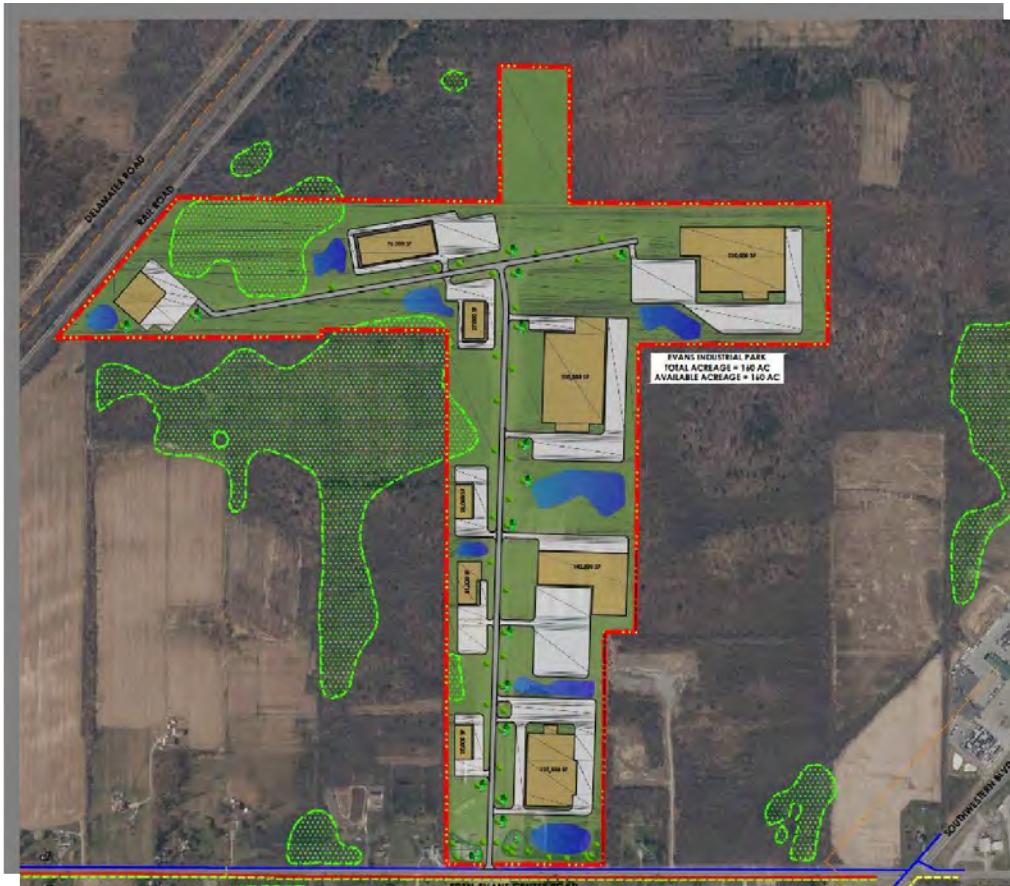


Real Estate Marketing Analysis Services Erie County Agribusiness Park Feasibility



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1 Introduction

1.1 Project Overview

Erie County has a growing need to evaluate the current inventory of available industrial park property as well as analyze future concerns and demand for agribusiness property. With the dwindling acreage available in the existing parks and the lack of suitable spaces for new development, new opportunities to reuse existing sites and expand existing infrastructure must be considered. Establishing a new agribusiness park will provide additional markets for Erie County, create new jobs, and add to the local tax base.

In November of 2014, Erie County issued a Request for Proposals, centered on real estate marketing analysis services to determine the feasibility of an agribusiness park within the County. The feasibility study includes a marketing analysis to identify specific sub-sectors where Erie County has locational advantages, a site selection analysis to identify what in particular agribusiness companies seek in a site, an analysis of site specification requirements, including water, sewer, electricity and natural gas consumption, and an analysis of existing and potential sites throughout the County that may be suitable for an agribusiness based park.

1.2 Project Purpose and Goals

It is anticipated that the outcome of this feasibility study will:

- Identify specific agribusiness sub-sectors that the County can pursue through attraction or retention efforts
- Promote collaborative efforts between regional and local entities to attract new and retain existing businesses
- Understand the advantages and disadvantages of Erie County in relationship to the site selection process
- Identify specific requirements for sites and utilities for certain agribusiness facilities
- Update the Existing Industrial Park Inventory Report and understand what assets the County has available
- Identify new greenfield opportunities and present development alternatives for continued agribusiness growth in the region
- Develop a specific action plan to implement a development strategy

1.3 Feasibility Study Outline

This study can be divided into the following basic sections:

1. Site Selection Analysis
2. Marketing Study
3. Site Search
4. Preferred Site Analysis

Extensive background data is included in the Appendices to support the decision on the preferred sites. While it is valuable in determining the preferred sites in the feasibility process, it is not essential to include in the final deliverable. As a result, an “Abridged” version has been developed to reduce the length of the report and to consolidate the support data to assist the County in using the report for land acquisition, funding requests and overall ease of use. The Abridged version does not include the following Appendices: C through I, and M.

2 Site Selection Analysis

2.1 Objective

The objective of the site selection analysis was to identify specific agribusiness industrial sub-sectors for which Erie County possesses suitable location, infrastructure and related competitive advantages. As part of this analysis, the scope of work included an inventory of county industrial real estate assets, developed and undeveloped lands, and an assessment of the overall suitability of each property for agribusiness growth sectors. The list of growth sectors emerges from a collaboration between the site selector and agribusiness market trends. A full copy of the site selection analysis is included in Appendix A of this report.

2.1 Site Selection Geographic Regions

Three distinct geographic regions within Erie County were identified; urban core, urban fringe, and rural/exurban. While each region can support a similar spectrum of facilities, each aligns more closely with different agribusiness investment opportunities. These regions are shown in Figure 1 of this report.

The urban core region is best suited for heavy industrial operations dependent on major utility usage and water or rail transportation. While some food processing requires heavy water usage, the urban core region may not attract most food and agriculture related industries due to perception and the surrounding area.

The urban fringe region is best aligned with food manufacturing, where ingredients are received, processed, and shipped to customers. The Eastport Commerce Center property is the best existing industrial park candidate for this category of investment. The following is a list of site advantages for the Eastport Commerce Center:

- Established industrial park in a clean environment well suited to agribusiness operations.
- Utility infrastructure is in place and appears to be well suited for industrial operations.
- Site is mostly flat and soils appear suitable for industrial buildings.
- Good highway access.
- Area already has the makings of an agribusiness manufacturing cluster with other agribusiness related operations located nearby.
- Availability of undeveloped land nearby that could support other agribusiness operations should the Eastport Center be unsuitable.

The rural/exurban region is unique in the sense it is the home to agricultural production of vegetables and other crops that would be enhanced with local processing facilities. Evans Industrial Park is the best existing industrial property in this region for hosting processing facilities and related operations. The following is a list of site advantages for the Evans Industrial Park:

- Large flat property zoned industrial.
- Property is located in a part of Erie County rich in agricultural resources that align with some agribusiness sectors.
- Significant vacant lands surrounding the site that could be added to make this a large and recognizable industrial development.
- Excellent access to NY State Thruway.
- Rail access from Norfolk Southern is possible.

2.2 Implementation

Project team members agreed that successful attraction of agribusiness investment to Erie County will require commitment from stakeholders to coordinate efforts around a consensus strategy. Stakeholders include Buffalo Niagara Enterprise, Erie EDA, County and local government, public and private utilities, rail roads, land owners, farmers, food processors, Cornell University College of Agriculture and Life Sciences, Empire State Development, and other economic development and agribusiness specialists. The following actions should be considered for project implementation beyond this feasibility study:

- Stakeholders to identify opportunities and develop an implementation plan.
- Establish shovel ready properties and buildings designed to support agribusiness operations.
- Develop a value proposition that outlines Erie County agribusiness strengths and create a marketing outreach program that sells the region.

2.3 Location Requirements for Agribusiness Operations

The site selection analysis determined general community and property requirements for targeted agribusiness sectors and reviewed these requirements for alignment with County real estate and community assets. The comprehensive list of location requirements associated with selected agribusiness industry sectors and facility types (e.g. raw product processing, manufacturing, distribution) will be used by the project engineering team to determine the suitability of individual properties for targeted agribusiness sectors.

From the review of Erie County's transportation network, development patterns, population densities, inventory of industrial and open lands, and utility infrastructure, six agribusiness facility types were identified as aligning with county assets as summarized in the following table:

AGRIBUSINESS SUBSECTOR LOCATION SUMMARY

| Agribusiness Subsector | Erie County Agribusiness/Industrial Districts | | |
|-------------------------------|--|---------------------|----------------------|
| | Urban Core | Urban Fringe | Rural/Exurban |
| Dry Goods Food Manufacturing | X | X | X |
| Fresh Fruit Processing | | X | X |
| Refrigerated Food Products | | X | X |
| Salad-in-a-Bag | | X | |
| Hydroponics Vegetables | X | X | X |
| Distribution Center | X | X | X |

The location requirements were then developed outlining operating characteristics representative of common agribusiness investments for each facility type. Facility operating requirement categories include:

- Facility description
- Project schedule
- Inbound transportation
- Outbound transportation
- Hourly workforce
- Salaried workforce
- Wage and salary expectations
- Plant operating schedule
- Building size and configuration
- Site size
- Investment estimates
- Electric power
- Natural gas
- Water
- Wastewater
- Emissions and waste stream
- Location screening criteria
- Initial screening factors
- Final screening factors

2.4 Site Selector Perceptions of Erie County

Professional site selector consultants were surveyed to determine if they are aware of Erie County locational attributes and development opportunities aligned with agribusiness. Phone interviews were conducted with site selection consultants active in locating agribusiness projects in order to understand prevailing opinions about Erie County. These opinions were explored to look for common threads that may exist that may point to reasons for a lack of interest in choosing Erie County as a location for new and expanding industry.

