

**MSBP 251, LLC**  
**\$8,195,110**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 531110

**COMPANY INCENTIVES**

- Approximately \$348,000 in sales tax savings
- 1% of the final mortgage amount. At this time, the estimated amount of the mortgage is \$6,500,000 for a savings of \$65,000
- The company will be utilizing the City's 485-a exemption program

**PROJECT BENEFITS**

**EMPLOYMENT**

Priam Enterprises

- Current = 6 FT  
1 PT
- Projected = 7 FT  
0 PT

**PROJECT HISTORY**

- 2/10/2015 - City of Buffalo as lead agency, adopts a Negative Declaration in accordance with SEQRA.
- 3/27/2015 - Public hearing held. Transcript attached
- 4/22/2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: MSBP 251, LLC

Project Address: 251 Main Street  
Buffalo, New York 14203  
(Buffalo City School District)

**Agency Request**

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of an existing facility.

Land and Building Acquisition	\$ 646,569
Renovation	5,066,263
Infrastructure	1,571,721
Soft Costs	309,950
Other (reserve, fees, etc.)	600,607

Total Project Cost \$8,195,110

85% \$6,956,843

Mortgage Amount \$6,500,000

**Company Description**

MSBP 251, LLC is a group of investors (individuals and LLC's). Paul Kolkmeier, Andrew Shaevel and Ronald Toski represent the General Partners.

**Project Description**

The proposed project entails the adaptive reuse of a 46,500 sq. ft. vacant structure located at 251 Main Street. The property is an unoccupied commercial building known formerly as the Glenny/Dennis/Stanton Building. The last tenant to utilize the building was Marine Midland Bank (HSBC) over 12 years ago.

Priam Enterprises, a real estate investor, developer, manager and member of the LLC is expected to lease 1,500 sq. ft. of commercial space in the building.

In addition, approximately 36 apartments will be constructed. The 1 & 2 bedroom units will rent for approximately \$1,275 - \$1,995 per month.

**Retail Determination**

Produce Use	Sq. Ft.	Cost	% of Projected Cost
Residential	45,000	\$6,507,682	98%
Commercial/Retail	1,500	\$130,000	2%
Total	46,500	\$6,637,682	100%

### Impact on Taxes

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 12 Years	Additional City Revenue Over City 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$13,800	\$2,323,000	\$152,000	\$128,000	\$76,000
Combined Rate: \$33.00 Current Assessment: \$420,000				

### 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 = \$8,195,110 85% of total project amount = \$6,965,843
Employment	See recapture term	Maintain 100% of full time base 6 and create 1 new job
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Recapture applies to:

- State and local sales taxes
- Mortgage recording taxes

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 portion of the sales tax and mortgage taxes.

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 maintained 100% of full time base and create 1 new job and iii) confirm adherence to ECIDA local labor hiring policy.