 23, 2022, RIV Capital's wholly-owned subsidiary RIV Capital US Real Estate LLC ("RIV Real Estate") entered into a lease agreement (previously said "MOU") with LABORERS WAY 1, LLC for development of the subject property. RIV Real Estate will sublease the property to Etain, LLC for operations of the subject property, upon substantial completion of the development project. In July 2023, Etain received approval from OCM to add the subject property in Buffalo to their license. Prior to starting operations at the Buffalo facility, Etain must submit a certificate of occupancy or temporary certificate of occupancy to the OCM as a final step in their approval process.

Please list the square footage which the proposed tenant will lease at the Project location

75,000

Please list the square footage which the proposed tenant leases at its present location(s)

0

Describe the economic reason for either the increase or decrease in leased space.

Tenant is expanding

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

If owned, what will happen to the existing facility once vacated?

If leased, when does lease expire?

9/30/2039

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

No

If yes, please provide details as to location, and amount of leased space, how long leased?

Section VI: Retail Determination

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

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

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

Section VII: Adaptive Reuse Projects

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

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

No

Section VIII: Inter-Municipal Move Determination

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

Current Address

329 S. Highway 101 Suite 150

City/Town

Solana Beach

State

California

Zip Code

92075

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?

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

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.

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?



**ECIDA & RDC Board of Directors
Monthly Meeting Schedule - 2025
4th Wednesday of the Month except for November & December**

**ECIDA Offices – 95 Perry Street, 4th Floor Conference Room, Buffalo, NY 14203
at 12:00 p.m.**

January 22

February 26

March 26

April 23 (Annual Meeting)

May 28

June 25

July 23

August 27

September 24

October 22

November 19

December 17