Six site selectors, all members of the Site Selectors Guild organization of professional location selection consultants, were interviewed to assess their knowledge of Erie County assets aligned with agribusiness investment opportunities. Interviews were conducted over the phone and included 11 open ended questions, ranging in length from 30 to 90 minutes. A summary of findings from the site selector interviews include the following responses:

- Erie County is generally associated with Buffalo.
- Erie County NY is often confused with Erie, Pennsylvania.
- Site selectors are not aware of Erie County’s broad array of development assets.
- There is a general unfamiliarity with Erie County and who represents economic development interests.
- The region’s “rustbelt” legacy is still a factor in how outsiders view the region.
- Brownfield industrial sites, including abandoned grain silos along the lake, reinforce impressions that the region is not suitable for next generation development.
- Severe winter weather is perceived as a serious business risk.

The following is a summary of the interview questions and responses received:

SITE SELECTOR INTERVIEW SUMMARY

| Survey Question | Summary of Site Selector Responses |
|---|--|
| 1. Worked an Agribusiness project? | All – YES |
| 2. Looked at NY for agribusiness? | 5 – YES, 1 – NO (all have worked projects in NY) |
| 3. Opinion of NY as business location? | 2 – POSITIVE, 2 – NOT GOOD / NOT BAD, 2 – POOR |
| 4. Aware of western NY agribusiness success? | All – YES (ranges from hearsay to extensive knowledge) |
| 5. Do you know Erie County, NY? | 2 – NO, 3 – Buffalo?, 1 - YES |
| 6. Have you been to Erie County? | All – YES (all cited traveling to Niagara Falls) |
| 7. Have you looked at Erie County for a project? | 5 – NO, 1 – YES (financial services project) |
| 8. Have you received a proposal from Erie? | 5 – NO, 1 – YES (financial services project) |
| 9. ED organizations associated with Erie County? | |
| • Empire State Development | All – YES (opinions reflected in #3) |
| • Erie County IDA | All – Don’t know this organization |
| • Buffalo Niagara Enterprise | All – YES (everyone knows Tom K.) |
| • Buffalo Niagara Enterprise | All – YES (everyone knows Tom K.) |
| • National Grid | 4 – YES, 2 – NO (mixed views on effectiveness) |
| • Other? | All – NONE |
| 10. Can you differentiate Erie County assets? | All – NO awareness other than urban Buffalo |
| 11. When it comes to factors important to agribusiness companies how does Erie County rate? | |
| • Access - Raw Materials/Markets | Raw material/market access is seen as a strength. A large portion of North American consumer and industrial markets are within a 500 mile one-day truck drive. |
| • Transportation Infrastructure | Viewed as a strength. Highway, rail, water, and airport resources are thought to be well developed. |
| • Real Estate Portfolio | Erie County is perceived to lack a sufficient supply of ready sites and building to support industry. |
| • Utilities/Infrastructure | The urban core is thought to be well served by utilities. Utility services in non-urbanized areas are not clear. |
| • Workforce/Training | Erie County’s reputation is tied to Buffalo’s rustbelt legacy. Highly trained workers in industrial trades are available but quickly aging out of the workforce. No knowledge on the |

| | |
|--------------------------------|--|
| | availability of next generation workers. |
| • Business Environment | Site selectors view Erie County through the lens of the region's rustbelt legacy. |
| • Business Costs | Along with Erie County's industrial legacy is a reputation as a high cost location. |
| • Organizational Effectiveness | Buffalo Niagara Enterprise is recognized as the economic development agent for the region but they have not effectively carried Erie County's value proposition to the market. |
| • Quality of Place | Western New York is viewed as a beautiful part of the country that has a great quality of life for some, but it's not for everyone. |
| • Risk | Severe winter weather and poor labor/ management relations are perceived as Erie County business risk factors. |

A full copy of the site selection analysis is included in Appendix A of this report.

3 Marketing Analysis

3.1 Executive Summary

The market analysis indicates that Erie County is a competitive location for an agri-business park for several types of food processing industries. The key to success for the park is to embed it in a strong food processing "ecosystem." For example, as is discussed in this report, there are opportunities in dairy processing. The region's ample supply of fluid milk is important in that regard. But the opportunities in dairy processing can't be fully realized unless all of the requisite assets are combined into a system that can support a dairy processor. This includes the transportation network, land/facilities available at competitive prices, a food manufacturing workforce (and training capacity), a cadre of producers services (i.e., companies that can provide services to keep the machinery and related processes up and running) and governments familiar with the regulatory/approvals process for such enterprises. Many of these components are in place in Erie County.

The essential task in creating and marketing a successful agri-business park will be to build strong relationships among these components so that Erie County can boast an unparalleled system that supports food processors. The park then becomes one component of the County's sustained competitive advantage for food processors. A full copy of the marketing analysis is included in Appendix B of this report.

3.2 Opportunities

The market analysis has identified several potential market opportunities for an agri-business park in Erie County as described in the following sections.

3.2.1 Dairy Processing

As indicated in the market analysis, dairy processing is an important opportunity for Erie County's agri-business park. There are established processors in the County and the region

who may be considering modernizing their facilities and improving their location. Such enterprises could be an important anchor tenant for the park. Thus, part of the marketing for the park should involve outreach to larger dairy processor in the area to explore their interest in expanding or relocating as part of a facility upgrade. In addition, the plentiful milk supply in the region may be an attraction to other dairy processors developing new products or niches. Attraction efforts for such firms should be part of the marketing of an agri-business park.

3.2.2 Organic Vegetables/Specialty Produce

The market analysis has indicated that there is a rapidly growing demand for organic vegetables and specialty fresh produce (e.g., “salad in a bag”). This is an important emerging opportunity for the County. The County is well positioned with the soils base, support industries and transportation infrastructure to serve Northeastern markets with these products. Taking advantage of this opportunity would be somewhat complex in that it would require identifying the growers to supply the enterprise as well as working with the prospective tenant to develop the facility itself. The presence of the Eden Valley Cooperative in the County could be a major boost to this effort. While not heavily involved in processing at this point, Eden Valley has indicated that, over the coming years, it is an option they will be considering to add more value to their operations. In order to take advantage of any processing opportunities coming from Eden Valley, Erie County should maintain close contact with them and keep abreast of their evolving plans for processing.

3.2.3 Controlled Environment Agriculture

As the demand for fresh, organic produce grows, the possibilities for attracting or developing controlled environment agriculture to the County should increase. As with organic/specialty produce, the County has the infrastructure (including water supply) to support such enterprises seeking to serve markets in the Northeast. Indeed, our research has shown increasing activity in this market segment in the region. Controlled Environment Agriculture will be an increasingly important segment for Western New York and there is no reason an Erie County agri-business park should not be able a competitive location for such an enterprise.

3.2.4 Transshipment Processing

Western New York has the transportation infrastructure to enable it to bring in raw food products from outside the area, process them and then ship them on to markets in both the Northeast and Midwest. That is one of the factors that originally contributed to the success of the Port of Buffalo. Multi-modal transportation (e.g., water, rail and road) and access to major markets remain very attractive to such food processing firms. As indicated in the market analysis, such firms are likely to be smaller, niche operations rather than the types of large operations that Erie County has attracted in the past (e.g., ADM and General Mills). But they could be an important part of the tenant base for the agri-business park.

3.2.5 Canadian Food Processors

As indicated in the market analysis, Erie County can provide Canadian food processors with significant cost advantages in terms of power. For each of the market opportunities identified above, Erie County should consider pursuing Canadian firms that may be looking for lower cost locations to serve Northeastern markets. Controlled Environment Agriculture may be a special opportunity in this regard, given the importance of electric power to this segment and its current concentration in Canada.

3.3 Action Plan

Given the market opportunities identified in this study, the following action plan is proposed to enable the Erie County agri-business park to capture those opportunities.

3.3.1 Task 1: See an “Anchor Tenant” locally

The cornerstone of the recommended action plan is for the County to “build the brand” for the agri-business park by carefully cultivating anchor tenants from within the region and even from within the County itself. Firms that are already in the County know that their business model works in Erie County—they have suppliers and support services in place along with ready access to market. At the same time, firms that have been in the County for more than ten years may be looking to upgrade facilities to improve their competitiveness. The Erie County agri-business park could provide such firms with a new facility that could also address limitation in their current location with regard to transportation access, the quantity and quality of electric supply, water supply, etc. Thus the first step in marketing the park may be to reach out to existing food processing enterprises in and around Erie County.

3.3.2 Task 2: Make the case to other prospective tenants

As the County is pursuing an anchor tenant it should also put together a “case statement” that expresses the advantages of an Erie County location for food processors. A central element of this message should be that Erie County is a sophisticated industrial economy located in a strong agricultural region with the infrastructure to support sophisticated processing operations and the transportation system that can support a variety of modes to get goods cheaply and easily to major markets. The County should assemble a package that addresses critical success factors for modern food processing. These include:

- A labor pool with relevant skill sets.
- Workforce training resources.
- A regulatory environment (at both the state and local level) that has experience in approvals.
- A local presence of suppliers, contractors, and technicians.
- Incentives geared to assist manufacturing.
- Easy transport access to markets.

- Flexible facilities to be able to respond to changes in market demand.
- High quality and plentiful supplies of both water and electricity (Kupperman, “Consumer Demographics and Preferences Drive Food Industry Location Decisions,” Area Development, Q4, 2015, (emphases added)).

3.3.3 Task 3: Pursue the opportunities in Controlled Environment Agriculture, Organic/Specialty Produce and Transshipment Processors

With an anchor tenant in place and a clear case statement of the advantages that Erie County’s agri-business park provides, Erie County can then begin a broader marketing effort with site selectors, as well as establishing a regular presence at key industry trade shows. Appendix 4 contains a sample of trade shows. The precise shows to be included in this effort should be developed in consultation with local representatives of the target industries for an agribusiness park.

