

Application Title

Adaptive Reuse Tax Incentive Application

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Total Project Cost 13400000
Applicant Name Swan Street Buffalo, LLC
Applicant Address 443 Delaware Avenue, Buffalo, NY 14202
Phone 716-923-7000
Fax 716-882-4293
E-mail Jake@schneiderdesign.com
Website schneiderdevelopmentservices.com
Fed ID# -----

Individual Completing Application

Name Charles J. Schneider
Title Owner
Address 443 Delaware Avenue, Buffalo, NY 14202
Phone 716-923-7000
Fax 716-882-4293
E-Mail Jake@schneiderdesign.com

Company Contact (if different from individual completing application)

Name
Title
Address
Phone
Fax
E-Mail

Company Counsel

Name of Attorney
Firm Name
Address
Phone
Fax

E-Mail

Identify the assistance being requested of the Agency

Exemption from Sales Tax	Yes
Tax Exempt Financing	No
Exemption from Mortgage Tax	Yes
Exemption from Real Property Tax	No
Assignment/Assumption of existing PILOT benefits	No

Business Organization

Type of Business	Limited Liability Company
Year Established	2012
State of Organization	New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Charles J. Schneider 34.259% C/O Schneider Development, LLC 443 Delaware Ave. Buffalo, NY 14202 -- 145 Swan Street, LLC 37.037% 3556 Lakeshore Blvd. Suite 620 Buffalo, NY 14219 -- See attached exhibit

Business Description**Describe in detail company background, products, customers, goods and services**

The Apartments at the HUB is a mixed use development project that will bring a new and creative 7, 500 sq. ft., commercial tenant and 50 new, upscale apartment units to Downtown Buffalo, NY. The project encompasses the adaptive reuse of 80,000 square feet of historic infrastructure located in two buildings at 149 and 145 Swan Street. The project site will feature a large parking lot with 63 surface spaces, 21 covered spaces garage spaces. Green areas will be created along the south and east of 149 swan and on the corner of Michigan and Swan.

Estimated % of sales within Erie County	NA
Estimated % of sales outside Erie County but within New York State	NA
Estimated % of sales outside New York State	NA
Estimated % of sales outside the U.S.	NA

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? (You may be asked to provide supporting documentation of the estimated percentage of local purchases)

About 75%

Section II: Project Description & Details

Location of proposed project facility

Address	145, 149 Swan Street
City	Buffalo
State	New York
Zip Code	14202
SBL Number	111.70-5-3, 111.70-5-4, 111.70-5-5, 111.70-5-6.1, 111.70-5-12
Town/City/Village	Buffalo
School District	Buffalo
Present Project Site Owner	Charles J. Schneider

Please provide a brief narrative of the project

See attached Document entitled Apartments at the HUB- Project Narrative

Site Characteristics

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site? (If yes, please provide copy)

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms

Possibly- TBD

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, please attach additional documentation describing the efficiencies achieved.

Does or will company perform substantial research and development activities on new products/services at the project location?

No

If yes, please explain

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

Not Applicable

Explain why IDA participation is necessary for this project to proceed. Focus on competitiveness issues, project shortfalls, etc.

Gap financing of some kind is needed for housing projects to succeed in the downtown. Without assistance for sales tax and mortgage tax exemption the apartments will simply not be competitive. Construction materials and labor costs in Buffalo run slightly above the national average, while our rental market lags far behind what Developers in other major American cities can charge for rent. Our project costs (see attached Pro Forma) clearly demonstrate the narrow margin that exists in a development effort such as The Apartments at the HUB. Every available resource must be utilized to achieve a modest ROI.

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition \$ 1914000

1.05 acres 80000.00 square feet

New Building Construction \$ 0

0.00 square feet

New Building addition(s) \$ 0

0.00 square feet

Renovation \$ 9400000

80000.00 square feet

Manufacturing Equipment \$ 0

Non-Manufacturing Equipment: (furniture, fixtures, etc.) \$ 150000

Soft Costs: (professional services, etc.) \$ 1950000

Other Cost \$ 200000

Explain Other Costs Contingency

Total Cost 13650000

Project Refinancing (est. amount) 13650000

Select Project Type (check all that apply)

No Industrial	No Multi-Tenant	Yes Mixed Use
No Acquisition of Existing Facility	No Commercial	No Facility for the Aging
No Housing	No Back Office	No Civic Facility (not for profit)
No Equipment Purchase	No Retail	No Other

SIC Code 6513

NAICS Code 531110

For proposed facility please include # of sq ft for each of the uses outlined below

