

Buffalo High Technology Centre, Inc.**\$7,877,447****INDUCEMENT RESOLUTION****ELIGIBILITY**

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$330,922 in sales tax savings
- Approximately \$293,000 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$48,426

EMPLOYMENT

- Projected New Jobs: 4
- Annual payroll: \$163,000
- Estimated salary of jobs to be created: \$40,750

PROJECT HISTORY

- 07/01/2019 - Public hearing held. Transcript attached.
- 07/24/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 07/24/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Buffalo High Technology Centre, Inc.

Project Address: 505 Ellicott Street
Buffalo, New York 14203
(Buffalo City School District)**Agency Request**

A sales tax, mortgage recording tax and real property tax exemption in connection with the adaptive reuse of the former Frey Building.

Building Renovation	\$4,495,687
Infrastructure	\$ 89,374
Equipment	\$2,563,921
Soft Costs	\$ 728,465

Total Project Cost \$7,877,447

85% \$6,695,829

Company Description

Buffalo High Technology Centre, Inc. is a real estate holding company and is affiliated with Uniland Development Company. Uniland engages in real estate development, construction and management of various commercial and industrial properties in Western New York.

Project Description

505 Ellicott is an existing 20,000 sq. ft. warehouse which was vacated by Frey Heavy Duty when they relocated approximately 5 years ago.

The proposed project consists on the adaptive reuse of the facility. The company will fully renovate the interior and exterior of the building and add a mezzanine component which will increase the total square footage of the building to 35,000 sq. ft.

The facility will include a commercial and residential component. Two 430 sq. ft. apartments will rent for approximately \$875 per month. The remainder of the space will be utilized as flexible office space offering both short and long term workspace options for end-users. The remaining space in the building is anticipated to house a café or similar retail offering.

The application indicates 4 full jobs associated with the development which will be created by the project operator of the flexible office space component and operator of the café. Any additional jobs associated with the facility are anticipated to come from the flexible office users.

Project Use	Sq. Ft.	Costs	% of Project Cost
Commercial Office	31,363	\$7,562,349	96%
Retail Café	1,326	\$ 157,548	2%
Residential	882	\$ 157,548	2%
Total	33,571	\$7,877,447	100%

Should the Board determine that the project is a retail project as 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 will provide written confirmation confirming the financial assistance.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$11,150	\$1,500,000	\$17,000	\$64,000	\$53,000
Combined Tax Rate: \$35.50				

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: 7,877,447 85%: \$6,695,829
Employment	Coincides with 7-year PILOT	Create 85% of Projected Projected" 4 FTE 85%: Recapture Employment: 3
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes and real property taxes

Recapture applies to:
State and Local Sales Taxes
Real Property Tax
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 4 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.