

Lazarus Properties, LLC
\$2,483,000
INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Lazarus Properties, LLC																
<ul style="list-style-type: none"> • NAICS Section - 31240 	Project Address: 65 Vandalia Street Buffalo, New York 14204 (Buffalo City School District)																
COMPANY INCENTIVES																	
<ul style="list-style-type: none"> • Approximately \$72,000 in sales tax savings • Approximately \$20,000 in mortgage tax savings 	<p style="text-align: center;">Agency Request</p> <p>A mortgage and sales tax exemption in connection with the acquisition and renovation of an existing facility for manufacturing and agricultural based businesses.</p>																
PROJECT BENEFITS																	
<ul style="list-style-type: none"> • The site is currently vacant and severely underutilized. This project will result in new activity in a vacant building. • The project is anticipated to create 11 new jobs. 	<table> <tr> <td>Acquisition</td><td style="text-align: right;">\$ 125,000</td></tr> <tr> <td>Renovation</td><td style="text-align: right;">1,218,000</td></tr> <tr> <td>Infrastructure</td><td style="text-align: right;">246,000</td></tr> <tr> <td>Manufacturing Equipment</td><td style="text-align: right;">755,000</td></tr> <tr> <td>Non-Manufacturing Equipment</td><td style="text-align: right;">55,000</td></tr> <tr> <td>Soft Costs</td><td style="text-align: right;">84,000</td></tr> <tr> <td> Total Project Cost</td><td style="text-align: right;"> \$2,483,000</td></tr> <tr> <td> 85%</td><td style="text-align: right;"> \$2,110,550</td></tr> </table> <p style="text-align: center;">Company Description</p> <p>Lazarus Properties, LLC was formed for the purpose of acquiring and operating the project, The LLC is comprised of Stephen and Andrea Bystran (50%) and Bruce Mack, Jr. and Heidi Mack (50%).</p>	Acquisition	\$ 125,000	Renovation	1,218,000	Infrastructure	246,000	Manufacturing Equipment	755,000	Non-Manufacturing Equipment	55,000	Soft Costs	84,000	 Total Project Cost	 \$2,483,000	 85%	 \$2,110,550
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EMPLOYMENT																	
<ul style="list-style-type: none"> • Current = 0 • New Jobs Projected = 11 	<p style="text-align: center;">Project Description</p> <p>The facility at Vandalia Street will house initially two (2) start up businesses:</p>																
PROJECT HISTORY																	
<ul style="list-style-type: none"> • No public hearing required as benefits are below \$100,000 • 1/28/2015 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 1/28/2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors 	<p>Lakeward Spirits: This craft distillery will produce, using predominantly NY farm based raw materials, gin, vodka and whiskey. The spirits will be sold to restaurants and retail outlets across WNY as well as to onsite visitors.</p> <p>Queen City Malting: Using barley and grains from local farms and adding value through the malting process, Queen City Malting will be the first active malt house in WNY in nearly 40 years. Primary customers will be local breweries and distilleries with a small percentage (less than 5%) being sold directly to home brewers.</p> <p>The project includes demolition of a smaller structure to provide for parking.</p> <p>Lakeward and Queen City will utilize 34,000 sq. ft. in the building with the remaining 9,000 sq. ft. vacant at this point pending the utilization by other similar agri-based manufacturing tenants. Currently three potential tenants are in final negotiations to utilize a 4,500 sq. ft. of the available space.</p> <p>Any incidental retail aspects of these future tenants will be handled by Lakeward Spirits in the 1,500 sq. ft. of space devoted to retail. No IDA benefits will be provided for the retail space buildout or retail furniture, fixture and equipment.</p> <p>The site is currently vacant and severely underutilized. This project will result in additional activity in the building and will benefit the area.</p>																

Retail Determination

Tenant/Use	Sq. Ft.	Cost	% of Projected Cost
Lakeward Spirits/Queen City Malting	32,500	\$1,083,000	89%
Retail	1,500	\$37,000	3%
Vacant	9,000	\$98,000	8%
Total	43,000	\$1,218,000	100%

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount Total Project Amount = \$2,483,000 85% of total project amount = \$2,110,550
Employment	See recapture term	Achieve 85% of projected employment: Projected Jobs = 11 85% of projected jobs = 9
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Recapture applies to:

- State and local sales taxes
- Mortgage recording taxes

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA's Policy Committee to recapture the local portion of the sales tax and mortgage taxes.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company has met 85% of its projected employment and iii) confirm adherence to ECIDA local labor hiring policy.