

NOTICE OF PUBLIC HEARING

Pursuant to Article 18-A of NYS General Municipal Law, the Erie County Industrial Development Agency (the "Agency") will hold a public hearing on March 27, 2017 at 10:00 a.m. at the Agency's offices, at 95 Perry Street-Suite 403, Buffalo, NY 14203 regarding:

Shea's Seneca, LLC, and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency (a copy of which is on file at the office of the Agency) requesting the Agency to undertake a certain project (the "Project") consisting of: (i) a 1.62+/- acre parcel of land located at 2178 Seneca Street in the City of Buffalo, Erie County, New York (the "Land") together with an existing 48,000+/- SF building thereon known as the historic Shea's Seneca (the "Existing Improvements"), (ii) the construction and/or renovation, upgrading and equipping of the Existing Improvements thereon into a mixed-use project consisting of 29,257+/- SF of 25 residential apartments and 18,776+/- SF of commercial retail space, together with on-site parking allocated between commercial and residential tenants (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Project in the form of sales and use tax exemption benefits and mortgage recording tax exemption benefits consistent with the policies of the Agency.

A representative of the Agency will be present at the above-stated time and place to present a copy of the Application and hear and accept written and oral comments from all persons with views in favor of or opposed to the proposed financial assistance. Written comments may be submitted at this public hearing or delivered to the Agency at 95 Perry Street-Suite 403, Buffalo, NY 14203 until the comment period closes on April 25, 2017. The project application is available for public inspection at the Agency's offices Monday through Friday (excluding public holidays) from 9:00 a.m. until 4:00 p.m.

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

Erie County Industrial Development Agency

**Shea's Seneca****Section I: Applicant Background Information**Applicant Information- Company Receiving Benefit

Project Name	Shea's Seneca
Applicant Name	Shea's Seneca, LLC
Applicant Address	443 DELAWARE AVENUE
Applicant Address 2	
Applicant City	BUFFALO
Applicant State	New York
Applicant Zip	14202
Phone	7169237000
Fax	7168824293
E-mail	matt@schneiderdevelopmentservices.com
Website	www.schneiderdevelopmentservices.com
Federal ID#	26-4098834
NAICS Code	
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	Shea's Seneca, LLC
Federal ID#	81-3606934
State and Year of Incorporation/Organization	New York, 2016
List of stockholders, members, or partners of Real Estate Holding Company	Charles J. Schneider Mary Kathryn Schneider Andrew Dorn Matthew Dorn Thomas J. Kujawa Tony Muscarella Mary Kay Muscarella

Individual Completing Application

Name	Matthew Hartrich
Title	VP of Development, Schneider Development
Address	443 DELAWARE AVENUE
Address 2	
City	BUFFALO
State	New York
Zip	14202

Phone	7169237000
Fax	7168824293
E-Mail	matt@schneiderdevelopmentservices.com

Company Contact (if different from individual completing application)

Name	Charles J. Schneider
Title	Managing Member, Shea's Seneca LLC
Address	443 DELAWARE AVENUE
Address 2	
City	BUFFALO
State	New York
Zip	14202
Phone	716-923-7000
Fax	7168824293
E-Mail	jake@schneiderdesign.com

Company Counsel

Name of Attorney	Jason A. Yots, Esq
Firm Name	Borrelli & Yots, PLLC
Address	14 Franklin Street, Suite #813
Address 2	
City	Rochester
State	New York
Zip	14604
Phone	716-440-0521
Fax	
E-Mail	jasonyots@borrelliyots.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	Yes
Exemption from Real Property Tax	No
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Business Organization

Type of Business	Limited Liability Company
Type of Ownership	
Year Established	2016
State of Organization	New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

C. Jake Schneider (35%) & M. Kathryn Schneider (13%) Andrew Dorn (24%) Matthew Dorn (24%)

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

Located at 2178 Seneca Street in South Buffalo, the project plans to redevelop 48,000 square feet of vacant and underutilized space in the historic Shea's Seneca building. The property is considered a neighborhood icon and is the largest structure along the commercial corridor. The development plan includes approximately 25 apartments, and approximately 19,000 square feet of commercial space. Commercial tenants include a non-profit community theater group that will be sharing space with other non-profit performance arts groups, a banquet facility and approximately 3,000 sq ft of space designated for neighborhood retail businesses yet to be identified or marketed to.

