



**ERIE COUNTY WATER AUTHORITY**  
**INTEROFFICE MEMORANDUM**

To: Jerome D. Schad, Chair  
Peggy A. LaGree, Vice Chair  
Michele M. Iannello, Treasurer

CC: Jennifer L. Hibit, Secretary to the Authority

From: Mark S. Carney, General Counsel

Date: February 2, 2026

Subject: Apple Tree Business Park Lease

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As Board of Commissioners is aware, the Authority's lease agreement with Ellicott Development for the Authority's space at the Ellicott Square Building will expire in April 2027. Accordingly, the Authority's Executive Staff has reviewed available office space options and recommends that the Authority enter into a lease for space at the Apple Tree Business Park. Notably, this would move the Authority's business office into the Authority's service area and would permit the Authority's business office and operations office to be in close proximity to each other. J R Millitello Realty, Inc., has agreed to act as the Authority's broker in lease negotiations with the landlord at the Apple Tree Business Park, AMCAP, Inc. J R Millitello has presented the Authority with the attached Letter of Intent which has been reviewed by the Authority's Executive Staff.

The Legal Department now recommends that the Authority execute the Letter of Intent to continue negotiations regarding the lease of space at the Apple Tree Business Park. Please contact me or Jennifer Hibit with any questions regarding the Letter of Intent or the proposed lease terms.

MSC:kag

**ERIE COUNTY WATER AUTHORITY**  
**AUTHORIZATION FORM**  
**For Approval/Execution of Board Meeting Documents**

Document Name: \_\_\_\_\_ Project No.: \_\_\_\_\_

Description: \_\_\_\_\_

**Item Description:**

Choose one: \_\_\_\_\_

Other: \_\_\_\_\_

**Action Requested:**

Choose one: \_\_\_\_\_

Other: \_\_\_\_\_

**Approvals Required:**

**APPROVED AS TO CONTENT:**

Chief Financial Officer



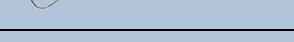
Date: 02/02/2026

Chief Operating Officer



Date: 2/3/2026

Claims Rep. – Risk Manager



Date: \_\_\_\_\_

Comptroller



Date: \_\_\_\_\_

Director of Administration



Date: \_\_\_\_\_

Director of Distribution



Date: \_\_\_\_\_

Director of Human Resources



Date: \_\_\_\_\_

Director of IT



Date: \_\_\_\_\_

Director of Operations



Date: \_\_\_\_\_

Director of Planning & Water Supply



Date: \_\_\_\_\_

Director of Production



Date: \_\_\_\_\_

Director of Water Quality



Date: \_\_\_\_\_

Executive Engineer



Date: \_\_\_\_\_

General Counsel (Legal)



Date: 2/3/2026

Other: \_\_\_\_\_



Date: \_\_\_\_\_

**APPROVED FOR BOARD RESOLUTION:**

Secretary to the Authority



Date: 2/3/2026

Remarks: \_\_\_\_\_

Resolution Date: \_\_\_\_\_ Item No: \_\_\_\_\_

## LETTER OF INTENT

### ***Proposed Lease of 26,000 +/- square feet at Apple Tree Business Park***

This letter of intent (the "LOI") summarizes the general terms and conditions under which the Tenant (as defined below) will lease suite 3550 at the Property (described below) from the Landlord (defined below).

<b>1. Landlord</b>	AMCAP INC.		
<b>2. Tenant</b>	Erie County Water Authority ("ECWA")		
<b>3. Premises</b>	Suite 3550, a 26,000 rentable square foot area (the "Premises"), which is 5.6% of the approximately 460,000 square foot building known as 2875 Union Road Cheektowaga, NY 14227 (the "Property").		
<b>4. Tenant's Intended Use</b>	Corporate offices and ancillary services related thereto.		
<b>5. Rate Schedule</b>	Term	Base Rate	
	1/1/2027-12/31/2027	\$	-
	1/1/2028-12/31/2028	\$	13.00
	1/1/2029-12/31/2029	\$	13.39
	1/1/2030-12/31/2030	\$	13.79
	1/1/2031-12/31/2031	\$	14.21
	1/1/2032-12/31/2032	\$	14.63
	1/1/2033-12/31/2033	\$	15.07
	1/1/2034-12/31/2034	\$	15.52
	1/1/2035-12/31/2035	\$	15.99
	1/1/2036-12/31/2036	\$	16.47
	1/1/2037-12/31/2037	\$	16.96
<b>6. Lease Conditions</b>	Landlord shall provide a Base Year allowance for Operating Expenses. Tenant shall be responsible for its proportionate share of any increases in Operating Expenses over the Base Year, commencing April 1, 2028.		
<b>7. Base Year</b>	2027		
<b>8. Annual Escalation</b>	3.0%		
<b>9. Lease Term</b>	Eleven (11) years (132 months).		
<b>10. Lease Commencement</b>	January 1, 2027		
<b>11. Lease Expiration</b>	December 31, 2037		
<b>12. Free Rent</b>	Tenant shall receive twelve (12) months of free Base Rent outside of the lease term.		
<b>13. Security Deposit.</b>	None		
<b>14. Landlord Work</b>	Landlord shall, at its sole cost and expense, provide new carpeting and paint the suite prior to the commencement of the lease term.		
<b>15. Tenant Improvements</b>	To be determined.		
<b>16. Renewal Options</b>	Tenant shall have two (2) five-year renewal options, each at a rental rate equal to the lesser of (i) a 3% increase over the preceding year's rent or (ii) fair market value at the time of renewal.		
<b>17. Access</b>	Lessee shall be provided twenty-four (24) hours, seven (7) days a		

	week, fifty-two (52) weeks per year access to the Property.
<b>18. Signage</b>	Landlord to provide detail on signage allowances.
<b>19. Lease</b>	The parties will act in good faith to enter into a mutually acceptable and binding Agreement within 20 days of Landlord's acceptance of this LOI. The draft of the lease shall be prepared by Landlord's counsel and delivered to Tenant within 7 days of Landlord's acceptance of this LOI.
<b>20. Brokerage Fees</b>	Tenant warrants that it has not dealt with a broker or finder in connection with this transaction other than J. R. Militello Realty, Inc. The responsibility to pay a commission equal to five (5%) of the transaction total at closing to J. R. Militello Realty, Inc. will be exclusively the Landlord.
<b>21. Non-Binding</b>	This letter does not constitute a formal offer or binding agreement. This letter reflects our present understanding of the terms and conditions of the proposed transaction, and we expect that the definitive lease agreement which shall be negotiated between us, with respect to this transaction, shall be substantially consistent with the provisions hereto. It is intended that a binding agreement between us shall come into existence, if, and only if, such definitive lease agreement is delivered by Lessor to Lessee and signed and returned by Lessee to Lessor who in turn shall sign and return a fully executed final lease to Lessee. Exact language of any of the terms and conditions outlined herein are subject to mutual agreement between the parties hereto and shall be provided in a final lease document.

By our signatures below, we jointly authorize the drawing of the required lease.

Agreed and Accepted:

Lessee: Erie County Water Authority

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Lessor: AMCAP INC.

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_