

**500 Parker, LLC**  
**\$3,458,192**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 53110

**COMPANY INCENTIVES**

- Approximately \$52,500 in sales tax savings
- 1% of the final mortgage amount. At this time, the estimated amount of the mortgage is \$2,630,000 for a savings of \$26,300.
- The company will utilize the City's 485-a exemption program

**PROJECT BENEFITS**

- Adaptive reuse of a vacant structure
- Full tax payments to Erie County

**EMPLOYMENT**

- Current = 0
- New Jobs Projected = 2 FT  
1 PT

**PROJECT HISTORY**

- No Public Hearing was required since project benefits are below \$100,000.
- 6/17/2015 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 6/17//2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 500 Parker, LLC

Project Address: 1030 Parkside Avenue  
Buffalo, New York 14216  
(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	\$ 325,000
Renovation	2,166,000
Soft Costs	406,000
Other (loan, developer costs)	560,177
<b>Total Project Cost</b>	<b>\$3,458,192</b>
<b>85%</b>	<b>\$2,939,463</b>

**Company Description**

500 Parker, LLC is a limited liability corporation formed for this project. Principals of the LLC include Karl Frizlen (Frizlen Group) and members of JLS, LLC (Michael Joseph, Jordan Levy and Ron Schreiber).

The Frizlen Group provides a full range of architectural services including planning, design and implementation. They have a significant portfolio in projects such as housing, retail and commercial offices, public and civic buildings, restoration and urban infill, master planning and urban revitalization.

**Project Description**

The proposed project entails parceling out the existing school building plus parking area from the St. Rose of Lima Church campus. The intention is to convert the existing school building which has been vacant since 2007 into 21 market rate apartments, keeping the gym for sports activity use which can be rented to local organizations on an as needed basis. Each classroom will represent one apartment. The historic features such as blackboards, entry doors, windows, transom, wood floor will be kept and restored to historic standards. Apartments will range in size from 478 sq. ft. to 974 sq. ft. and rents will be in the \$700 - \$1,250 range.

**Retail Determination**

Tenant/Use	Sq. Ft.	Cost	% of Projected Cost
Residential	17,130	\$1,949,850	90%
Commercial/Gym	8,565	\$216,650	10%
<b>Total</b>	<b>25,695</b>	<b>\$2,166,500</b>	<b>100%</b>

Since less than 1/3 of the total project cost is associated with a potential retail tenant, a retail finding by the County Executive is not required.

### 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
\$0	\$1,000,000	\$65,000	\$55,000	\$33,000
Combined Rate: \$33.00 Property is Exempt				

### 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 = \$3,458,192 85% of total project amount = \$2,939,463
Employment	See recapture period	Creation of 2 jobs
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 created 2 jobs and iii) confirm adherence to ECIDA local labor hiring policy.

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