Estimated % of sales within Erie County n/a

Estimated % of sales outside Erie County but within New York State n/a

Estimated % of sales outside New York State but within the U.S. n/a

Estimated % of sales outside the U.S. n/a

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

Approximately 80%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo

Will the Proposed Project be located within a Municipality identified above?

Yes

In which Municipality will the proposed project be located

Buffalo

Address

2178 Seneca Street

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

133.26-1-14.1

What are the current real estate taxes on the proposed Project Site

Assessed value of land

70,700

Assessed value of building(s)

240,800

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

City of Buffalo

School District of Project Site

Buffalo Public Schools

Does the Applicant or any related entity currently hold fee title to the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the Proposed Project site

With the exception of a small bargain variety thrift store (appx. 2,000 sq ft.), the 48,000 sf building is vacant and has been overwhelmingly vacant for many years. The thrift store is electing to close down their operations at the end of the year.

Please provide narrative of the proposed project and the purpose of the proposed project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The project proposes the redevelopment of the historic Shea's Seneca located in the heart of the South Buffalo Seneca Street neighborhood commercial corridor. At 48,000 square feet, it stands as the largest and certainly most prominent building along the entire street from the Buffalo River to the city line. While the actual theater was demolished for parking in 1969 by a community group that owned the property, the lobby, adjoining commercial structure, and front façade all remain extant. The building is one of three Shea's theaters still remaining out of the 8 that were originally constructed throughout the City and region. The other two include the Northpark Theater on Hertel and Shea's Buffalo on Main Street in Downtown. The project would be a complete gut rehab, with structural repairs and modifications, brand new building and mechanical systems, new infrastructure and utilities, site work, ADA compliant additions such as the construction of an elevator, substantial detailed historic repair work (theater lobby, terra-cotta façade, windows and fenestration, etc.), and complete interior build out for all residential spaces and commercial tenants. The entire second floor and a rear portion of the first floor are planned as apartments- approximately 25 in total. A residential lobby, fitness center, bike storage, and a dog wash station will be located on the 1st floor as well. The balance of the 1st floor will consist of commercial space. One of the commercial tenants is a non-profit theater group that will collaborate with and sublease its space to other non-profit arts groups. Build out plans for their space include a 130-seat theatre, lobby and ticket booth, dressing rooms, classrooms, and space for set building and storage. The other commercial tenant is a banquet facility that will reinvigorate the historic theater lobby, and other interior spaces of the building. Both tenants plan to collaborate with one another, whether it's the theater group utilizing the bar and banquet space for fund raisers and before-show dining for their patrons, or the banquet operator utilizing the theatre space for special events. There is approximately 3,000 square feet of additional commercial retail space that is unleased. We have yet to market the space, but are aiming to attract small interactive local businesses that would bring neighborhood residents into building- perhaps providing a brick and mortar presence for some of the small vendors that set up shop at the Sunday Cazenovia Park Farmers Market. The project would add a roof deck for residential tenants and convert a portion of the blacktop parking lot that runs along Seneca Street into an outdoor courtyard for use by the commercial tenants. The project will have parking spaces that will be allocated between the commercial and residential tenants.

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Without financial assistance from the ECIDA, the project will have a difficult time attracting lenders and tax credit syndicators to the project. If the ECIDA does not partner with us, we still must execute the project even if it means utilizing investor capital at ignominious returns to fill the void. At this point, we own the building and are committed to the project and the neighborhood. As a company, we refuse to sit on the property, letting it slowly deteriorate to the detriment of the surrounding neighborhood. However, if we cannot provide modest returns on high-risk/first money in equity investments, it will dramatically impact our ability to locate capital to structure future projects. We take great pride in restoring large historically significant properties that aid in Buffalo's revitalization, but are only able to structure such deals to the extent that returns on high-risk equity investment are modestly approaching industry standards, which the inducement by the ECIDA helps us get closer to. The ECIDA Adaptive Reuse Policy was established as a public/private partnership to help redevelop very hard to redevelop, but regionally significant historic buildings that are the building blocks to our neighborhoods and community and the key to reversing decades worth of debilitating disinvestment and blight. This project fits the policy perfectly and because of its importance to Seneca Street, the project's ultimate viability and success play a large role in shaping the neighborhood's future.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The revival of this historic building holds tremendous potential to unlocking the economic revitalization of an established but economically depressed commercial corridor. As with any adaptive reuse project that seeks ECIDA assistance, adaptively reusing and reinventing a historic property is ripe with design and construction challenges/risks/and associated costs, and contends with the ongoing challenge of structuring an economically viable end product to meet market demands. Nonetheless, the value to restoring these large historic structures is critically important to our regional identity and the long term economic vitality of the neighborhoods in which they are located. This project grapples with the same adaptive reuse challenges, but in order to fit within the context of the neighborhood and succeed, the project must provide lower residential and commercial rents than other areas of the City- resulting in substantially less revenue and sub sequentially, a difficult hurdle for attracting both debt and equity finance partners.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