3.4 The Importance of Administrative Capacity

Going forward, Erie County should ensure that it has the capacity to build the industry relationships that are required. This is particularly important for the effort to secure a local “anchor tenant.” But in addition, each of the opportunities identified here will require significant sustained attention to create an appropriate ecosystem. For example, realizing the potential for both organic/specialty produce and controlled environment agriculture will require working with firms within those industries as well as working with growers to ensure that, once operating, the enterprises will have access to an adequate supply of raw materials. Finally, as in any major economic development venture, demonstrating the availability of workforce and workforce development resources will be an ongoing concern. As the County proceeds with this venture, it will be important that it maintains the capacity to simultaneously address these diverse but critical concerns.

4 Workforce

4.1 General

Most site selection and marketing factors are interrelated when it comes to workforce and workforce development. Having readily available construction and sustaining a workforce, an adequate supply of skilled workers and social and economic stability of the region are considered during the site selection process.

Other factors, such as regional and local workforce development initiatives, local universities and transportation are also considered during the initial stages of site selection.

4.2 Local Workforce Development

Erie County has a strong workforce development outreach, designed to create partnerships among the local and regional agencies. The Buffalo Niagara Partnership facilitates workforce

development, engages with the WNY Regional Economic Development Council's workforce group and is actively involved in the Buffalo Niagara Regional Workforce Development Coalition. The Buffalo Niagara Partnership is also committed to programs such as the BN360, Say Yes, and Dream It Do It, to help regional employers recruit, train, and retain talented employees.

The Buffalo & Erie County Workforce Investment Board, Inc. also has several programs designed to assist with workforce development and economic growth. WorkSourceOne is a network of employment and training providers committed to changing the face of workforce development in Erie County. There are also two one-stop service centers which allow access to networking partners at convenient locations. These services are provided by the Buffalo Employment and Training Center (BETC) to assist employers in finding qualified workers.

The BETC has also partnered with Erie Community College as a service center to provide the region with necessary training programs to foster economic development. Other universities in the area, such as the University of Buffalo, St. Bonaventure or Houghton may also contribute to the workforce development of the region and in particular, the agribusiness sector.

5 Existing Industrial Park Inventory

5.1 General

Erie County has an existing inventory of approximately 30 industrial parks. As part of previous projects, the County has assembled an inventory report summarizing all pertinent information for each park into one document. This document was last updated in February of 2012.

For this project, each park was reviewed for updates, including utilities, available acreage, updated aerial images and marketing information, buildable acreage, ownership, current construction and current issues with the site.

5.2 Summary

The following table is a summary of the parks, total acreage and acreage available for each park. The full Industrial Park Inventory Report should be updated as necessary to track current available acreage at each park.

EXISTING INDUSTRIAL PARK INVENTORY SUMMARY

| Industrial Park | Location | Total Acres | Available Acres |
|--------------------------------------|-------------------|-------------|-----------------|
| Airborne Business Park | Cheektowaga | 61.5 | 40 |
| Albright Court | Lackawanna | 8 | 4.8 |
| Amodori Site | Lackawanna | 11 | 6 |
| Buffalo Lakeside Commerce Park | Buffalo | 205 | 89 |
| Camp Road Center | Hamburg | 75 | 75 |
| College Park | Amherst | 20 | 0 |
| Colvin Woods Business Park | Tonawanda | 42 | 14 |
| Commerce Green Industrial Park | East Aurora | 47 | 24 |
| Crosspoint Business Park | Amherst | 200 | 44 |
| Crossroads Industrial Park | Hamburg | 34.5 | 30 |
| Eastport Commerce Center | Lancaster | 128 | 121 |
| Eden Industrial Park | Eden | 40 | 33 |
| Evans Industrial Park | Evans | 158 | 152 |
| Grand Island Gateway Center | Grand Island | 144 | 144 |
| Lake Erie Commerce Center | Hamburg | 136 | 68 |
| Lakewinds | Lackawanna | 400 | 325 |
| Lancaster Commerce Center | Lancaster | 126 | 0 |
| Lancaster Industrial Commerce Center | Lancaster | 68 | 16.8 |
| Muir Woods | Amherst | 324 | 0 |
| North America Center | West Seneca | 475 | 204.5 |
| North Youngman Commerce Center | Tonawanda | 108.5 | 28.6 |
| Quaker Center | Orchard Park | 177 | 29 |
| Ravenwood Park North | Hamburg | 116 | 39 |
| Riverbend Commerce Park | Buffalo | 241 | 0 |
| Riverview Solar Technology Park | Tonawanda | 212 | 176 |
| Spaulding Business Park | City of Tonawanda | 54 | 46 |
| Sterling Park | Orchard Park | 170 | 20 |
| Tri-County Industrial Park | Sardinia | 220 | 220 |
| Walden Commerce Exchange | Cheektowaga | 55 | 38 |
| Whiting Industrial Park | Newstead | 46 | 25 |

6 Site Selection Criteria

6.1 General

Site search and selection is a major element of the processing in creating an agribusiness park. The site selection process is most successful when it is a methodical search for the site that best meets established criteria, including parcel shape and size, existing site constraints, connectivity to transportation, and utilities.

Based on previous experience and input from various site selectors, site selection criteria was developed for locating a site within Erie County, with an agribusiness focus in mind. Two sets of questions were used to identify potential sites, including initial screening and detailed screening questions.

6.2 Initial Screening

In order to review the wide range of potential sites throughout the County, initial screening questions were used to narrow the range of sites down to those best suited for an agribusiness park. The questions were designed to be basic in content and require yes or no answers. Any sites that answered the majority of questions with a “no” response were not reviewed in more detail. The initial screening questions are as follows:

- Is the site located in proximity to major highways?
- Does the site have potential access to railroad?
- Does the site appear to be clear of major constraints (wetlands, steep slopes, etc.)?
- Does the site have adequate acreage and shape to accommodate the intended use?
- Are utilities available at or in proximity to the potential site?

A blank Site Selection Screening form used for this project is included in Appendix C. Existing industrial parks and Greenfield opportunities were reviewed and are discussed in detail in Sections 7 and 8 of this report.

6.3 Detailed Screening

Once the sites were narrowed down using the initial screening questions, more detailed questions were used to further rank the sites. A 20 point ranking system was used based on the detailed questions, with five categories, each worth 4 points each. The categories included the following items:

- Transportation – proximity to major highways and ability to support truck traffic
- Utilities – presence of existing utilities and extent of upgrades required to meet demands
- Zoning – current zoning, surrounding uses and community interest in development
- Parcels – shape, available acreage, expandability, etc.
- General Site Conditions – other constraints such as wetlands, topography, soils, etc.

A blank Site Selection Screening form used for this project is included in Appendix C. Existing industrial parks and Greenfield opportunities were reviewed and are discussed in detail in Sections 7 and 8 of this report.

7 Existing Site Search

7.1 Site Visits

After reviewing the existing County industrial park inventory, several sites were selected to review on site to better understand the potential benefits and issues of the site. The following sites were selected and site visits were completed on November 11, 2015.

- Tri-County Industrial Park
- Lancaster Commerce Center
- Lake Erie Industrial Park
- Grand Island Gateway Center
- Evans Industrial Park
- Erie County Home – Alden
- Eastport Commerce Park

Each site visit was documented with photographs of the site visited, an overall aerial image map with constraints labeled, and a memorandum summarizing the advantages and disadvantages of each park visited. The memorandums are included in Appendix D of this report.

The Erie County Home site in Alden was selected for a more detailed review. Even though the site has some strong advantages, we feel that the disadvantages outweigh the advantages. The largest disadvantages of the site include limited buildable area and the expansive complex of closed and occupied structures that will require significant investments to demolish. The full review memorandum for the Erie County Home site is included in Appendix E.

Additional research was completed for several other existing industrial parks to review site conditions and determine if the site would be suitable for an agribusiness park. GIS was used to overlay existing sewer districts, broadband coverage, and distance to major highways and railroads. These factors were also used to narrow down and select potential agribusiness park sites.

7.2 Selected Existing Sites

Based on the information gathered for the sites and the site visits, the Evans Industrial park and the Eastport Commerce Park were selected for further analysis.

8 Greenfield Site Search

8.1 Site Search

Several rounds of review for Greenfield site potentials were completed. GIS was used in most cases to overlay existing sewer districts, broadband coverage, distance to major highways and

railroads and agricultural districts. The main transportation corridors were reviewed for potential sites, including I-90, US Route 219 and NYS Route 400. GIS maps summarizing this information are included in Appendix F.

After reviewing the available information, several sites were selected for further analysis and include the following:

- Newstead Greenfield Site – approximately 246 total acres
- Alden – Vacant County Site – approximately 272 total acres
- Angola – Hardpan Road Site – approximately 389 total acres
- Evans – Gowans Road Site – Approximately 349 total acres

For each site, a constraints map was developed to show wetlands, floodplains, topography, parcels, surrounding parcels and an aerial image. Record utility mapping was also obtained from the corresponding municipality or authority. A memorandum summarizing the advantages and disadvantages of each Greenfield site were developed to compare the sites. The memorandums are included in Appendix G of this report.

8.2 Selected Greenfield Sites

Based on the information gathered for the sites and the existing constraints, the Angola Hard Pan Road Site and the Evans – Gowans Road Site were selected for further analysis. Upon further review, the Newstead Greenfield site was removed from this analysis due to the presence of a NYS Agricultural District.

In addition, other viable sites were also identified as developable, but were located in NYS Agricultural Districts. It is County policy to limit the conversion of viable farmland, especially in areas within agricultural districts. In the event that agricultural operations cease on the sites and is no longer within a NYS Agricultural District, additional parcels should be considered. These parcels are identified in the location maps, included in Appendix F.

