

619 Exchange Street / PG Larkinville, LLC \$ 30,209,411 PRIVATE INVESTMENT INDUCEMENT RESOLUTION						
ELIGIBILITY		Project Title: 619 Exchange Street				
• NAICS Section - 531390		Project Address 619 Exchange St, Buffalo, NY 14210 (Buffalo Public School District)				
COMPANY INCENTIVES		Agency Request				
• Approximately \$ 1,801,510 in real property tax savings		A sales tax, mortgage recording tax and real property tax abatement regarding the adaptive reuse of a 104,000 SF historical building into 64 apartments. In compliance with the ECIDA Adaptive Reuse policy affordable housing requirement, ten apartment units (15%) will be available at 80% AMI.				
• Up to \$ 1,180,463 in sales tax savings		Building Purchase \$ 1,450,000				
• 3/4 of 1% of the final mortgage amount up to \$ 223,125		Renovation \$21,885,557				
JOBS & ANNUAL PAYROLL		Infrastructure \$ 349,469				
• Projected new jobs:1 FT, 1 PT		Non- Manufacturing Equipment \$ 150,000				
• Est. salary/yr. of jobs created: \$65,000 / \$35,000		Soft Costs/Other 6,374,385				
• Annual Payroll: \$ 121,000		Total Project Cost \$ 30,209,411				
• Total jobs after project completion:1.5		85% \$ 25,677,999				
• Construction Jobs: 226		Company Description				
PROJECTED COMMUNITY BENEFITS*		The applicant, PG Larkinville, LLC is an affiliate of Park Grove Realty LLC. Formed in 2015 by Andrew Crossed and Andrew Bodewes, Park Grove Realty, a real estate development and management company focuses on multi-family residential and mixed-use development in NY, NJ and the North Carolina Research Triangle region. Park Grove Realty has 1,500+ apartment units and over 230,000 SF of commercial space under management. They currently own and manage two properties in Erie County that total 150 residential units.				
• Term: 10 YEARS		Project Description				
• NET Community Benefits: \$ 38,589,042		The Iroquois Lofts project is a historic adaptive reuse of the former Iroquois Door Company – a four-story structure, built in 1904 and designed by famed female architect, Louise Bethune. The project will have 64 high-quality apartments, including 10 (15%) units reserved at 80% AMI. The building has been vacant since 2020 and has been underutilized for nearly four decades. The project scope includes full interior and exterior rehabilitation, historic façade restoration, new mechanical and electrical systems. The site is enrolled in the NYS Brownfield Cleanup Program (BCP), is a designated historic landmark and has received NYS SHPO Part I and Part II approval. The project will receive Federal and State Historic Tax Credits.				
• Spillover Jobs: 114						
Total Payroll: \$ 35,825,752						
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*						
Incentives: \$ 3,031,620						
Community Benefit: \$ 36,475,452						
Cost: Benefit Ratio						
• 1:12						
*Cost Benefit Analysis Tool powered by MRB Group						

## Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

### Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$ 1,801,510
	Sales	\$ 1,180,463
	Mortgage Recording	\$ 223,125
	Total	\$3,205,098
	Discounted at 2%	\$3,031,620

### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$17,499,603
			Payroll Permanent	\$18,326,149
		Public	Property Taxes	\$ 450,377
			Sales Taxes	\$ 340,033
			Other Muni Revenue (NFTA)	\$ 74,375
	New York State	Public	Income Taxes	\$ 1,612,159
			Sales Taxes	\$ 286,344
			Total Benefits to EC + NYS***	\$38,589,042
			Discounted at 2%	\$36,475,452

\* Cost Benefit Analysis Tool powered by MRB Group \*\*includes direct & indirect \$ over project period \*\*\* may not sum to total due to rounding

Discounted Cost           \$ 3,031,620  
Discounted Benefit       \$ 36,475,452  
Ratio                         1:12

**Conclusion:** The Cost Benefit for this project is: 1:12. For every \$1 in costs (incentives), this project provides \$ 12 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 15 in benefits to the community.**

### 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
\$ 30,647	\$9,600,000	\$ 94,717	\$ 355,660	\$255,836
Combined Tax Rate: \$ 26.649555				

### Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Residential housing + building amenities	104,000	\$30,209,411	100%

The retail component of the project is less than 30% of the project costs and therefore no sign off is required.

### 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 = \$ 30,209,411 85% = \$ 25,677,999
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 1 FTE / 1 PT 85% = 1 FTE Recapture Employment = 1 FTE
Affordable Housing Units	Coincides with 10-year PILOT	A total of 10 apartment units (15%) will be offered at 80% AMI
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales 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 1.5 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

### Project ECIDA History

- 3/24/2025 City of Buffalo determination of no significant adverse effect on the quality of the environment. SEQRA not required. Project is a Type II action pursuant to SEQRA consisting of the maintenance or repair involving no substantial changes in an existing structure or facility
- 4/23/2025 Public hearing held.
- 5/28/2025 Lease/Leaseback Inducement Resolution presented to the Board of Directors