No

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

As stated above, we are committed to this project and the revitalization of this long-established and proud neighborhood. We own the building and have deeply engaged and energized neighborhood stakeholders around its neighborhood redevelopment potential so we have to move forward, even if its not an economically logical endeavor. Whether or not we are able to obtain financial assistance is a matter project viability and success over the long-term and the resulting impact on the neighborhood, as well as our ability to identify capital to structure future projects. Benefits to the County of a successful project include a big boost in newly created Property Tax revenue resulting from the redevelopment of the property. The property itself is the largest and most iconic structure along the corridor, and is viewed by urban planners and local politicians as the keystone to the commercial corridor's rebirth. If the project can be successfully executed, its scale and visibility will catalyze further reinvestment by businesses and property owners along the corridor. This will result in a tangential boost in Property Tax revenue from the rebirth of other currently vacant or underutilized commercial structures along the corridor, create new Sales Tax revenue from the growth and creation of businesses in our project, and gradually boost Sales Tax revenue from the development of a strong neighborhood commercial corridor and the growth of small local businesses. At the end of the day, its about stabilizing a neighborhood which has incalculable benefits to the County.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

The site is presented zoned in the Seneca Street Special Zoning District

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

According the the existing zoning the banquet facility (an eating and drinking establishment) may have to file for a restricted use permit.

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

Yes

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Our development work strives to produce highly energy efficient environments that enhance tenant comfort, and reduce utility bills and our environmental footprint. This means installing high-efficiency mechanical systems and creating a highly energy efficient envelope through the use of closed-cell spray foam insulation, which greatly reduces the energy load required of the mechanical systems. We also install LED lights and utilize light timers and sensors to cut back on electrical consumption and associated utility bills for our tenants.

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

No

If yes, please explain.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

n/a

Select Project Type for all end users at project site (you may check more than one)

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales	Yes	Services	Yes
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For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b) (4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

No Manufacturing

Yes Multi-Tenant

No Mixed Use

No Acquisition of Existing Facility

No Commercial

No Facility for the Aging

Yes Housing

No Back Office

Yes Civic Facility (not for profit)

No Equipment Purchase

Yes Retail

No Other

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

\$ 540,000

48,000 square feet

2 acres

New Building Construction

\$ 0

square feet

New Building addition(s)

\$ 0

square feet

Infrastructure Work

\$ 0

Renovation

\$ 7,080,521

48,000 square feet

Manufacturing Equipment

\$ 0

Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 0

Soft Costs: (professional services, etc.)

\$ 1,364,831

Other Cost

\$ 56,378

Explain Other Costs

General Project Contingency

Total Cost

\$ 9,041,730

Project Refinancing; estimated amount (for refinancing of existing debt only)

\$ 0

Have any of the above costs been paid or incurred as of the date of this Application?

Yes

If Yes, describe particulars:

A very small amount has been expended for an asbestos survey, a Phase I environmental, legal fees, title insurance, architectural documentation and schematic design, and staff time for other pre-development work

Sources of Funds for Project Costs:**Equity (excluding equity that is attributed to grants/tax credits):**

\$ 2,600,000

Bank Financing:

\$ 4,000,000

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

Public Sources (Include sum total of all state and federal grants and tax credits):

\$ 2,441,731

Identify each state and federal grant/credit:

All public sources listed are:- Historic Tax Credits- National Grid Main Street Grant (tentative)- National Fuel Area Redevelopment Program Grant (tentative)- NYSERDA Energy Efficiency Grants (tentative)

Total Sources of Funds for Project Costs:

\$9,041,731

Has a financing preapproval letter or loan commitment letter been obtained?

