

Pearl Group, LLC
\$7,245,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Up to 3/4 of 1% of the final mortgage amount estimated at \$41,000
- Approximately \$184,406 in sales tax savings.

EMPLOYMENT

- Projected Jobs = 30 FT / 10 PT

PROJECT HISTORY

- 7/31/17 - Public Hearing held. Transcript attached.
- 8/23/17 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.

Project Title: Pearl Group, LLC

Project Address: 512 Pearl Street
 Buffalo, New York 14202
 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of the former Buffalo Christian Center.

Building Acquisition	\$2,575,000
Renovation	\$4,215,000
Soft Costs	\$ 455,000
TOTAL PROJECT COST	\$7,245,000
85%	\$6,158,250

Company Description

Pearl Group, LLC is a corporation formed by Ellicott Development with each of the following owning 33.3 percent. 7112 Group, LLC, Castle Mosey and Jerry Williams.

Project Description

The proposed project includes the historic renovation and adaptive reuse of the former Buffalo Christian Center. At one point the building was also owned by the Fraternal Order of Eagles.

Renovation work includes masonry repairs on the building's exterior, restoration of original windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation and new fire suppression systems to bring the building into current-day code compliance.

Once complete, the facility will include a mix of uses including professional meeting and banquet space, office space, a combination lounge, café and bar, indoor pool, fitness center including locker rooms, a steam room and sauna.

The above uses will complement and service an adjacent development currently underway at a new 12-story building located at 500 Pearl Street which includes a new hotel, commercial and office space along with structured parking for approximately 380 vehicles. The ECIDA is not providing benefits for this development.

Road Less Traveled Productions ("RLTP") currently utilizes a portion of the building historically known as the Forbes Theater. The developers intend to keep them as a tenant at the property.

RLTP is dedicated to the development and production of new theatrical works by Western New York and Southern Ontario playwrights, as well as presentations of esteemed modern dramas of outstanding literary merit. Its mission is to tell stories which are important to our community and reveal common relationships and diverse humanity.

Employment Impact

Projected Jobs: 30 FT / 10 PT

Retail Determination

Use	Sq. Ft.	Cost	% of Project Cost
Retail / Office	67,000	\$4,215,000	100%

The facility totals 67,000 sq. ft. and is located in a highly distressed census tract. According to State law, if more than 1/3 of the cost of the total project is devoted to retail the IDA must make a retail finding on the project. This requires a sign off from the County Executive.

On August 23, 2017, the Board determined the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County provided written confirmation confirming the financial assistance.

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment Review with Company	At Project Completion	Investment Amount Equal to or Greater than 85% of Project Amount. Total Project Amount = \$7,245,000 85% : \$6,158,250
Employment	Same as Recapture Period	Create 85% of Projected: Projected: 30 FT / 10 PT Recapture Employment: 29 FTE
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Unpaid Taxes	Same as Recapture Period	Adherence to Policy
Pay Equity	Same as Recapture Period	Adherence to Policy
Recapture Period	2 Years After Project Completion	Mortgage Recording Tax State and Local Sales Taxes

Recapture applies to:

Mortgage Recording Tax
State and Local Sales Tax

Recapture

Pursuant to New York General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that are in violation of the GML.

At project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) 29 FTE's, iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.