9 Site Specifications

9.1 Agribusiness Subsectors

Based on input from the site selectors and previous projects, typical site specifications were developed for particular agribusiness subsectors. The following subsectors were reviewed:

- Food Products Distribution
- Dry Good Manufacturing
- Refrigerated Food Manufacturing
- Hydroponics (Controlled Environment Agriculture)
- Salad-in-a-Bag Facility
- Fresh Fruit Processing

9.2 Subsector Specifications

An overall summary and typical requirements for each agribusiness subsector are included in Appendix H. Specifications that were reviewed include the following:

- Water
- Sewer
- Electric
- Gas
- Building Size
- Lot Size
- Transportation

A summary of the requirements is as follows:

TARGET AGRIBUSINESS SITE SPECIFICATIONS

| Manufacturing Type | Water | | Sewer | | Electric | | Gas | | Building Size | | Lot Size | | Transportation | |
|---|------------------------|------------|------------------------|------------|-------------------|-----------|------------------------|---------------------|-------------------------|-----------|-------------|--------------|----------------|------------------|
| Food Products Distribution | 1,700 | gpd | 1,700 | gpd | 400 | kW | 2,000 | Therms/mo. | 250,000-500,000 | sf | 20 | Acres | 100+ Trips/Day | |
| Dry Good Food Manufacturing | 50,000 | gpd | 50,000 | gpd | 1200 | kW | 12,000 | Therms/mo. | 100,000 | sf | 8-10 | Acres | 50 Trips/Day | |
| Refrigerated Food Manufacturing | 50,000 | gpd | 50,000 | gpd | 2500 | kW | 12,000 | Therms/mo. | 100,000 | sf | 8-10 | Acres | 50 Trips/Day | |
| Hydroponics | 120,000 | gpd | 7,000-8,000 | gpd | 960-3,840 | kW | 2,000 | Therms/mo. (summer) | + 1,800,000 | sf | 60-80 | Acres | ~10 Trips/Day | |
| | 1,200 | gpm (peak) | | | | | 416,000 | Therms/mo. (winter) | | | | | | |
| Salad in a Bag | 180,000-600,000 | gpd | 150,000 - 470,000 | gpd | 3500 | kW | 5,300 | Therms/mo. | 350,000 | sf | 40 | Acres | 175 Trips/Day | |
| Fresh Fruit Processing | 30,000-55,000 | gpd | 30,000-55,000 | gpd | 200 | kW | 2,000 | Therms/mo. | 45,000-65,000 | sf | 10 | Acres | ~40 Trips/Day | |
| Overall Site Requirements | 1,700 - 600,000 | gpd | 1,700 - 470,000 | gpd | 200- 3,840 | kW | 2,000 - 416,000 | Therms/mo. | 45,000-1,800,000 | sf | 8-80 | Acres | 10-175 | Trips/Day |
| General Site Requirements (without extreme case) | 1,700 - 180,000 | gpd | 1,700 - 150,000 | gpd | 200- 2,500 | kW | 2,000 - 12,000 | Therms/mo. | 45,000-500,000 | sf | 8-40 | Acres | 10-100 | Trips/Day |

For each specification, there appears to be at least one subsector that has extreme needs compared to the remaining subsectors. For example, typical Hydroponics buildings are very large, requiring over 1,000,000 square feet of space, while other subsectors require buildings up to 500,000 square feet. In order to obtain a more usable target range for each specification, the extreme value for each specification was omitted and range was developed without the extreme case. These ranges are much more valuable when reviewing multiple subsectors and trying to find a potential park to accommodate a range of uses.

10 Selected Park Rankings

10.1 Selected Parks

Based on the existing inventory search and the Greenfield site search, the following parks were selected for ranking and further evaluation:

SELECTED SITES FOR RANKINGS

| Park | Existing or Greenfield |
|--------------------------|-------------------------------|
| Eastport Commerce | Existing |
| Evans Industrial Park | Existing |
| Evans Gowans Road Site | Greenfield |
| Angola Hardpan Road | Greenfield |
| Alden Vacant County Site | Greenfield |

10.2 Park Rankings

Each park selected was ranked according to the site selection criteria described in previous sections of this report. The full ranking forms are included in Appendix I. A summary of the rankings is as follows:

SELECTED SITE RANKINGS

| Park | Transportation | Utility | Zoning | Parcels | General Site Conditions | Total Score |
|--------------------------|-----------------------|----------------|---------------|----------------|--------------------------------|--------------------|
| Eastport Commerce | 4 | 4 | 4 | 3 | 4 | 19 |
| Evans Industrial Park | 4 | 2 | 4 | 3 | 4 | 17 |
| Evans Gowans Road Site | 4 | 3 | 4 | 3 | 3 | 17 |
| Angola Hardpan Road | 2 | 3 | 4 | 3 | 3 | 15 |
| Alden Vacant County Site | 2 | 3 | 3 | 2 | 2 | 12 |

From these rankings, the preferred sites were selected. During the steering committee review, it was determined that the Eastport Commerce Park would not be reviewed as part of this report. There has been enough past documentation, concept plans and marketing information developed for the site that repeating those efforts would not be beneficial to the County.

10.3 Preferred Sites

Based on the information gathered, input from the steering committee, site visits, and park evaluations, the following sites were selected as the preferred sites for this feasibility study:

PREFERRED SITES

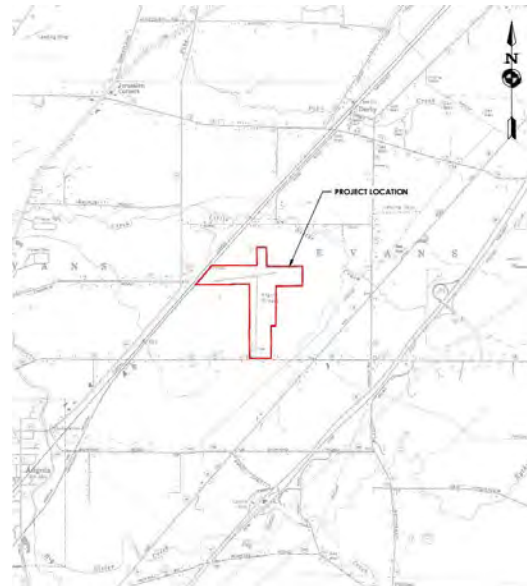
| Park | Transportation | Utility | Zoning | Parcels | General Site Conditions | Total Score |
|------------------------|-----------------------|----------------|---------------|----------------|--------------------------------|--------------------|
| Evans Industrial Park | 4 | 2 | 4 | 3 | 4 | 17 |
| Evans Gowans Road Site | 4 | 3 | 4 | 3 | 3 | 17 |
| Angola Hardpan Road | 2 | 3 | 4 | 3 | 3 | 15 |

Each park is evaluated further in the following sections of this report.

11 Preferred Site #1 – Evans Industrial Park

11.1 Site Location

The Evans Industrial Park is located in the Town of Evans along Eden-Evans Center Road, approximately one mile to the west of the NYS Thruway interchange. The park is also approximately 0.5 miles to the west of the intersection of Eden-Evans Center Road and US Route 20. Norfolk Southern owns the adjacent railroad, located in the northwest portion of the site. The location of the Park is shown in Appendix J, Section 1.



11.2 Property Owners and Stakeholders

The current Park identified is located within a single parcel and is approximately 158 acres. There is also a second parcel located immediately to the east of the existing Park that could be acquired for additional development. This parcel is approximately 82 acres. Both parcels are shown in Appendix J, Section 1. A summary of the parcels and property owners is as follows:

EVANS INDUSTRIAL PARK PARCEL INFORMATION

| Parcel Tax ID | Parcel Description | Acres | Current Listed Owner |
|-----------------------|--|--------------|-----------------------------|
| 221.00-4-20.11 | Current Park | 158 +/- | Tocha, Richard W |
| 221.00-3-24.1 | Parcel immediately to East of Current Park | 82 +/- | E & R Horizons, Inc. |
| Total Acreage: | | 240 | |

11.3 Zoning

The current zoning of both parcels under consideration is Light Industrial (LI). Permitted uses under the LI zoning code include food and beverage manufacturing, warehousing, storage services and distribution centers, and farms and agricultural businesses and industries.

A summary of some of the zoning requirements for the Light Industrial district is listed in the following table.

ZONING INFORMATION

| Min. Lot Size (Acres) | Min. Lot Width (feet) | Max. Lot Coverage | Max. Building Height (feet) |
|------------------------------|------------------------------|--|------------------------------------|
| 1 | 100 | Comply with yard, parking and landscaping requirements | 65 |

The Light Industrial district appears to be flexible for agribusiness use, site limitations and building height. It does not appear that any of the property identified for this project will require rezoning. A zoning map is included in Appendix J, Section 2 for reference.

11.4 Environmental Constraints

There are existing wetlands located on the site in various locations as shown in Appendix J, Section 3. The largest wetland and greatest impact to site development is located in the northwestern portion of the site, near the existing railroad. This may limit development in this area or mitigation would be required to develop this area.

A Phase I Environmental Report was completed in January of 2015 for a portion of the site related to Pero Family Farms development. There we no obvious issues with the property or immediate surrounding parcels.

There are no foreseen environmental conditions that would unduly impede the project or that would prevent the construction of a new agribusiness park. Permitting and mitigation will most likely be required to offset any wetland impacts proposed by the project. All environmental mapping reviewed as part of this analysis is included in Appendix J, Section 3.

11.5 Existing Infrastructure

11.5.1 Water

The existing water mains in the vicinity of the Evans Industrial Park are shown in Appendix J, Section 1 of this report. There are existing 10-inch cast-iron pipe water mains located along Evans-Eden Center Road. The water mains are located within the road right-of-way.

Fire flow tests were provided by the Erie County Water Authority (ECWA) and includes hydrants along Evans-Eden Center Road. The fire flow test indicated that the residual pressure in the system is 60 psi, the static pressure is 70 psi and the available flow is 1,390 gallons per minute. Water modeling may be required to determine if any offsite improvements would be required. Record mapping is included in Appendix J, Section 4.

11.5.2 Sewer

The existing sewer mains in the vicinity of the Evans Industrial Park are shown in Appendix J, Section 1 of this report. The Erie County Sewer Authority owns and operates the sanitary sewer system in the Town of Evans along Evans-Eden Center Road. There is an existing 24-inch asbestos cement sewer main along the south side of Evans-Eden Center Road, with a slope of 1.18%. A sanitary sewer main with collection pipes with the size and slope indicated on the record plans would be able to accept a total of approximately 5.18 million gallons per day of sanitary sewer. It is not anticipated that any offsite improvements to the collection system or WWTF will be required for this project. However, detailed sewer modeling and flow monitoring may be required to confirm pipe capacities. Record mapping has been included in Appendix J, Section 4.

