

9271 Group, LLC
\$6,960,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$284,000 in sales tax savings
- 1% of the final mortgage amount. At this time, the estimated amount of the mortgage is \$5,500,000 for a savings of \$55,000.
- The company will utilize the City's 485-a exemption program

PROJECT BENEFITS

- It is estimated the project will generate an additional \$176,000 to the County and \$149,000 to the City over the abatement period.

EMPLOYMENT

- Current = 0
- New Jobs Projected = 1

PROJECT HISTORY

- 3/10/2015 - City of Buffalo Planning Board adopts a Negative Declaration in accordance with SEQRA.
- 3/24/2015 - Public hearing held. Transcript attached
- 4/22/2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 9271 Group, LLC

Project Address: 960 Busti Avenue
 Buffalo, New York 14213
 (Buffalo City School District)

Agency Request

A sales and mortgage recording tax exemption in connection with the adaptive reuse of an existing facility.

Land and Building Acquisition	\$ 500,000
Renovation	5,410,000
Soft Costs	650,000
Other (demo and remediation)	400,000

Total Project Cost	\$6,960,000
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85%	\$5,916,000
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Estimated Mortgage Amount	\$5,500,000
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Company Description

9271 Group, LLC is a corporation formed by Ellicott Development for the purpose of constructing the project.

Ellicott Development Company is a real estate development company and property management firm with over 30 years of experience. Ellicott Development controls a diverse portfolio of commercial and residential real estate including Cass A office space, hotel construction and management and loft style apartments.

Project Description

The proposed project entails the adaptive reuse of a 56,000 sq. ft. vacant structure at the intersection of Busti Avenue and Niagara Street. The renovated structure will house a mix of uses including residential, commercial and retail. Floors one and two would include approximately 27,000 sq. ft. of commercial space. Floors 3 and 4 include approximately 23,000 sq. ft. of residential space which will be divided into 18 market rate apartments. The apartments are expected to be in the range of 850 - 1,750 sq. ft. with rents between \$1,000 and \$2,000.

Retail Determination

Over 1/3 of the total project cost is associated with the build out of the commercial space. Therefore, since the board has determined in the past that any commercial space is by default considered retail, State law requires a sign off by the County Executive.

Tenant/Use	Sq. Ft.	Cost	% of Projected Cost
Residential	23,000	\$3,760,000	54%
Commercial/Retail	27,000	\$3,200,000	46%
Common	6,000		
Total	56,000	\$6,960,000	100%

Impact on Taxes

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 12 Years	Additional City Revenue Over City 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$7,400	\$2,705,000	\$176,000	\$149,000	\$89,000
Combined Rate: \$33.00 Current Assessment: \$225,000				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount Total Project Amount = \$6,960,000 85% of total project amount = \$5,916,000
Employment	See recapture term	New job creation of 1 employee (building manager)
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.