

**683 Northland Avenue/Buffalo Urban Development Corporation  
683 Northland & WNY Workforce Training Center  
\$99,035,011**

**AMENDATORY INDUCEMENT RESOLUTION**

<b>ELIGIBILITY</b>
<ul style="list-style-type: none"> <li>• NAICS Section - 531110</li> </ul>
<b>COMPANY INCENTIVES</b>
<ul style="list-style-type: none"> <li>• <b>PHASE I</b></li> <li>• Approximately \$2,316,356 in sales tax savings</li> <li>• Up to \$250,000 in mortgage recording tax savings</li> <li>• \$2,482,000 in real property tax savings</li> </ul> <p><b>PHASE II</b></p> <ul style="list-style-type: none"> <li>• Approximately \$1,936,686 in sales tax savings</li> </ul>
<b>EMPLOYMENT</b>
<ul style="list-style-type: none"> <li>• New Jobs Projected Phase I - 8</li> <li>• New Jobs Projected Phase II - 10</li> </ul>
<b>PROJECT BENEFITS</b>
<ul style="list-style-type: none"> <li>• The project will generate approximately \$677,000 of revenue to the local taxing jurisdictions over the abatement period representing \$130,000 to the County of Erie and \$546,000 to the City of Buffalo.</li> </ul>
<b>PROJECT HISTORY</b>
<ul style="list-style-type: none"> <li>• 4/27/2017 - Public hearing held. Transcript attached</li> <li>• 5/24/2017 - ECIDA ratifies and confirms City of Buffalo Negative Declaration.</li> <li>• 5/24/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</li> <li>• 7/2/2018 - Public hearing held. Transcript attached</li> <li>• 7/25/2018 - Amendatory Inducement Resolution presented to the Board of Directors</li> </ul>

Project Title: **683 Northland Avenue / Buffalo Urban Development Corporation  
683 Northland & WNY Workforce Training Center**

Project Address: 683Northland Avenue  
Buffalo, New York 14215  
(Buffalo City School District)

**Agency Request**

A sales tax exemption in connection with the renovation of a vacant 235,000 sq. ft. manufacturing facility for use as the WNY Workforce Training Center for Advanced Manufacturing and Electrical Utilities.

	Phase I	Phase II
Land Acquisition	\$ 3,226,520	
Infrastructure	\$ 2,333,684	
Machinery & Equipment		\$ 6,000,000
Renovation	\$50,611,594	\$32,267,094
Soft Costs	\$ 1,896,119	\$ 2,700,000
<b>Total Project Costs</b>	<b>\$58,067,917</b>	<b>\$40,967,094</b>
85%	\$49,357,729	\$34,822,030

**Company Description**

683 Northland, LLC was formed as a for-profit entity by Buffalo Urban Development Corporation (“BUDC”) to undertake the project. BUDC is the City of Buffalo’s not-for-profit development agency, reclaiming distressed land and buildings for future development. BUDC seeks to create an environment conducive to private investment, provide oversight and visioning for projects of regional significance, serve as a liaison among various public and private stakeholders, serve as a conduit for public funding of significant projects and serve as a real estate holding company for certain public-sector projects.

**Project Description**

683 Northland is the former headquarters and primary manufacturing facility for the Niagara Machine & Tool Company and is listed on the National Register for Historic Places.

The project for which the amendment is being sought includes the continued renovation of this vacant 239,000 sq. ft. manufacturing facility at 683 Northland to house the WNY Workforce Training Center (“WTC”) for Advanced Manufacturing and Electrical Utilities, as well as the creation of a small business center.

Phase I of the project which the Board approved in May, 2017 renovated 118,000 sq. ft. of the building to house the WNY Workforce Training Center (“WTC”) for Advanced Manufacturing and Electrical Utilities, as well as create leasehold spaces for small light industrial companies and othe businesses.

**Phase II** of the project will renovate and equip the remaining 121,000 sq. ft. of the complex. Buffalo Manufacturing Works (“BMW”) will be the anchor tenant and will occupy approximately 51,000 sq. ft. BMW helps innovation driven organizations excel by partnering with their internal manufacturing, engineering, and R&D teams to deliver better products, grow and compete. BMW, operated by EWI, engages with manufactures across North America to help them achieve their goals. They assist manufacturing concerns gain a sustainable, competitive advantage by developing and implementing cutting edge manufacturing technologies, enhancing productivity, and finding other ways for their companies to grow.

The balance of the space will be renovated for lease by light industrial tenants as well as for common tenant facilities such as loading docks and mechanical rooms.

The project is an historic preservation project and is eligible for Historic Preservation Tax Credits. The property is also a brown-field site and has been accepted into the NYS Brownfield Cleanup Program.

This project represents a major initiative under the Buffalo Billion Program and New York State is providing substantial funding through the Regional Economic Development Corporation for the undertaking of the project.

### Retail Determination

Use	Sq. Ft.	Cost	%of Project Costs
Commercial/Workforce Training Center	93,000	\$40,647,541	70%
Vacant/Targeted to Manufacturing Firms	142,000	\$17,420,375	30%
<b>Total</b>	<b>235,000</b>	<b>\$58,067,916</b>	<b>100%</b>

The facility totals 235,000 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 May 24, 2017 the Board determined that the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of NY General Municipal Law, the chief executive officer of Erie County provided written confirmation confirming financial assistance.

### New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-Year abatement Period	Additional City Revenue over 7-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0				
Combined Tax Rate:\$33	\$13,500,000	\$130,000	\$546,000	\$451,000

### Draft Recapture Material Terms - Phase I & Phase II

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project Amount = \$99,035,011 85% = \$84,179,759
Employment	See Recapture Period	Create 85% of Projected Projected = 18 85% = 15 Recapture Employment = 15
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	See Recapture Period	Adherence to Policy
Unpaid Tax	See Recapture Period	Adherence to Policy
Recapture Period	Coincides with 7-Year PILOT term	Recapture of 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 equal to or greater than 85% of the amount proposed; ii) confirm company has 15 employees at the facility; iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

There will be minority and women workforce participation of 25% and 5% respectively as well as a minority business enterprise utilization of 25% and women business enterprise utilization of 5%.