

## Ciminelli/Conventus Partners, LLC/Fort Schuyler/AMRI \$10,000,000 INDUCEMENT RESOLUTION

### HIGHLIGHTS

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

### COMPANY INCENTIVES

- Approximately \$100,000 in mortgage tax savings
- Approximately \$372,000 in sales tax savings



Project Title: Ciminelli/Conventus Partners, LLC/Fort Schuyler/AMRI

Project Address: 1001 Main Street  
Buffalo, New York 14202  
(Buffalo City School District)

SIC/NAICS: 6513/531110

### Agency Request

A sales tax and mortgage tax abatement in connection with the expansion of the original Conventus project. The new project will add a 7th floor to the building. The floor will be broken out into a condo and Fort Schuyler, one of New York State's economic development entities, will purchase the floor and lease it to AMRI.

Construction - 7th Floor	\$ 8,500,000
Soft Costs	<u>1,500,000</u>
Total Project Cost	\$10,000,000

### Company Description

Ciminelli Real Estate is the developer of the Conventus project currently under construction.

Fort Schuyler is New York State's economic development arm and will be the ultimate owner of the 7th floor of the Conventus building.

AMRI provides global contract research and development to the pharmaceutical and biotechnology industries.

### Project Description

The project consists of the expansion of the previously approved Conventus project and will add an additional 60,000 sq. ft. on the 7th floor for use by AMRI.

The 7th floor, upon completion of construction will be sold to Fort Schuyler, a tax exempt entity, which will in turn lease the space to AMRI. AMRI will invest between \$30-\$40 million in tenant improvements, equipment and training. No assistance is being requested for the tenant improvements.

Due to the aggressive scheduling for the project to accommodate occupancy deadlines of AMRI, Ciminelli was forced to expend funds necessary for the start of construction of the 7th floor prior to IDA consideration. According to the developer the funds previously expended on the project equal approximately \$726,000 (see attached letter). ECIDA benefits are limited to a sales tax on the remaining costs for the core and shell buildout of the 7th floor and a mortgage tax savings.

## Project Benefits

Excerpt from Governor Cuomo press release: “These strategic investments by the state, leveraged significantly with private investment, will build upon Western New York’s leadership in life science research and increase the commercialization of innovations developing from that research as well as more advanced manufacturing jobs in the pharmaceutical industry.”

## Project Incentives

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## Impact on Taxes

Since Fort Schuyler is a state entity, they are exempt from real property taxes.

## Employment

According to information released by local media AMRI will create 250 new jobs at the Buffalo Niagara Medical Campus. The project developer has not provided an estimate of AMRI employment.

Ciminelli indicates approximately 125 construction workers are employed on the Conventus project.

## Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount Project Amount = \$10,000,000 85% = \$8,500,000
Employment	Construction Period	85% of estimated construction jobs Construction jobs = 125 85% = 106
Local Labor	Construction period	Adherence to policy including quarterly reporting
Recapture Period	2 years or termination of the Agent and Financial Assistance Agreement	Recapture of State and Local Sales Taxes and Mortgage Tax

Recapture applies to:

- State and local sales taxes
- Mortgage recording taxes

## Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA’s Policy Committee to recapture the local share of sales tax and the mortgage recording tax.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company has met 85% of its projected construction employment and iii) confirm adherence to ECIDA local labor hiring policy.

**Project History**

01/03/2013	Public hearing conducted. Transcript on file at ECIDA.
01/29/2013	City of Buffalo Planning adopts a Negative Declaration in accordance with SEQRA.
02/19/2013	Lease/Leaseback Inducement Resolution presented to Board of Directors. (Tabled)
03/25/2013	Lease/Leaseback Inducement Resolution presented to Board of Directors in connection with original Conventus project - Floors 1-6
6/30/2014	Public hearing conducted.
7/16/2014	Lease/Leaseback Inducement Resolution presented to Board of Directors in connection with expanded Conventus project - 7th Floor.