No

Mortgage Recording Tax Exemption Benefit:**Estimated Mortgage Amount (Sum total of all financing – construction and bridge).*****Amount of mortgage, if any, that would be subject to mortgage recording tax.**

\$ 7,000,000

Lender Name, if Known

Most likely Evans Bank

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):

\$70,000

Construction Cost Breakdown:**Total Cost of Construction**

\$ 7,080,521

(sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 3,540,260

% sourced in Erie County

97%

% sourced in State

100% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$ 4,248,312

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 371,727

Real Property Tax Benefit:**Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit:**

The project anticipates utilizing the City of Buffalo 485-a program

For proposed facility please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0

Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	18,776 square feet	\$ 3,534,413	39
Office	square feet	\$ 0	0
Specify Other	29,257- Apartments square feet	\$ 5,507,318	61

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

Standard

Provide estimate of additional construction cost as a result of LEED certification you are seeking

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

4/1/2017

End date : Estimated completion date of project

4/1/2018

Project occupancy : estimated starting date of operations

4/1/2018

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

No

Has the Project received site plan approval from the appropriate planning department?

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
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Full time	0	0	4	4
Part time	0	0	27	27
Total	0	0	31	

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	Average Salary	Average Fringe Benefits
Management	\$ 0	\$ 0
Professional	\$ 45,000	\$ 0
Administrative	\$ 0	\$ 0
Production	\$ 0	\$ 0
Independent Contractor	\$ 0	\$ 0
Other	\$ 25,801	\$ 0

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 511,760

Estimated average annual salary of jobs to be retained

\$ 0

Estimated average annual salary of jobs to be created

\$ 29,243

Estimated salary range of jobs to be created

From

\$ 20,800

To \$ 55,000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated

What competitive factors led you to inquire about sites outside of New York State?

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

If yes, please indicate the Agency and nature of inquiry below

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

Historic Tax Credits, 485(a), National Grid Main Street Grant, National Fuel Area Redevelopment Grant, NYSERDA programs for energy efficient measures

Section III: Facility Type - Single or Multi Tenant**Is this a Single Use Facility or a Multi-Tenant Facility?**

Multi-Tenant Facility

For Single Use Facility**Occupant Name****Address****Contact Person****Phone****Fax****E-Mail****Federal ID #****SIC/NAICS Code**Multi-Tenant Facility**Please explain what market conditions support the construction of this multi-tenant facility**

Filling the commercial space was one of the largest concerns we had to address as part of our due diligence on the property. The majority of the surrounding Seneca Street commercial corridor is either vacant or highly underutilized, so in order to feel comfortable enough to purchase the property, we spent over half a year seeking out viable commercial tenants. At this point, we have letters of intent for the majority of the commercial space. We also allocated a small amount of space (approximately 3,000 sf) for small neighborhood businesses. We will begin marketing this space immediately upon our project announcement later this month and anticipate having tenant's in place prior to starting construction in the Spring of 2017. The residential component was also a large question mark for us. This area of town has been relatively untested for commercial multi-family redevelopment. After speaking with countless South Buffalo residents as well as local elected officials representing the district, it became apparent that there is a strong desire and demand for newer, loft style apartments with modern amenities. Through our internal market research, we determined that the rental demographic are highly localized to the existing neighborhood (as opposed to the downtown market which pulls from a regional and even national/international market) and our rents were adjusted downward accordingly.

Have any tenant leases been entered into for this project?

No

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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Section IV: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Shea's Seneca Banquets & Events

Property Address:

2178 Seneca street

City/Town/Village

Buffalo

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

Approx 11,012 + 6,000 of basement storage

What percentage of the building does this represent?

23% (not including basement)

Are terms of lease:

If GROSS lease, please explain how Agency benefits are passed to the tenant

We are able to capitalize the build out for the tenant and provide market rate rent structures, which would otherwise not be possible given the capital investment required to rehabilitate the property.

Estimated date of occupancy

5/1/2018

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Sheas Seneca Banquets and Events

Local Contact Person:

Andre Kallus

Title:

Director of Food & Beverage

Current Address:

2192 Niagara Street

Phone:

(716) 874-5400

Fax:

E-Mail:

kallusandre@gmail.com

Website:

<http://www.eventsatthefoundry.com/>

Company President/General Manager:

Molly Koessler

Number of employees moving to new project location:

Full-Time:

0

Part-Time:

0

Total:

Do you anticipate increasing employment within the next two years?

If yes, how many additional employees moving to new project location?

