

H @ Lofts, LLC.

ECIDA INDUCEMENT RESOLUTION

Amount \$11,000,000

HIGHLIGHTS

- Eligibility—NAICS 53
Real Estate—Rental and
Leasing



Plans for the former AM&A's warehouse Buildings include a mixed use project consisting of commercial use and apartments.

Project Title: H @ Lofts, LLC—AM&A 's Warehouse Project

Project Address: 369 Washington Street, Buffalo, New York
(Buffalo City School District)

SIC/NAICS: 6513/53110

INCENTIVES

- Sales Tax Savings of
approximately \$354,000
- Up to \$110,000 Mortgage
Recording Tax savings

Agency Request

Issuance and sale of industrial revenue bond or execution of a collateral mortgage(s) in an estimated amount of \$11,000,000. Sales tax exemption property tax benefits and mortgage tax exemption.

COMPANY FACTS

- AM&A's buildings, vacant
for years, will provide mixed-
use commercial space and
apartments in a historic area.

Company Description

H @ Lofts, LLC is a company formed by Rocco Termini for the purpose of rehabbing the former AM&A's department store. Mr. Termini is the owner of Signature Development, a local development company focused on inner-city development. Some of the projects the company has been involved with include 1998 Vincent Morello Senior Housing (80 senior units built at Love Canal), 2002 and 2004 Ellicott Lofts, 2005 Oak School Lofts, 2005 IS Lofts, 2006 Webb Lofts. The Webb Lofts project included the reconstruction of a five-story warehouse located in the Joseph Ellicott Historic District. This is a mixed use project with 32 loft apartments and the first privately owned daycare in Downtown Buffalo with a roof-top playground.

Project Description

The project entails the conversion and renovation of the former AM&A's warehouse buildings into a mixed-use project consisting of 15,000 sq. ft. of commercial office space and 48 apartments. These buildings have been vacant for a number of years. The warehouse complex consists of four buildings, three of which were built between 1890 and 1910 and eligible for the National Register of Historic Places. These three buildings front on Washington Street, The fourth building, fronting Eagle Street, was built in 1965, is not historically significant and is proposed to be demolished and the site used for surface parking for the project.

The Buffalo Economic Renaissance Corporation has approved a \$400,000 loan to the Buffalo Urban Development Corporation (BUDC) which will assist in the demolition and construction of a parking lot.

This property is located in and is expected to receive empire zone benefits.

Phillips & Burns is expected to be a tenant in the building. Phillips & Burns is a full service debt recovery firm that offers a wide range of credit and collection services, and services clients both regionally & nationally. The company currently employs 47 people. Phillips & Burns is currently leasing 4,000 sq. ft. at 461 Ellicott Street. They will occupy 15,000 sq. ft. in this facility.

Project Benefits

- Re-use of vacant buildings which are over 100 years old.
- The historic significance of the buildings will be taken into account and even highlighted in the design of the proposed facilities.
- The availability of downtown housing which will serve to revitalize the area.

Project Incentives

- The project will be subject to a non-standard payment-in-lieu-of-tax ("PILOT") Agreement .
- Approximately \$354,000 sales tax savings.
- Up to \$110,000 mortgage recording tax savings
- New York State Grant or Loan

Employment

The proposed tenant, Phillips & Burns has 47 employees and is expected to increase employment.

Project History

- | | |
|------------|---|
| 11/10/08 | Public Hearing Held. Transcript on File at the ECIDA. |
| 11/18/2008 | City of Buffalo is acting as lead agency on the project for the purpose of adopting a negative declaration. |
| 12/08/08 | \$11,000,000 Inducement Resolution presented to the Board of Directors. |