

**166 Chandler Holding, LLC**  
**\$4,695,000**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 531110

**COMPANY INCENTIVES**

- Up to 3/4 of 1% of the final mortgage amount estimated at \$23,890
- Approximately \$70,875 in sales tax savings.

**EMPLOYMENT**

- Thin Man
- Current Jobs = 5 FT / 5 PT
  - Projected Jobs = 5 FT / 5 PT
  - Total Jobs = 10 FT / 5 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: 166 Chandler Holding, LLC  
 Project Address: 166 Chandler Street  
 Buffalo, New York 14207  
 (Buffalo City School District)

**Agency Request**

A sales tax and mortgage recording tax exemption in connection with the construction of a brewery and packaging plant.

|                         |             |
|-------------------------|-------------|
| Building Acquisition    | \$ 300,000  |
| Addition                | \$ 350,000  |
| Renovation              | \$1,000,000 |
| Manufacturing Equipment | \$2,000,000 |
| Soft Costs              | \$1,045,000 |

|                    |             |
|--------------------|-------------|
| TOTAL PROJECT COST | \$4,695,000 |
| 85%                | \$3,990,750 |

**Company Description**

166 Chandler Holding, LLC was formed by Mr. Termini for the purpose of undertaking the proposed project. Mr. Termini is the owner of Signature Development, a local development company focused on inner-city development.

**Project Description**

The proposed project includes the renovation of an existing 40,000 sq. ft. facility along with the construction of a 10,000 sq. ft. addition. Once complete, the building will house the Thin Man Brewery which will occupy approximately 20,000 sq. ft. 28,000 sq. ft. will be leased to incubator-type tenants and a 2,000 sq. ft. tasting room is planned for the project. ECIDA benefits will be limited to only the manufacturing and incubator space.

Thin Man, which was originally slated to move into the 155 Chandler Street location, will be moving into this location since it better serves their needs. The 155 Chandler location was approved by this board earlier this year under the name R&M Leasing. Since the business began in August 2016, Thin Man sales have grown and they have signed distribution agreements with T.J. Sheehan and Remarkable Liquids which will distribute these products throughout New York State.

The existing building has been vacant for over 10 years and has been accepted into the Brownfield Cleanup Program. Past uses at the site along with a fire in 2001 has created an environmental hazard.

This project complements the work currently underway across the street to convert the former Linde Air manufacturing complex into an industrial incubator.

### Retail Determination

| Use                      | Sq. Ft. | Cost        | % of Project Cost |
|--------------------------|---------|-------------|-------------------|
| Manufacturing/Processing | 20,000  | \$2,000,000 | 60%               |
| Industrial Incubator     | 28,000  | \$1,505,000 | 31%               |
| Retail/Tasting Room      | 2,000   | \$ 300,000  | 9%                |
| Total                    | 50,000  | \$3,350,000 | 100%              |

Since the retail component of the project represent 9% of the project cost, no sign off by the County is required.

### New Tax Revenue Estimated

| Current Yearly Taxes    | Estimated New Assessed Value | Additional County Revenue over 485-b Abatement Period | Additional Local Revenue over 485-b Abatement Period. | New Yearly Taxes Upon Expiration of Abatement Period |
|-------------------------|------------------------------|---|---|--|
| \$2,100                 | \$500,000                    | \$23,000  | \$98,000  | \$16,700   |
| Combined Tax Rate: \$33 |                              |   |   |  |

### 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.<br>Total Project Amount = \$4,695,000<br>85% : \$3,990,750 |
| Employment                           | 2 Years After Project Completion | Maintain Base: 7 FTE<br>Create 85% of Projected:<br>Recapture Employment: 13 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<br>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) confirm tenants have maintained base employment of 7 FTE jobs and created 85% of projected employment or a total of 6 FTE; iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.