

**486 Elmwood Buffalo LLC**  
**\$1,482,850**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 312120

**COMPANY INCENTIVES**

- Approximately \$20,470 in sales tax savings
- 1% of the final mortgage amount. At this time, the estimated amount of the mortgage is \$900,000 for a savings of \$9,000

**EMPLOYMENT**

- Current Jobs = 0
- Projected Jobs = 2

**PROJECT HISTORY**

- No public hearing was required since all benefits are below the \$100,000 level.
- 11/18/2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 486 Elmwood Buffalo LLC

Project Address: 486 Elmwood Avenue  
Buffalo, New York 14222  
(Buffalo City School District)

**Agency Request**

A sales tax and mortgage tax in connection with the renovation of an existing facility for beer manufacturing.

Land and Building Acquisition	\$ 250,000
Renovation	\$ 467,850
Manufacturing Equipment	\$ 650,000
Non-Manufacturing Equipment	\$ 75,000
Soft Costs	\$ 40,000

Total Project Cost \$1,482,850

85% \$1,260,422

**Company Description**

486 Elmwood Buffalo LLC was established in 2015 for the purpose of undertaking this project. The LLC is 100% owned by Rocco Termini.

**Project Description**

The proposed project entails the conversion of an existing facility - the former Faherty's Bar - into a brewery. The facility is 3,500 sq. ft. 2,000 sq. ft. in the basement and on the 1st floor will house the brewery operations and the remaining 1,500 sq. ft. will house the tasting room. The scope of the renovation work includes gutting the building's interior and adding new plumbing, electric, HVAC, roof sprinkler system along with reconfiguring the floors and walls.

It is estimated that 50 % - 60% of the manufactured product will be for distribution to area restaurants.

The conversion of 486 Elmwood will be accompanied by a corresponding project being undertaken by the developer which involves the renovation of the building adjacent too the brewery and its conversion into a restaurant. The new restaurant will highlight and offer the beer brewed at 486 Elmwood. The restaurant is not seeking IDA incentives.

**Retail Determination**

Project Use	Sq. Ft.	Cost	% of Project Costs
Manufacturing	2,000	\$1,332,850	90%
Retail/Tasting Room	1,500	\$150,000	10%
Total	3,500	\$1,482,850	100%

Since less than 1/3 of the total project cost is associated with a potential retail tenant, a retail finding by the County Executive is not required

Sales tax benefits are limited to the brewery production area and will not be used for FFE in the tasting room

## 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 = \$1,482,850 85% = \$1,260,422
Employment	See Recapture Period	New Job Creation of 2
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	See Recapture Period	Adherence to pay equity policy
Recapture Period	2 Years after Project Completion	Recapture of state and local sales taxes and mortgage recording taxes

### 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 tax 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 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 created 2 jobs iii) adherence to local labor policy iv) adherence to pay equity policy.