

110 Pearl Street – Swan & Pearl, LLC
\$ 14,190,120

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531390

COMPANY INCENTIVES

- Approximately \$ 436,187 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 69,000

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs :3 FT, 10 PT (tenant)
- Projected new jobs: 3 PT
- Annual Payroll: \$40,000 (new jobs)
- Total jobs after project completion: 9 FTE
- Construction Jobs: 48

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
- NET Community Benefits: \$10,734,645
- Spillover Jobs: 53
- Total Payroll: 10,107,794

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$505,187
 Community Benefit:\$10,626,977
 Cost: Benefit Ratio
 • 1: 21

Project Title: 110 Pearl Street – The Dun Building
 Project Address: 110 Pearl Street, Buffalo, NY 14202
 (Buffalo Central School District)

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a 36,500 SF commercial building located in the City of Buffalo’s East Side.

Building Acquisition	\$ 1,850,000
Building Renovation	\$ 9,977,428
Soft Costs/Other	\$ <u>2,362,692</u>
 Total Project Cost	 \$ 14,190,120
 85%	 \$ 12,061,602

Company Description

The applicant Swan & Pearl, LLC is a wholly owned subsidiary of McGuire Development. McGuire Development is a full-service real estate investment and development company based in Buffalo, NY and Fort Lauderdale, FL. McGuire Development Company brings over 17 years of expertise and a commitment to excellence to this project.

Project Description

The adaptive reuse of the historic Dun Building – designed by renowned architectural firm Green & Wicks, will convert floors 2 – 10 of the building formerly used for commercial office space into 36 apartments with commercial space planned for the 1st floor and an existing restaurant tenant will remain at the basement level. The apartment unit breakdown follows:

Market Rate	# of Units	SF AVG	Rent Avg	Tenant Utilities	Rent + Utilities
Studio	6	407	\$1,400	\$50	\$1,450
1 bedroom	17	578	\$1,700	\$70	\$1,770
2 bedroom	9	930	\$2,500	\$105	\$2605

Affordable (80% AMI)	# of Units	SF AVG	Rent Avg	Tenant Utilities	Rent + Utilities
Studio	3	396	\$1,330	\$50	\$1,380
1 bedroom	1	565	\$1,345	\$70	\$1,415

Total = 36 units

The company is pursuing property tax savings through the City’s 485 A program.

* 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
	Sales	\$ 436,187
	Mortgage Recording	\$ 69,000
	Total	\$ 505,187
	Discounted at 2%	\$ 505,187

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Construction	\$ 7,538,157
			Payroll Permanent	\$ 2,569,637
		Public	Sales Taxes	\$ 93,278
			Other - NFTA	\$ 173
	New York State	Public	Income Taxes	\$ 454,851
			Sales Taxes	\$ 78,550
	Total Benefits to EC + NYS***			\$10,734,645
	Discounted at 2%			\$10,626,977

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

Discounted Cost \$ 505,187
 Discounted Benefit \$ 10,626,977
 Ratio 1:21

Conclusion: The Cost Benefit for this project is: 1:21. For every \$1 in costs (incentives), this project provides \$21 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$39 in benefits to the community.**

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Retail / Commercial	5,500	\$ 285,125	2%
Other: residential housing + building amenities	31,000	\$13,904,995	98%
Total	36,500	\$14,190,120	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 = \$ 14,190,120 85% = \$12,061,602
Employment	Coincides with recapture period	Maintain Base = 3 FT 10 PT (tenant) Projected = 3 PT Create 85% of Projected = 1 FTE Recapture Employment = 9 FTE
Affordable Housing Units	Coincides with recapture period	Total housing units = 36 # of 80% AMI units = 4 (meets # units per policy)
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to Policy
Unpaid Tax	Coincides with recapture period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

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 is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 8 jobs (FTE) and created 1 job (FTE), 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

- 12/02/25 Public hearing held.
- Minor Site Plan Review City of Buffalo Planning Board Approval – No SEQRA compliance required.
- 02/25/26 Lease/Leaseback Inducement Resolution presented to the Board of Directors

Applicant ECIDA History

- 08/27/2025: 10 year PILOT - \$34.1 M investment, Project at 1016 E. Delvan Ave, City of Buffalo – construction of a Commissary Kitchen for use by the Buffalo Public School System. (ACTIVE)
- 05/26/2021: 7 year PILOT - \$8.6 M investment, Adaptive Reuse of former 31,555 SF tool facility at 293 Grote Street creating 33 apartment units. (ACTIVE)
- Various inactive projects dating back to 1980s

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