Full-Time:

3

Part-Time:

24

Total:

27

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

The business will offer banquet and special event services- NAICS code 722320.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

This new banquet and special events business will be owned and operated by William & Molly Koessler. The Koesslers have anchored numerous other adaptive reuse projects, helping reclaim and enliven formerly vacant historic structures. These include the Hotel Lafayette in Downtown Buffalo and The Foundry in North Buffalo. They also own/operate a handful of other successful restaurant and banquet operations including Acqua, William K's, the Hatch, and the recently opened Molly's on Main Street in Downtown Buffalo.

Please list the square footage which the proposed tenant will lease at the Project location

Approx 11,012 + 6,000 of basement storage

Please list the square footage which the proposed tenant leases at its present location(s)

N/A- new business

Describe the economic reason for either the increase or decrease in leased space.

N/A- new business

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

Where is company relocating from?

Address:

N/A- new business

City/Town/Village:

State:

Zip:

If yes, please provide reason for move; i.e. larger/smaller facility required, competitive position, lease expiration, etc.

N/A- new business

If owned, what will happen to the existing facility once vacated?

N/A- new business

If leased, when does lease expire?

1/1/2011

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

<BLANK>

If yes, please provide details as to location, and amount of leased space, how long leased?

N/A- new business

Is location necessary to:

Discourage your company from moving out of New York State

No

Maintain your company's competitiveness within the industry:

No

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)

Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility

Yes

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods

Yes

Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?

No

If yes, who was contacted and what was the outcome?

If no, why not?

This site was selected because of its unique and unreplicable historic spaces. Also because we view the area as an underserved market for our services. The Shea's Seneca building is an iconic South Buffalo structure and has played a central role as a community anchor and neighborhood gathering place for generations, which is precisely the type of environment we envision our business continuing.

Will present location be your company's headquarters?

No

If No, Where is the location of HQ:

City:

2192 Niagara Street, Buffalo

State:

New York

Form Completed By:

Andre Kallus

Relationship to Company:

Director of Food & Beverage

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Second Generation Theatre

Property Address:

2178 Seneca street

City/Town/Village

Buffalo

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

Approx 4,713 + 3,800 in basement

What percentage of the building does this represent?

10%

Are terms of lease:

GROSS

If GROSS lease, please explain how Agency benefits are passed to the tenant

We are able to capitalize the build out for the tenant and provide market rate rent structures, which would otherwise not be possible given the capital investment required to rehabilitate the property.

Estimated date of occupancy

5/1/2018

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Second Generation Theatre

Local Contact Person:

Kristin Bentley

Title:

Executive Director

Current Address:

40 Allegany Ave, Kenmore, NY 14217

Phone:

(716) 508-7480

Fax:**E-Mail:**

SecondGenerationTheatre@gmail.com

Website:

<http://secondgenerationtheatre.com>

Company President/General Manager:

Kristin Bentley

Number of employees moving to new project location:**Full-Time:**

N/A- currently no employees

Part-Time:

N/A- currently no employees

Total:

NaN

Do you anticipate increasing employment within the next two years?

If yes, how many additional employees moving to new project location?

Full-Time:

0

Part-Time:

2

Total:

2

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

In additional response to the job counts above- each show we put on employs various contracted actors and designers that are not directly on our payroll. NAICS code: 711110 We are engaged in creating and presenting theater and musicals.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

Second Generation Theatre Company, Inc. is a company committed to creating and presenting quality theatre right here in Buffalo, NY. By building on the strong theatre roots in the area, we will blend experience and ingenuity in a collaborative environment for theatre artists. We look equally to the tenured professionals and the rising talent in the WNY area. By doing so, we will create quality productions of both plays and musicals with the intention of sharing these stories with the community and exposing others to theatre. Since its inception in 2013, Second Generation Theatre or SGT has been wowing audiences and critics alike with its polished productions. The Buffalo News reviewed each of SGT's first three productions with four out of four stars. Into The Woods, the company's premiere show in 2013 garnered 10 Artvoice Theatre Award nominations. The company founders seek to continue the tradition of quality theatre right here in Buffalo, NY with a key focus on a younger generation of theatre patrons. Second Generation Theatre is recognized as a nonprofit theatre with 501(c)3 status. The company produced three seasons at the New Phoenix Theatre on the Park and has just completed a first season in residence at the Lancaster Opera House, where it hopes to enjoy a second season before finding a more permanent home.