11.5.3 Natural Gas

According to record mapping received from National Fuel, there are no gas mains along the frontage of the proposed park. The nearest gas main is approximately 2,600 linear feet to the east of the site, located at the intersection of Eden-Evans Center Road and US Route 20 as shown in Appendix J, Section 1. An extension to the site would be required as part of the project. The utility has been contacted to determine capacity, however, specific capacity will need to be determined during design development for potential tenants. Record mapping has been included in Appendix J, Section 4.

11.5.4 Electric

There is an existing 13.2 KV power line that runs along Eden-Evans Center Road. The approximate location is shown in Appendix J, Section 1. Electric service for the Park would be installed along the park access roadway (existing airport runway) in a dedicated easement. Specific capacity will need to be determined during design development for potential tenants. Record mapping has been included in Appendix J, Section 4.

11.5.5 Telecommunication

According to the record mapping received from Verizon, there are buried telephone lines located approximately 2,100 linear feet to the east of the site, crossing Eden-Evans Center Road near the intersection of US Route 20 as shown in Appendix J, Section 1. Service for the Park would be installed along Eden-Evans Center Road and along the park access roadway in a dedicated easement. Specific needs would be determined during design

development for potential tenants. Record mapping has been included in Appendix J, Section 4.

11.5.6 Transportation

Access to the proposed park would be along Eden-Evans Center Road. Access to I-90 is approximately one mile from the proposed entrance to the park. A traffic study would be required to analyze the impacts of a new park entrance and increased traffic in the area and to determine if any mitigation would be required.

Access to rail is a major benefit for the proposed agribusiness park. Rail sidings to service tenants within the Park could be constructed from the existing Norfolk Southern railroad, located in the northwestern portion of the site. Analysis for the feasibility of construction and costs for rail sidings have not been included in this study.

11.6 Conceptual Site Plans and Estimates

11.6.1 Option #1

The conceptual site plan developed for Option #1 is shown in Appendix J, Section 5. The conceptual plan was developed to maximize the buildable acreage available within the 158 acre parcel while considering the site constraints. New utilities (including water, sanitary sewer, electric and gas) will be located along the proposed entrance roadway. We have assumed that the existing airport runway is in adequate condition to support truck traffic and that only a top course of pavement would be required.

This option would include the construction of the following items (all lengths are approximate):

- 7,300 linear feet of new water main
- 6,300 linear feet of new sanitary sewer main
- 6,300 linear feet of new gas main
- 6,300 linear feet of new electric
- 350 linear feet of new roadway
- 6,300 linear feet of top course for access roadway

A summary of the total capital cost for this option is as follows:

OPTION #1 TOTAL CAPITAL COST

| Item | Total Capital Cost |
|--------------------------------------|---------------------------|
| On-site Improvements | \$3,308,750 |
| Fire Flow Protection Upgrades | \$1,250,000 |
| Contingency and Administrative Costs | \$1,595,563 |
| Land Acquisition (158 acres) | \$1,185,000 |
| Total Capital Cost : | \$7,340,000 |

A full detailed cost estimate is included in Appendix J, Section 6.

11.6.2 Option #2

The conceptual site plan developed for Option #2 is shown in Appendix J, Section 5. The conceptual plan was developed to maximize the buildable acreage available within the 158 acre and the 82 acre parcel (total of 240 acres) while considering the site constraints. New utilities (including water, sanitary sewer, electric and gas) will be located along the proposed entrance roadway. We have assumed that the existing airport runway is in adequate condition to support truck traffic and that only a top course of pavement would be required.

This option would include the construction of the following items (all lengths are approximate):

- 9,700 linear feet of new water main
- 9,700 linear feet of new sanitary sewer main
- 9,700 linear feet of new gas main
- 9,700 linear feet of new electric
- 3,950 linear feet of new roadway
- 6,300 linear feet of top course for access roadway

A summary of the total capital cost for this option is as follows:

OPTION #2 TOTAL CAPITAL COST

| Item | Total Capital Cost |
|--------------------------------------|---------------------------|
| On-site Improvements | \$5,433,750 |
| Fire Flow Protection Upgrades | \$1,250,000 |
| Contingency and Administrative Costs | \$2,339,313 |
| Land Acquisition (240 acres) | \$1,800,000 |
| Total Capital Cost : | \$10,823,000 |

A full detailed cost estimate is included in Appendix J, Section 6.

11.7 Cost Per Acre Analysis

Based on the total infrastructure costs for Option #1, legal, administration and engineering fees, contingency and an assumed cost for a GEIS and a land acquisition cost, a basic per acre cost analysis was completed.

OPTION #1 COST PER ACRE ANALYSIS SUMMARY

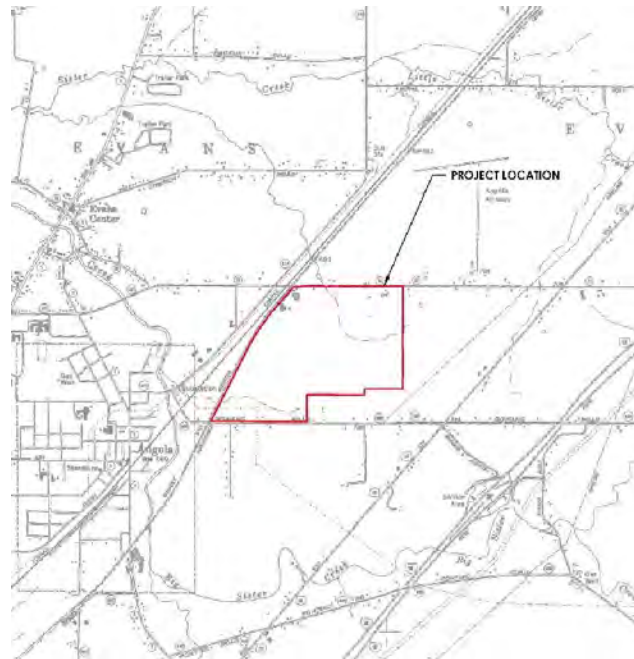
| Item | Total Capital Cost |
|--|--------------------|
| GEIS (assumed) | \$300,000 |
| Infrastructure | \$4,558,750 |
| Legal, Engineering, Administration & Contingency Costs | \$1,595,563 |
| Land Acquisition | \$1,185,000 |
| Total Capital Cost : | \$7,640,000 |
| Total Number of Acres: | 158 |
| Total Cost Per Acre: | \$49,000 |

The total cost per acre for the Evans Industrial Park based on the assumptions above is approximately \$49,000. This cost can be adjusted based on overall funding anticipated or received, available cash from other sources and potential dedication of infrastructure to the Town or County. A detailed cost per acre analysis is included in Appendix J, Section 7.

12 Preferred Site #2 – Evans Gowans Road Site

12.1 Site Location

The Gowans Road Site is located in the Town of Evans along Gowans Road, to the northeast of the Village of Angola corporate limits. The site is also approximately 2 miles to the west of the intersection of Gowans Road and Southwestern Boulevard (US Route 20). Norfolk Southern owns the adjacent railroad, located in the western portion of the site. The location of the Site is shown in Appendix K, Section 1.



12.2 Property Owners and Stakeholders

The current Site identified is located within twelve existing parcels and is approximately 349 acres. All parcels that make up the Gowans Road site are shown in Appendix K, Section 1. A summary of the parcels and property owners is as follows:

EVANS INDUSTRIAL PARK PARCEL INFORMATION

| Parcel Tax ID | Parcel Description | Acres | Current Listed Owner |
|-----------------------|--------------------------------|------------------|-------------------------------|
| 236.00-1-1 | Light Industrial Manufacturing | 9.7 +/- | Flexvoit USA, Inc. |
| 236.00-1-3.1 | Manufacturing | 6.9 +/- | Flexvoit USA, Inc |
| 236.00-1-2.12 | Rural Vacant | 1.1 +/- | Flexvoit USA, Inc. |
| 236.00-1-4 | Residential Vacant | 5.9 +/- | David Sweet |
| 236.00-1-5 | Rural Vacant | 113.4 +/- | David Sweet William Holler |
| 236.00-1-6 | Rural Residential | 75.1 +/- | Clifford Sager Carol Sager |
| 236.00-1-25 | Rural Residential | 14.1 +/- | Peter Kruger Ann Kruger |
| 236.00-1-27 | Rural Residential | 10.2 +/- | William Rogers Lisa Rogers |
| 236.00-1-28 | Rural Vacant | 36.5 +/- | Jay Iliohan |
| 236.00-1-29 | Rural Residential | 50.7 +/- | Robert Palmer |
| 236.00-1-30 | Residential Vacant | 2.0 +/- | Nancy Buntins |
| 236.00-1-2.11 | Rural Vacant | 23.1 +/- | Flexvoit USA, Inc. |
| Total Acreage: | | 349.0 +/- | |

12.3 Zoning

The current zoning of all parcels under consideration is Light Industrial (LI) and General Industrial (GI). Permitted uses under the LI zoning code include food and beverage manufacturing, warehousing, storage services and distribution centers, and farms and agricultural businesses and industries. Permitted uses under the GI zoning code include railroad freight yard, processing or treatment of bituminous products, metal casting and foundry products and brewing or distilling of beverages.

A summary of some of the zoning requirements for the Light Industrial and General Industrial districts are listed in the following table.

ZONING INFORMATION

| Zoning District | Min. Lot Size (Acres) | Min. Lot Width (feet) | Max. Lot Coverage | Max. Building Height (feet) |
|-------------------------|-----------------------|-----------------------|--|-----------------------------|
| Light Industrial (LI) | 1 | 100 | Comply with yard, parking and landscaping requirements | 65 |
| General Industrial (GI) | 1 | 100 | Comply with yard, parking and landscaping requirements | 65 |

The Light Industrial and General Industrial districts appear to be flexible for agribusiness use, site limitations and building height. It does not appear that any of the property identified for this project will require rezoning. A zoning map is included in Appendix K, Section 2 for reference.

