

Niagara Street Buffalo, LLC
\$ 11,663,462
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 53110

COMPANY INCENTIVES

- Approximately \$369,000 in sales tax savings
- Approximately \$51,000 in mortgage recording tax savings

PROJECT BENEFITS

- The historic renovation of 55,000 sq. ft. of vacant structures located along a main route into the City of Buffalo

EMPLOYMENT

- Ru's Pierogies will occupy the ground floor and anticipates 3 full time employees. In addition, a building manager is expected to be on site
- Annual Payroll - \$136,000
- Average Salary - \$34,000

PROJECT HISTORY

- 4/11/2011 - Inducement Resolution previously approved for Lafaso as developer
- 10/7/2014 - City of Buffalo adopts a Negative Declaration in accordance with SEQRA
- 11/3/2014 - Public hearing held. Transcript attached
- 12/17/2014 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Niagara Street Buffalo, LLC

Project Address: 285-295 Niagara Street, Buffalo, New York
(Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a series of buildings on Niagara Street.

Acquisition	\$ 1,356,000
Renovation	8,315,065
Manufacturing Equipment	250,000
Non-Manufacturing Equipment	50,000
Soft Costs	1,692,397

Total Project Cost	\$11,663,462
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85%	\$9,913,942
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Est. Mortgage	\$5,044,473
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Company Description

The LLC, was established in 2013 for the purpose of constructing the project. Schneider Development, one of the members, is a small, second generation architectural firm located in Buffalo's historical Allentown district. Schneider Design's comprehensive architectural services include all aspects of planning, design and construction. One of the more recent ECIDA projects Mr. Schneider has undertaken was The apartments At the Hub located at 500 Swan Street. In addition, the firm undertook the transformation of the former Ailing and Cory building on North Division Street into a student housing and residential complex.

Project Description

The project consists of the acquisition and adaptive reuse of a series of buildings located on Niagara Street. The structures: the earliest which dates back to 1853 is comprised of interconnected buildings with 5 additions added over the years. The 55,000 sq. ft. complex will be converted into approx. 40 -1 and 2 bedroom market rate apartments with approximately 9,400 sq. ft. set aside for food production space on the ground floor. The project will feature a rooftop deck for tenants use and historic components will be re-stored. Ru's Pierogies, a startup food manufacturer, will occupy the ground floor.

Retail Determination

Tenant/Use	Sq. Ft.	Cost	% of Projected Cost
Residential	46,285	\$6,908,325	81%
Manufacturing	9,325	\$1,655,740	18%
Retail (Small Tasting Room)	100	\$1,000	1%
Total	55,710	\$8,565,065	100%

* No sales tax benefits will be provided for the furniture, fixtures and equipment of the tasting room.

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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 = \$11,663,462 85% of total project amount = \$9,913,942
Employment	See recapture period	Total project employment = 4 85% of projected = 3
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Recapture Period	2 years after project completion	Recapture of sales taxes and mortgage taxes

Recapture applies to:

- State and local sales taxes
- Mortgage 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 adherence to ECIDA local labor hiring policy and iii) employment projection of 3 has been achieved.

Impact on Taxes

Current Taxes based on Pre-Project Assessment of \$249,300	New County Revenue over 485-a Abatement Period	New Local Revenue over 485-a Abatement Period	Full Yearly Taxes to County and Local at Expiration of Abatement
\$8,200	\$270,000	\$228,000	\$137,000
Combined Rate: \$33			