

Michigan Broadway, LLC/Nash Lofts
\$6,614,244
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$175,000 in sales tax savings
- 3/4 of 1% of the final mortgage amount. At this time, the estimated amount of the mortgage is \$3,000,000 for a savings of \$22,500.

EMPLOYMENT

- Retained Jobs - FT = 3
- New Jobs Projected - FT = 3
PT = 2

PROJECT HISTORY

- 07/30/2018 - Public hearing held. - No oral or written comments.
- 08/22/2018 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 08/22/2018 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Michigan Broadway, LLC/Nash Lofts

Project Address: 163-167 Broadway/52,56,58,60 Nash
Buffalo, New York 14204
(Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax in connection with the adaptive reuse of a 33,000 sq. ft. building.

Building Acquisition	\$ 425,000
Renovation	\$4,699,995
Soft Costs	\$1,489,249

Total Project Cost \$6,614,244

85% \$ 5,622,107

Company Description

Michigan Broadway, LLC was formed for the purpose of undertaking the project. The project is being undertaken by a development team lead by Carmina Wood Morris which has completed a wide range of historic preservation work.

Project Description

The proposed project will utilize state and federal historic tax credits to adaptively convert the buildings into 18 affordable apartments, offices for NAACP and Barbara Miller Williams, a full-service restaurant and 1,800 sq. ft. of commercial space. The building is approximately 33,000 sq. ft. and sits squarely in the heart of the Michigan Street African American Heritage Corridor which features a host of landmarks in local and national black history and the Underground Railroad. The project employment includes 3 retained jobs associated with the offices of Barbara Miller Williams and 3 new full time and 2 part time jobs in connection with commercial space.

As the project site has been owned by two not for profits - Sankofa Community Development Corporation and Buffalo Urban Renewal Agency, they were exempt from real estate taxes.

Upon expiration of the City's real property tax abatement period, the buildings will pay full taxes. Erie County will receive full taxes.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional City Revenue over 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$2,000,000	\$171,000	\$107,000	\$67,000
Combined Tax Rate: \$34				

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 = \$6,614,244 85% = \$5,622,107
Employment	Same as recapture period	Maintain Base: 3 FT, Create 85% of Projected Projected = 3 FT, 2 PT Recapture Employment = 6
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to;
State and Local Sales Taxes
Mortgage Recording Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has created 7 FTE, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.