12.4 Environmental Constraints

There are existing wetlands located on the site in various locations as shown in Appendix K, Section 3. The largest wetland and greatest impact to site development is located in the southern portion of the site. This may limit development in this area or mitigation would be required to develop this area.

There are no foreseen environmental conditions that would unduly impede the project or that would prevent the construction of a new agribusiness park. Permitting and mitigation will most likely be required to offset any wetland impacts proposed by the project. All environmental mapping reviewed as part of this analysis is included in Appendix K, Section 3.

12.5 Existing Infrastructure

12.5.1 Water

The existing water mains in the vicinity of the Gowans Road Site are shown in Appendix K, Section 1 of this report. There are existing 10-inch cast-iron water mains located along Eden-Evans Center Road and existing 8-inch cast-iron water mains located along Gowans Road. The water mains are located within the road right-of-way.

Fire flow tests have not been completed by the Erie County Water Authority (ECWA) along Gowans Road; however the ECWA has performed fire flow testing along Eden-Evans Center Road. The fire flow test, along Eden-Evans Center Road indicated that the residual pressure in the system is 60 psi, the static pressure is 70 psi and the available flow is 1,390 gallons per minute. The water capacity should increase on the site through the construction of a main access road through the proposed site and installing water main between Eden-Evans Center Road and Gowans Road. Water modeling will be required to determine if any

offsite improvements would be required. Record mapping for the water system is included in Appendix K, Section 4.

12.5.2 Sewer

The existing sewer mains in the vicinity of the Gowans Site are shown in Appendix K, Section 1 of this report. The Erie County Sewer Authority owns and operates the sanitary sewer system in the Town of Evans along Eden-Evans Center Road. There is an existing 24-inch asbestos cement sewer main along the south side of Eden-Evans Center Road, with a slope of 1.18%. A sanitary sewer main with collection pipes with the size and slope indicated on the record plans would be able to accept a total of approximately 5.18 million gallons per day of sanitary sewer. It is not anticipated that any offsite improvements to the collection system or WWTF will be required for this project. However, detailed sewer modeling and flow monitoring may be required to confirm pipe capacities. Record mapping has been included in Appendix K, Section 4.

12.5.3 Natural Gas

According to record mapping received from National Fuel, there are no gas mains along the frontage of the proposed park. The nearest gas main is approximately 3,000 linear feet to the east of the site, located at the intersection of Eden-Evans Center Road and Delamater Road as shown in Appendix K, Section 1. An extension to the site would be required as part of the project. The utility has been contacted to determine capacity, however, specific capacity will need to be determined during design development for potential tenants. Record mapping has been included in Appendix K, Section 4.

12.5.4 Electric

There is an existing 13.2 KV power line that runs along Eden-Evans Center Road. The approximate location is shown in Appendix K, Section 1. Electric service for the site would be installed along the park access roadway in a dedicated easement. Specific capacity will need to be determined during design development for potential tenants. Record mapping has been included in Appendix K, Section 4.

12.5.5 Telecommunication

According to the record mapping received from Verizon, there are buried telephone lines located approximately 2,100 linear feet to the east of the site, crossing Eden-Evans Center Road near the intersection of US Route 20 as shown in Appendix K, Section 1. Service for the Park would be installed along Eden-Evans Center Road and along the site access roadway in a dedicated easement. Specific needs would be determined during design development for potential tenants. Record mapping has been included in Appendix K, Section 4.

12.5.6 Transportation

Access to the proposed park would be along Eden-Evans Center Road or Gowans Road. Access to I-90 is approximately one mile from the proposed entrance to the park. A traffic study would be required to analyze the impacts of a new park entrance and increased traffic in the area and to determine if any mitigation would be required.

Access to rail is a major benefit for the proposed agribusiness park. Rail sidings to service tenants within the Park could be constructed from the existing Norfolk Southern railroad, located in the northwestern portion of the site. Analysis for the feasibility of construction and costs for rail sidings have not been included in this study.

12.6 Conceptual Site Plans and Estimates

12.6.1 Option #1

The conceptual site plan developed for Option #1 is shown in Appendix K, Section 5. The conceptual plan was developed to maximize the buildable acreage available within the 349 acre parcel while considering the site constraints. New utilities (including water, sanitary sewer, electric and gas) will be located along the proposed entrance roadway.

This option would include the construction of the following items (all lengths are approximate):

- 9,100 linear feet of new water main
- 9,100 linear feet of new sanitary sewer main
- 9,100 linear feet of new gas main
- 9,100 linear feet of new electric
- 9,100 linear feet of new roadway

A summary of the total capital cost for this option is as follows:

OPTION #1 TOTAL CAPITAL COST

| Item | Total Capital Cost |
|--------------------------------------|---------------------|
| On-site Improvements | \$5,610,000 |
| Contingency and Administrative Costs | \$1,963,500 |
| Land Acquisition (349 acres) | \$2,617,500 |
| Total Capital Cost : | \$10,191,000 |

A full detailed cost estimate is included in Appendix K, Section 6.

12.6.2 Option #2

The conceptual site plan developed for Option #2 is shown in Appendix K, Section 5. The conceptual plan was developed to maximize the buildable acreage available within the 349 acre parcel while considering the site constraints. New utilities (including water, sanitary sewer, electric and gas) will be located along the proposed entrance roadway.

This option would include the construction of the following items (all lengths are approximate):

- 11,300 linear feet of new water main
- 11,300 linear feet of new sanitary sewer main
- 11,300 linear feet of new gas main
- 11,300 linear feet of new electric
- 11,300 linear feet of new roadway

A summary of the total capital cost for this option is as follows:

OPTION #2 TOTAL CAPITAL COST

| Item | Total Capital Cost |
|--------------------------------------|---------------------|
| On-site Improvements | \$6,930,000 |
| Contingency and Administrative Costs | \$2,425,500 |
| Land Acquisition (349 acres) | \$2,617,500 |
| Total Capital Cost : | \$11,973,000 |

A full detailed cost estimate is included in Appendix K, Section 6.

12.7 Cost Per Acre Analysis

Based on the total infrastructure costs for Option #1, legal, administration and engineering fees, contingency, assumed costs for a GEIS and land acquisition, a basic per acre cost analysis was completed.

OPTION #1 COST PER ACRE ANALYSIS SUMMARY

| Item | Total Capital Cost |
|--|---------------------|
| GEIS (assumed) | \$300,000 |
| Infrastructure | \$5,610,000 |
| Legal, Engineering, Administration & Contingency Costs | \$1,963,500 |
| Land Acquisition | \$2,617,500 |
| Total Capital Cost : | \$10,491,500 |
| Total Number of Acres: | 349 |
| Total Cost Per Acre: | \$31,000 |

The total cost per acre for the Gowans based on the assumptions above is approximately \$31,000. This cost can be adjusted based on overall funding anticipated or received, available cash from other sources and potential dedication of infrastructure to the Town or County. A detailed cost per acre analysis is included in Appendix K, Section 7.

13 Preferred Site #3 – Angola Hardpan Road Site

13.1 Site Location

The Angola Hardpan Road site is located in the Town of Evans along South Main Street and Hardpan Road, approximately five miles to the southwest of the NYS Thruway interchange. The park is also approximately one mile to the north of the intersection of South Main Street and US Route 20. Norfolk Southern owns the adjacent railroad, located along the western property line of the site. The location of the Park is shown in Appendix L, Section 1.



13.2 Property Owners and Stakeholders

The current Park identified is located within thirteen parcels and is approximately 225 acres. There is also additional parcels located immediately to the west of the existing Park that could be acquired for additional development. These parcels are approximately 164 acres. The parcels are shown in Appendix L, Section 1. A summary of the parcels and property owners is as follows:

ANGOLA HARDPAN ROAD SITE PARCEL INFORMATION

| Parcel Tax ID | Parcel Description | Acres | Current Listed Owner |
|-----------------------|---------------------------|--------------|---|
| 251.00-2-4 | Wooded, Vacant Lot | 17.3 | Stabler, Daniel L |
| 251.00-2-1.111 | Wooded, Vacant Lot | 67.5 | Balone, Gary Balone, Karen |
| 251.00-2-1.112 | Warehouse | 6.6 | Warren, Robert Warren, Nancy |
| 251.00-1-18.1 | Vacant Manufacturing | 5.5 | Crouse, Brian L Sr |
| 251.00-1-17 | Wooded, Vacant Lot | 1.8 | Henson, Donald M |
| 251.00-1-16.11 | Wooded, Vacant Lot | 13.1 | Mckillen, Glenn |
| 251.00-1-16.12 | Wooded, Vacant Lot | 24.9 | Hokan, Michael J Hokan, Nancy |
| 251.00-1-16.2 | Wooded, Vacant Lot | 1.0 | Hokan, Michael J Hokan, Nancy |
| 251.00-1-15 | Wooded, Vacant Lot | 39.3 | Hanley, Sean J |
| 251.00-2-1.113 | Wooded, Vacant Lot | 1.8 | Vandamar Holdings, LLC |
| 251.00-2-10 | Residential | 26.2 | Young, Keith C Young, Karen |
| 251.00-2-11 | Residential | 17.2 | Siragusa, Philip Jr |
| 251.00-2-12 | Residential | 4.1 | Siragusa, Ursula Siragusa, Philip Jr |
| Total Acreage: | | 226 | |

13.3 Zoning

The current zoning of all of the parcels under consideration is Light Industrial (LI). Permitted uses under the LI zoning code include food and beverage manufacturing, warehousing, storage services and distribution centers, and farms and agricultural businesses and industries.

A summary of some of the zoning requirements for the Light Industrial district is listed in the following table.

ZONING INFORMATION

| Min. Lot Size (Acres) | Min. Lot Width (feet) | Max. Lot Coverage | Max. Building Height (feet) |
|------------------------------|------------------------------|--|------------------------------------|
| 1 | 100 | Comply with yard, parking and landscaping requirements | 65 |

The Light Industrial district appears to be flexible for agribusiness use, site limitations and building height. It does not appear that any of the property identified for this project will require rezoning. A zoning map is included in Appendix L, Section 2 for reference.

