

# Swan Street Buffalo, LLC

## \$13,664,000

### INDUCEMENT RESOLUTION

#### HIGHLIGHTS

- Eligibility: NAICS Section - **53 - Real Estate**

#### COMPANY INCENTIVES

- Mortgage recording tax savings equal to 1% of the final mortgage amount estimated at \$80,000
- Sales tax savings in the estimated amount of \$511,000
- The County of Erie will receive full property taxes on the increased value
- The City of Buffalo will provide a real estate tax exemption on the improved value through its 485-a exemption program



Project Title: Swan Street Buffalo, LLC

Project Address: 145-149 Swan Street  
Buffalo, New York 14202  
(Buffalo City School District)

SIC/NAICS: 6513/531110

#### Agency Request

A Sales tax and mortgage tax exemption in connection with the redevelopment of 145-149 Swan Street.

|                             |                  |
|-----------------------------|------------------|
| Acquisition                 | \$1,914,000      |
| Building Renovations        | \$9,400,000      |
| Non-Manufacturing Equipment | \$ 200,000       |
| Soft Costs                  | \$1,950,000      |
| Other (contingency)         | \$ 200,000       |
| <br>Total Project Cost      | <br>\$13,664,000 |

**A breakdown of costs associated with each project component is as follows:**

Residential: 96%  
Commercial: 2%  
Retail: 2%

#### Company Description

Swan Street Buffalo, LLC is a corporation formed by Schneider Design, Architects, PC. They are a small, second generation architectural firm located in Buffalo's historic Allentown district. Schneider Design's comprehensive architectural services including all aspects of planning, design and construction. One of the more recent ECIDA projects Mr. Schneider has undertaken was the transformation of the former Ailing and Cory building on North Division Street into a student housing complex.

#### Project Description

Swan Street Buffalo, LLC/The Apartments at the HUB is a mixed use development project which will bring a new and creative 7,500 sq. ft. commercial tenant and 50 new, upscale apartments units to downtown Buffalo. The project encompasses the adaptive reuse of 80,000 sq. ft. of historic infrastructure located in two buildings at 145 and 149 Swan Street. The Bike Shop will be relocating from East Aurora. The new facility will likely be known as the WNY Bicycle Center which will feature an outdoor bicycle storage facility with 48 bikes available for both downtown businesspersons as well as the tenants in the building. A shared fitness facility is also contemplated as part of the project. The bike shop is estimated to create 1 full time and 4-6 part time opportunities. 1 1/2 -2 new full time property management positions will become available. The new café which will be open for breakfast, lunch and dinner will create 2 new full time and 1 part time position.

# Swan Street Buffalo, LLC

A green area will be created along the south and east of Swan and the corner of Michigan and Swan which will serve to enhance the overall area.

## Project Benefits

The reuse of the structures which are over 100 years old and which have been vacant for 20 years.

Redevelopment and reuse of two buildings in a distressed census tract. One building was previously owned by a non-profit entity which produced no revenue for the taxing jurisdictions and the other was delinquent in property taxes which the developer brought current.

- The County of Erie will receive full property taxes on the increased value estimated at \$307,000 over 12 years.

## Impact on Taxes

| Current Yearly Taxes based on current assessment of \$751,800 | New County Revenue over 12 years | New City Revenue over 12 years | Full taxes to County and City in first year after abatement period expires |
|---|----------------------------------|--------------------------------|--|
| \$25,800  | \$307,000                        | \$374,000                      | \$192,000  |
| Combined Tax Rate: 34.41                                      |                                  |                                |  |

\* **New assessment is determined by taking 50% of construction budget - or \$4,700,000.**

## Project Incentives

- Mortgage recording tax savings equal to 1% of the final mortgage amount estimated at \$80,000
- Sales tax savings in the estimated amount of \$511,000
- The City of Buffalo will provide a real estate tax exemption on the improved value through its 485-a exemption program

## Employment

|                 |   |
|-----------------|---|
| <u>Current:</u> | <u>Year 2 (after completion of Project)</u> |
| 0               | 5   |

## Project History

- 03/26/2013 City of Buffalo Planning adopts a Negative Declaration in accordance with SEQRA.
- 03/27/2013 Public hearing conducted. Transcript attached
- 04/22/2013 Lease/Leaseback Inducement Resolution presented to Board of Directors.

## Recapture

Pursuant to Section 875 of New York GML and pursuant to Agency Policy, The Agency may recover or recapture from the company any state and local sales and use tax exemption benefit taken by the company that are in violation of the GML or Agency Policy.

At completion of project company must certify to Agency confirming its total investment in the project and must, for five years after project completion, maintain and operate the project as approved.