Glendale Development, LLC
$4,992,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately $200,000 in sales tax savings.

- Up to $42,500 in mortgage recording tax exemption.

- It is anticipated the company will apply to the City of Buffalo for a 485-a exemption.

EMPLOYMENT

- The project is anticipated to create 2 part time jobs.

PROJECT HISTORY

- 4/27/17 Public Hearing Held. Transcript attached.

- 5/24/2017 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.

- 5/24/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Glendale Development, LLC

Project Address: 31 Barker Street
Buffalo, New York 14209
(Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the redevelopment and adaptive reuse of the property.

Land Acquisition	$ 875,000
Renovation	$3,803,000
Soft Costs	$ 314,000
Total Project Cost	$4,992,000
85%	$4,243,200

Company Description

Glendale Development, LLC was formed for the purpose of the project. The owners, Matthew Cherry and Harry Illenz are involved in multi-family development and management throughout Western New York.

Project Description

The proposed project consists of the renovation and adaptive reuse of the property located at 31 Barker Street in the City of Buffalo. The building has in the past been used as a warehouse and within the past several years used sparingly with approximately 2,000 sq. ft. out of a total of 34,000 sq. ft. utilized.

The development plan calls for the conversion of the former Kepa3 Gallery building into 21 market rate, split level apartments and commercial space along with a 21 space indoor parking garage.

A breakdown of the apartment units follows:

1 Bedroom	894 - 1,096 sq. ft.	$1,030 - $1,260
2 Bedroom	1,084 -1,709 sq. ft.	$1,245 -$1,965
3 Bedroom	1,451 -2,333 sq. ft.	$1,670 -$2,680

Impact on Taxes

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional City Revenue over 485-a Abatement Period.	New Yearly Taxes Upon Expiration of Abatement Period
$13,000	$400,000	$31,000	$22,000	$13,400
Combined Tax Rate: $33 Current A.V. $385,000				

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 = $4,992,000 85% : $4,243,200
Employment	See recapture term	Create 85% of projected Projected = 2 part time 85% = 1 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Unpaid Taxes	See recapture period	Adherence to policy
Pay Equity	See recapture period	Adherence to policy
Recapture Period	2 years after project completion	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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has 2 part time employees at the facility; iii) adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.