13.4 Environmental Constraints

There are existing wetlands located on the site in various locations as shown in Appendix L, Section 3. The wetlands with greatest impact to site development are located in the southern portion of the site, near the intersection of Hardpan Road and Holland Road. This may limit development in this area or mitigation would be required to develop this area.

There are no foreseen environmental conditions that would unduly impede the project or that would prevent the construction of a new agribusiness park. Permitting and mitigation will most likely be required to offset any wetland impacts proposed by the project. All environmental mapping reviewed as part of this analysis is included in Appendix L, Section 3.

13.5 Existing Infrastructure

13.5.1 Water

The existing water mains in the vicinity of the Hardpan Road Site are shown in Appendix L, Section 1 of this report. The Village of Angola owns and maintains a portion of the water main along Hardpan Road. The Erie County Water Authority (ECWA) owns and operates the water mains outside of the Village of Angola. Record mapping from the Village of Angola indicates an existing 6-inch water main along the north side of Hardpan Road and 12-inch water main along the south side of Hardpan Road. Erie County Water Authority GIS mapping indicates 10-inch water main along the eastern side of South Main Street. Record mapping is included in Appendix L, Section 4.

The Village of Angola or the ECWA was not able to provide any fire flow test information for this area. Water modeling may be required to determine if any offsite improvements would be required.

13.5.2 Sewer

The existing sewer mains in the vicinity of the Hardpan Road are shown in Appendix L, Section 1 of this report. The Erie County Sewer Authority owns and operates the sanitary sewer system in the Town of Evans along Hardpan Road. A portion of the Hardpan Road site is located within the Erie County Sewer District 2-2. There is an existing 8-inch sewer main along the north side of Hardpan Road, with a slope of 0.40%. There are three out of district customers near the southern end of Hardpan Road that are tied into the municipal system via individual pump stations. It is recommended that the offsite sanitary sewer system be closer investigated to determine if any offsite improvements to the collection system or WWTF will be required for this project. Record mapping has been included in Appendix L, Section 4.

13.5.3 Natural Gas

According to record mapping received from National Fuel, there is gas main along the east and west side of Hardpan Road. The location of the gas main is shown in Appendix L, Section 1. The utility has been contacted to determine capacity, however, specific capacity will need to be determined during design development for potential tenants. Record mapping has been included in Appendix L, Section 4.

13.5.4 Electric

There is an existing power lines that run along Hardpan Road and South Main Street. The approximate location is shown in Appendix L, Section 1. Electric service for the tenants in the Park would be installed along Hardpan Road in a dedicated easement. Specific capacity will need to be determined during design development for potential tenants. Record mapping has been included in Appendix L, Section 4.

13.5.5 Telecommunication

According to the record mapping and GIS data, both Time Warner Cable and Verizon provide coverage for the Hardpan site as shown in Appendix L, Section 1. Service for the Park would be installed along Hardpan Road and along the park access roadway in a dedicated easement. Specific needs would be determined during design development for potential tenants. Record mapping has been included in Appendix L, Section 4.

13.5.6 Transportation

Access to the proposed park would be along South Main Street, with Hardpan Road being the main access road. Access to I-90 is approximately five miles from Hardpan Road. A traffic study would be required to analyze the impacts of the park development and increased traffic in the area and to determine if any mitigation would be required.

Access to rail is a major benefit for the proposed agribusiness park. Rail sidings to service tenants within the Park could be constructed from the existing Norfolk Southern railroad, located in the western portion of the site. Analysis for the feasibility of construction and costs for rail sidings have not been included in this study.

13.6 Conceptual Site Plans and Estimates

13.6.1 Option #1

The conceptual site plan developed for Option #1 is shown in as shown in Appendix L, Section 5. The conceptual plan was developed to maximize the buildable acreage available within the 226 acre parcel while considering the site constraints. This Option depicts smaller buildings with more tenants and provides for approximately 1.7 million square feet of development space. Required utility extensions (including water, sanitary sewer, electric and

gas) will be located along Hardpan Road and any of the proposed on-site roadways. We have assumed that the existing Hardpan Road is in adequate condition to support truck traffic and that only a top course of pavement would be required.

This option would include the construction of the following items (all lengths are approximate):

- 5,700 linear feet of new water main
- 5,700 linear feet of new sanitary sewer main
- 5,700 linear feet of new gas main
- 5,700 linear feet of new electric
- 5,700 linear feet of new roadway
- 4,500 linear feet of top course for access roadway

A summary of the total capital cost for this option is as follows:

OPTION #1 TOTAL CAPITAL COST

| Item | Total Capital Cost |
|--------------------------------------|--------------------|
| On-site Improvements | \$4,245,000 |
| Contingency and Administrative Costs | \$1,485,750 |
| Land Acquisition (226 Acres) | \$1,695,000 |
| Total Capital Cost | \$7,426,000 |

A full detailed cost estimate is included in as shown in Appendix L, Section 6.

13.6.2 Option #2

The conceptual site plan developed for Option #2 is shown in as shown in Appendix L, Section 5. The conceptual plan was developed to maximize the buildable acreage available within the 226 acre parcel while considering the site constraints. This Option depicts a lesser number of tenants than Option #1 but depicts larger buildings and provides approximately 1.5 million square feet of building space. Required utility extensions (including water, sanitary sewer, electric and gas) will be located along Hardpan Road and any of the proposed on-site roadways. We have assumed that the existing Hardpan Road is in adequate condition to support truck traffic and that only a top course of pavement would be required.

This option would include the construction of the following items (all lengths are approximate):

- 4,000 linear feet of new water main
- 4,000 linear feet of new sanitary sewer main
- 4,000 linear feet of new gas main
- 4,000 linear feet of new electric
- 4,000 linear feet of new roadway
- 4,500 linear feet of top course for access roadway

A summary of the total capital cost for this option is as follows:

OPTION #2 TOTAL CAPITAL COST

| Item | Total Capital Cost |
|--------------------------------------|---------------------------|
| On-site Improvements | \$3,225,000 |
| Contingency and Administrative Costs | \$1,128,750 |
| Land Acquisition (226 acres) | \$1,695,000 |
| Total Capital Cost | \$6,049,000 |

A full detailed cost estimate is included in as shown in Appendix L, Section 6.

13.7 Cost Per Acre Analysis

Based on the total infrastructure costs for Option #1, legal, administration and engineering fees, contingency and an assumed cost for a GEIS and a land acquisition cost, a basic per acre cost analysis was completed.

OPTION #1 COST PER ACRE ANALYSIS SUMMARY

| Item | Total Capital Cost |
|--|---------------------------|
| GEIS (assumed) | \$300,000 |
| Infrastructure | \$4,245,000 |
| Legal, Engineering, Administration & Contingency Costs | \$1,485,750 |
| Land Acquisition | \$1,695,000 |
| Total Capital Cost : | \$7,726,000 |
| Total Number of Acres: | 226 |
| Total Cost Per Acre: | \$35,000 |

The total cost per acre for the Angola Hardpan Road site based on the assumptions above is approximately \$35,000. This cost can be adjusted based on overall funding anticipated or received, available cash from other sources and potential dedication of infrastructure to the Town or County. A detailed cost per acre analysis is included in Appendix L, Section 7.

14 Existing Industrial Park Consideration

14.1 General

During this review, it was apparent that some of the existing parks included in the County’s inventory could be suitable for potential agribusiness tenants, without the necessity to create a full agribusiness park. These parks were further reviewed for parcels available, developable acreage, ownership and current site issues. These parks are discussed in the following sections of this report.

14.2 North America Center

14.2.1 Available Acreage

The North America Center consists of approximately 475 acres. There are various parcels within the North America Center that have been developed. However, there are six (6) undeveloped parcels totaling approximately 205 acres. Five of these sites are greater than 20 acres in size, with two of the parcels being approximately 60 acres. A map of North America Center is included in Appendix M.

14.2.2 Site Constraints

There are existing wetlands located on the North America Center site. Some of these wetland areas impact site development in the center of the park and in the northeastern corner of the park.

14.2.3 Site Utilities

According to record mapping obtained from the various utility companies, there are utilities with capacity present onsite. According to the Erie County Water Authority, there is an 8-inch water main throughout the Park. The Erie County Sewer Authority indicates the presence of 8 and 10-inch sanitary sewer gravity mains within the Park. NYRG&E indicates electrical service throughout the park and National Fuel Gas indicates natural gas services throughout the park.

14.3 Eastport Commerce Center

14.3.1 Available Acreage

The Eastport Commerce Center is currently undeveloped. There is an existing access road that provides access from Walden Avenue and Pavement Road through the Park. The Park consists of approximately 128 total acres, 121 of which are developable. There are currently three parcels onsite, one totaling 30 acres, a second totaling 15 acres, and a third parcel totaling 76 acres. A map of the Eastport Commerce Center is included in Appendix M.

14.3.2 Site Constraints

Although there are 128 total acres within the Eastport Commerce Center, there are two federal wetlands onsite. The wetland that has the most impact on the developable area is located along the western property line of the park. There is also an existing gas main easement located on the eastern portion of the site.

14.3.3 Site Utilities

According to the record mapping obtained from the various utility companies, there are utilities with capacity present onsite. According to the Erie County Water Authority, there is a 12-inch water main located along Walden Avenue and an 8-inch water main throughout the Park. According to the Erie County Sewer Authority, there is a 12-inch sanitary sewer main along Walden Avenue and an 8-inch sanitary sewer main within the Park. NYSEG indicates electric service along Walden Avenue and National Fuel reports gas main along Walden Avenue and Pavement Road, as well as a gas main passing through the northeast corner of the site.

14.4 Lake Erie Commerce Park

14.4.1 Available Parcels

The Lake Erie Commerce Park consists of approximately 139 acres. The site consists of two parcels divided by Bayview Road. The northern parcels is approximately 71 acres and the southern parcel is approximately 68 acres. According to recent conversations with the Hamburg Industrial Development Agency, the northern 71 acres has been sold to FedEx, leaving approximately 68 acres for development. A map of the Lake Erie Commerce Park is included in Appendix M.