Please list the square footage which the proposed tenant will lease at the Project location

Approx 4,713 + 3,800 in basement

Please list the square footage which the proposed tenant leases at its present location(s)

unknown

Describe the economic reason for either the increase or decrease in leased space.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

Where is company relocating from?

Address:

21 Central Avenue

City/Town/Village:

Lancaster

State:

New York

Zip:

14086

If yes, please provide reason for move; i.e. larger/smaller facility required, competitive position, lease expiration, etc.

If owned, what will happen to the existing facility once vacated?

N/A. Existing facility being leased is also leased to other entities as well.

If leased, when does lease expire?

6/20/2017

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

No

If yes, please provide details as to location, and amount of leased space, how long leased?

Is location necessary to:

Discourage your company from moving out of New York State

No

Maintain your company's competitiveness within the

Yes

industry:

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)

Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility

Yes

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods

Yes

Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?

No

If yes, who was contacted and what was the outcome?

If no, why not?

The Lancaster Opera House was a temporary home. Our company was born in Buffalo and moving back to a more central Buffalo location has been a priority to us and was known when entering into Lancaster agreement.

Will present location be your company's headquarters?

Yes

If No, Where is the location of HQ:

City:

State:

Form Completed By:

Kristin Bentley

Relationship to Company:

Executive Director

Section V: Environmental QuestionnaireGeneral Background Information**Address of Premises** 2178 Seneca Street Buffalo (tax parcel #)**Name and Address of Owner of Premises** Shea's Seneca, LLC 443 Delaware Avenue Buffalo, NY 14202**Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)**

The premise is comprised of a 48,000 square foot 2-story historic structure, with a large asphalt lot located in the rear of the property.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The structure was originally constructed by Micheal Shea (Shea's Buffalo, the North Park, etc.) in 1929. There was originally a 2,500 seat theatre located in the rear of the property, in an area now comprised of parking. However, the theatre was torn down in the 1970s by a community group that owned the property, leaving the remaining 48,000 sq ft structure in place. We intend to redevelop the structure into a mixed use facility comprised of approximately 25 apartments, a theatre space for a local non-profit theatre company, a banquet facility, and small neighborhood commercial businesses storefronts.

Describe all known former uses of the Premises

Initially, the premises were farm homesteads, followed by housing, followed by the construction of the historic structure currently on the premises. Upon its construction in 1929 by Micheal Shea, the premises also contained a 2,500 seat movie theater (since demolished), and adjoining commercial structure. Over the years, the commercial structure and its many storefronts housed a wide variety of neighborhood services and attractions- everything from doctors offices, to social clubs, to dance studios, and smaller retailers. The second floor of the commercial structure was originally a bowling alley and offices, and later became a popular nightclub and concert venue. The majority of the space has been vacant for 10-20 years.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

Yes

If yes, please identify them and describe their use of the property

There is currently a small bargain variety store that occupies a very small area of the property.

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations**Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?**

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances**Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?**

No

If yes, describe in full detailSolid And Hazardous Wastes And Hazardous Substances**Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?**

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

N/A

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

Approximately 25,000 square feet of non-friable floor tile and mastic. The majority of the roofing flashing (perimeter, edge, coping, seam and penetration flashing) contains non-friable. Approximately 3,000 linear feet of pipe insulation is wrapped with friable asbestos.

Section VI: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State Yes

Within Erie County Yes

If Yes to either question, please, explain We are providing a permanent home for a non-profit theatre group that has a temporary short term lease in the Lancaster Opera House. Their current space was always planned as temporary. They started in the City of Buffalo and always planned to return once a suitable space was identified.

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docks etc.)

Long term stability and a place to grow. They cannot use their current short-term space as rehearsal space, nor is there office space or classroom space available, and there is nowhere to construct sets. All of which are core requirements of the project occupant.

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

It is leased to other groups as well. It is shared space.