14.4.2 Site Constraints

Of the remaining 68 acres, a small portion of the site contains federal wetlands. There are currently no other known site constraints for this parcel.

14.4.3 Site Utilities

According to record mapping obtained from the various utility companies, there are utilities with capacity present onsite. According to the Erie County Sewer Authority, there is an 18-inch sanitary sewer along Lakeshore Road (NYS Route 5) and a 15-inch sanitary sewer along Bayview Road. National Fuel Gas indicates a gas main along Bayview Road, as well as Lakeshore Road. According to AT&T, there is fiber cable running along the CSX right-of-way to the east of the site. The Erie County Water Authority did not respond to a request for utility locations; however, from a site visit there is water main along Bayview Road, indicated by fire hydrants alongside the road.

15 Conclusions and Next Steps

15.1 Conclusions

Erie County has a growing need to evaluate the current inventory of available industrial park property as well as analyze future concerns and demand for agribusiness property. With the dwindling acreage available in the existing parks and the lack of suitable spaces for new

development, new opportunities to reuse existing sites and expand existing infrastructure must be considered. Establishing a new agribusiness park will provide additional markets for Erie County, create new jobs, and add to the local tax base.

The marketing and site selection analyzes have revealed that there is a demand and the resources are present for creating an agribusiness within Erie County. Successful attraction of agribusiness investment to Erie County will require commitment from stakeholders to coordinate efforts around a consensus strategy. This strategy and implementation plan should be developed between those stakeholders and a continuous effort will be required to pursue opportunities within the County.

15.1.1 Evans Sites

There were many potential sites throughout Erie County, both existing and potential Greenfield sites, to establish a viable agribusiness park. All three (3) preferred sites for an agribusiness park are located in the Town of Evans. There are many important locational factors and demands for a successful agribusiness park that all three preferred sites had in common. The first is transportation. All of the Town of Evans is located in a short distance to the New York State Thruway, giving the sites great access to not only major transportation hubs in the region, but also giving them access to interstate transportation.

The second characteristic of the Town of Evans that makes it a viable location for an agribusiness park is the established utilities. Both Erie County Water Authority and the Erie County Sewer Authority own and operate the water and sewer infrastructure in the Town of Evans. This provides sufficient capacities and reliable service to any development in the Town of Evans area.

The last key factor that makes the Town of Evans a good location for an agribusiness park is the lack of environmental concerns and site constraints. Many of the other sites that were examined had a lot of environmental concerns or site constraints, whether it be federal and state wetlands, regulated streams or the site was located in an existing agricultural district.

15.1.2 Lack of Shovel Ready Industrial Space

There are approximately 30 existing industrial development parks throughout Erie County. These parks are spread throughout the county, offering varying amounts of developable acreage. Many of these parks have existing tenants and are close to being at capacity. This poses an issue for a new company wishing to develop in Erie County. The sites that are currently available may not be suitable for tenants looking for significant acreage or shovel ready parcels. Having a shovel ready option for potential tenants is vital to success and important for site selection committees throughout the state and throughout the country. If the park has shovel ready capabilities, any potential development can begin local planning board approvals and begin construction in a short time frame. Without shovel ready capabilities, there are significant milestones that must be completed before construction can begin, which could be a lengthy process and eliminate the County from development consideration.

15.1.3 Lack of Agribusiness Sites

Of the many sites available throughout Erie County, there are very few that would be attractive to an agribusiness focused development. Many of the existing sites in the county are either redevelopment sites or are located near heavy industrial or manufacturing sites. This is not attractive for agribusinesses looking to site new facilities. Whether real or perceived, the fear and image associate with previously developed heavy industrial sites or adjacent industrial sites does not encourage agribusiness development. Developing in a previously developed heavy industrial site or adjacent industrial site could pose health and food safety issues or risks for an agribusiness.

15.1.4 Land Acquisition

One of the biggest obstacles Erie County faces in development of an agribusiness park is ownership. The County currently does not own and control some of the parks that are being marketed throughout the County. The County should move forward in purchasing property to establish an industrial park. The site that the county should heavily consider is the Evans Airport Industrial Park. Through ownership of the Evans Airport Industrial Park, Erie County can proceed with environmental permitting, working towards shovel ready capabilities. The County can actively seek funding for infrastructure improvements and site preparations.

15.2 Next Steps

The following is a list of recommended next steps for Erie County to consider. Some of these tasks may be completed in phases and/or in parallel with each other.

- Seek funding to implement the project.
 - Sources may include the Consolidated Funding Application (CFA) through Empire State Development, USDA Rural Development programs, Office of Community Renewal (OCR), NYS Environmental Facilities Corp (EFC), US Economic Development Agency (EDA), The NYS Department of Transportation Multi-Modal Program, US Department of Transportation TIGER Grants, and the Upstate Revitalization Initiative (URI).
 - Letters of support from local businesses, property owners, government representatives and agencies should be solicited.
- Marketing
 - Follow the recommendations outlined in the marketing analysis above.
- Workforce Development
 - Review locational implications, and the attraction and training efforts needed to secure an adequate workforce.
- Develop site acquisition and ownership plan (option agreements).

- Rezoning of property as needed.
- Preparation of a Generic Environmental Impact Statement (GEIS) as part of the State Environmental Quality Review (SEQR). This may include some or all of the following:
 - Topographical Land Surveying
 - Phase 1 Environmental Assessment
 - Archeological Studies
 - Geotechnical Studies
 - Drainage Studies
 - Wetland Delineations and Permitting
 - Wetland Avoidance and Mitigation Plans
 - Flood Plain Evaluations
 - Traffic Studies
 - Rail Studies
 - Utility Studies or Coordination
 - Threatened and Endangered Species Evaluations
 - Visual Simulations, Concept Plans and Master Planning
 - Town Site Plan Approval and Rezoning
 - Subdivision Survey, Mapping, and Filing
 - New York State Shovel Ready Certifications
- Design and permitting of bid ready infrastructure to enable Shovel Ready status.
- Construct infrastructure as funding allows.

Figures

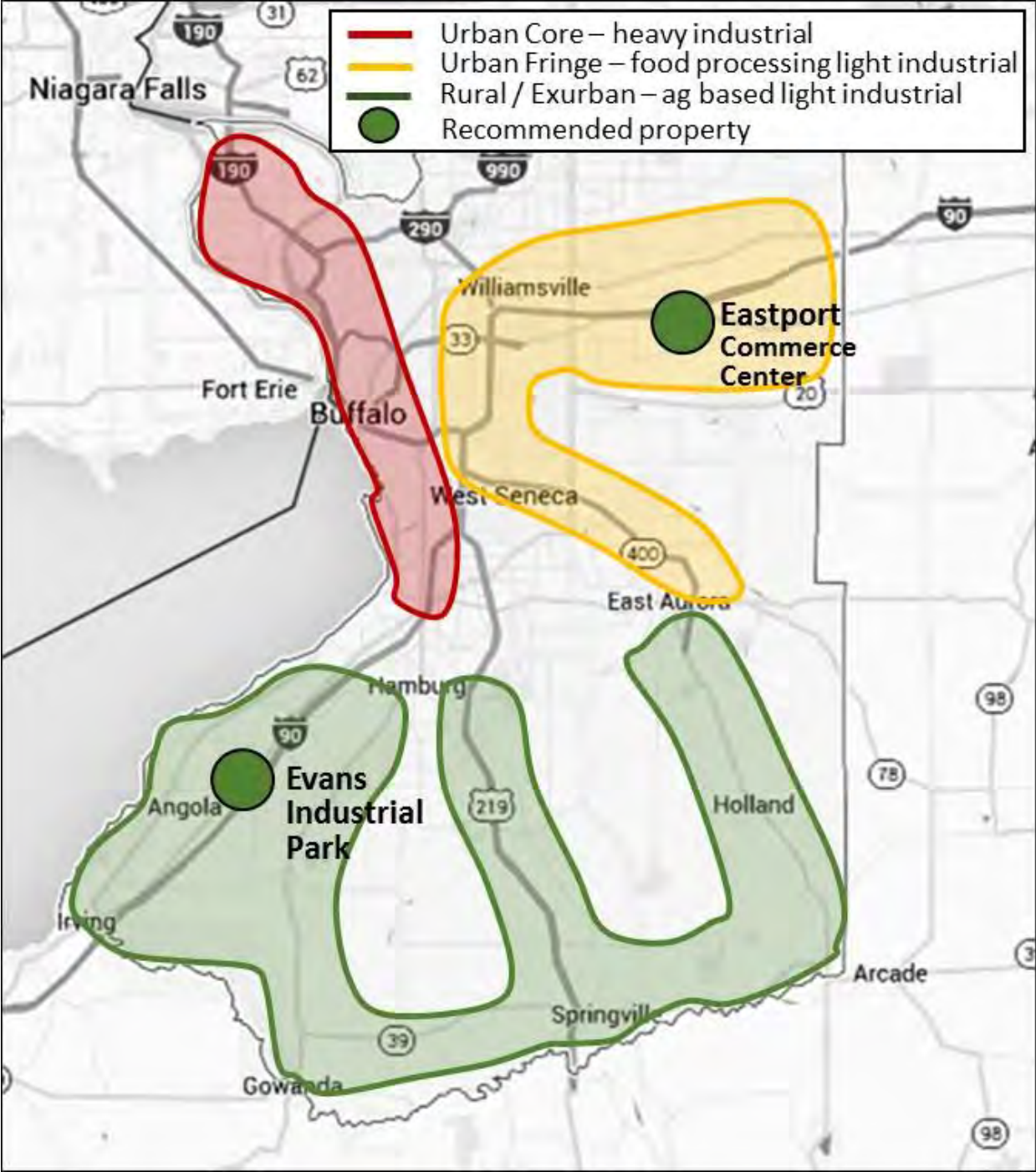


FIGURE 1