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?	Yes
What is the age of the structure (in years)?	87
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)	Yes
If vacant, number of years vacant.	0
If underutilized, number of years underutilized.	15
Describe the use of the building during the time it has been underutilized:	There is a small variety store which operates in a portion of the space.
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)	No
If yes, please provide dollar amount of income being generated, if any	\$ \$2,500 Gross/month for the store space, and almost half of the building's basement footprint for storage. The store has decided to wind down its operations at the end of their current lease term (end of the year), at which point the building will be generating no income.
Does the site have historical significance?	Yes
Are you applying for either State/Federal Historical Tax Credit Programs?	Yes
If yes, provide estimated value of tax credits	\$ \$2,316,731
Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)	
<p>The two primary financial obstacles are: 1) Redevelopment/Construction Costs- The property has many redevelopment challenges like most older and underutilized/vacant historic structures. Additional costs are related to the restoration and replacement of significant historical details (terra-cotta and masonry restoration, intricate plaster work and moldings, restoration of terrazo floors, restoration of historic windows, etc.) that requires specialized trades or more costly products; nuanced problem solving when it comes to adaptively running all new MEPs (Mechanical, Electrical, and Plumbing) into an existing structure built for a different use; environmental remediation (ie. asbestos, extensive bird droppings); and structural modifications to reconfigure the space for new uses (theatre, apartments etc.) as well as repair substantially water damaged structural components. 2) Market Rents/Revenue- One of the fundamental challenges of adaptively reusing this structure is its deep footprint, which makes it very difficult to creatively design and develop marketable space because of the lack of natural light in the interior of the structure. Additionally, the property's location along an economically depressed commercial corridor outside of the downtown core requires the project to adjust its rents (revenue) downward in order to respond to the specific neighborhood sub-market.</p>	
Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities	
<p>Outside of the 485-a and the ECIDA Adaptive Reuse Program, there are no local government programs available to directly assist in the redevelopment of the Shea's Seneca property. However, we view the future success of the neighborhood as a large determinant to the project's success. We are therefore committing to not only to redevelop the property, but also to working with local stakeholders to advance the revitalization of the neighborhood commercial corridor. The long-term health of the corridor and surrounding neighborhood will determine whether or not people want to live in our property and lease the residential units, shop and work in that area and keep our commercial tenants viable and able to pay rent. We have met individually and collectively with representatives from the City of Buffalo, and City/County/State/Federal elected officials regarding the</p>	

advancement of a Seneca Street commercial corridor redevelopment strategy, working alongside the University at Buffalo School of Architecture & Planning. They all believe that the redevelopment of the Shea's Seneca building is the cornerstone to revitalizing the largely vacant and underutilized corridor and are fully committed to advancing such initiatives. We are currently working with them to identify capital dollars for planning initiatives (streetscape improvements, small business development, facade improvements, etc.), that will serve as the basis for pursuing federal infrastructure dollars, as well as State and Foundation grants for other plan components. Representatives include:- City of Buffalo, Office of Strategic Planning- City of Buffalo Comptroller Mark Schroeder- City of Buffalo Councilman Scanlon- Erie County Legislator Patrick Burke- State Assemblyman Mickey Kearns- State Senator Tim Kennedy- US Congressman Brian Higgins

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

The structure is historical, and is eligible for inclusion on the National Register because of the property's significance in the commerce and social history of the neighborhood, and because it is the last remaining undeveloped exact structure built by Micheal Shea, a pioneering force in the regional movie and entertainment landscape in the early 20th century. The property is located in a highly distressed census tract, as evidenced by the ECIDA's distressed census tract map. Because of its location, the building has sat largely unoccupied and vacant for a substantial period of time, under the ownership of an out of town landlord that had neglected to make any investments in basic maintenance and upkeep. The property's size coupled with its vacant and inactive state create a highly visible source of neighborhood blight and welcome illicit loitering.

Section VIII: Senior Citizen Rental Housing Projects

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Has the project received written support from the city, town or village government in which it is located?

<BLANK>

Describe the location of the project as it relates to the project's proximity to the town / village / city center or to a recognized hamlet.

Is the project consistent with the applicable municipal master plan?

<BLANK>

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

<BLANK>

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

<BLANK>

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

<BLANK>

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

<BLANK>

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project's return on investment?

<BLANK>

If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? Yes

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 39 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? No

If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? Yes

If yes, explain

The banquet facility will be a completely new business endeavor hiring new employees (cooks and chefs, servers, etc.). These will be net new jobs and job opportunities for the neighborhood. The non-profit theatre company intends to create a part-time position, and as it grows hopefully add another part-time position. Each performance also relies on contracted actors, designers, etc. Creating a full-time home for the theatre organization will enable them to grow and put on more shows, creating more job opportunities for local actors and designers. The theatre company prides itself on creating well-paying opportunities within the industry.

Is the project located in a Highly Distressed Area? Yes