Manufacturing/Processing	0.00 square feet
Warehouse	0.00 square feet
Research & Development	0.00 square feet
Commercial	4000.00 square feet
Retail	3500.00 square feet
Office	0.00 square feet
Other	72500.00 square feet
Specify Other	Multi-Family

Utilities and services presently serving site. Provide name of utility provider

Gas	National Fuel		
Electric	National Grid	Size	New 1600 AMP
Water	City of Buffalo	Size	New 3" Service
Sewer	City of Buffalo	Size	New 6" Service

Other (Specify)

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

What is your project timetable (Provide dates)**Start date : acquisition of equipment**

2013-06-01

End date : Estimated completion of project

2014-04-01

Project occupancy : estimated starting date of operations

2014-04-01

Have site plans been submitted to the appropriate planning department for approval?

No

Have any expenditures already been made by the company?

Yes

If yes, indicate particulars (ECIDA benefits do not apply to expenses incurred prior to Board approval)

Soft Costs and Aquisition

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (project location)

	Current Jobs	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion
Full time	0	0	1
Part time	0	0	1

Current Full Time Jobs in other Erie county locations 0**Current Part Time Jobs in other Erie county locations** 0

Payroll Information**Annual payroll**

0

Estimated average annual salary of jobs to be retained

0

Average estimated annual salary of jobs to be created

35000

Estimated salary range of jobs to be created**From** 30000 **To** 40000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated

Were you offered financial assistance to locate outside of New York State?

No

If yes, from whom and what type of assistance was offered

What competitive factors led you to inquire about sites outside of New York State?

Have you contacted or been contacted by other economic or governmental agencies regarding this project?

Yes

If yes, please indicate the Agency and nature of inquiry below

SHPO, City of Buffalo

Section III: Adaptive Reuse Projects

Are you applying for a tax incentive under the Adaptive Reuse Program?

Yes

What is the age of the structure (in years)?

105.00

If yes, number of years vacant?

20

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)

Yes

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)

Yes

Does the site have historical significance?

Yes

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rates compared to regional industrial averages)

Gap financing of some kind is needed for housing projects to succeed in the downtown. Without assistance for sales tax and mortgage tax exemption the apartments will simply not be competitive. Construction materials and labor costs in Buffalo run slightly above the national average, while our rental market lags far behind what Developers in other major American cities can charge for rent. Our project costs (see attached Pro Forma) clearly demonstrate the narrow margin that exists in a development effort such as The Apartments at the HUB. Every available resource must be utilized to achieve a modest ROI.

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the ECIDA with documentation of this support in the form of signed letters from these entities

City of Buffalo - Public Domain Improvements National Grid - Main Street Program National Fuel - Area Development Program

Please indicate other factors that you would like the ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site or structure is presently delinquent in property tax payments

The property has 80,000 SF of Historical Infrastructure that will present many challenges and associated costs to comply with current New York State life safety codes. 149 Swan was delinquent in property tax payments prior to our involvement and 145 Swan was previously owned by a nonprofit entity so it was not on the tax rolls. Both buildings are located in a distressed census tract.

Section IV: Retail Determination

Will project involve the sales of goods or services to customers who personally visit the facility?

Yes

If yes, complete the Retail Questionnaire Supplement below.

Will any portion of the project consist of facilities or property that is primarily used in making sales of goods or services to customers who personally visit the project site?

Yes

If the answer is yes, please continue.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?

10.00

%

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

Will the project be operated by a not-for-profit corporation?

No

Is the project likely to attract a significant number of visitors from outside the economic development region in which the project will be located?

No

If yes, please provide a market analysis or other documentation supporting your response.

Would the project occupant, but for the contemplated financial assistance from the industrial development agency, locate the related jobs outside the State of New York?

No

If yes, please provide documentation regarding investigation of sites outside New York State.

Is the predominant purpose of the project to make available goods or services which would not otherwise be reasonably accessible to the residents of the project municipality?

Yes

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York?

Yes

Is the project located in a Neighborhood Redevelopment Area?

No

Section V: Inter-Municipal Move Determination

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State No

Within Erie County No

If EITHER IS YES, please complete the following. If BOTH ARE NO, please 'save and continue' to the next section (Section VI: Facility Type - Single or Multi Tenant).

The Agency is required by state law to make a determination that Agency assistance is required to prevent the project occupant from relocating out of the state, or to preserve the project occupant's competitive position in its respective industry.

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc...)

If the project occupant is currently located in Erie County and will be moving to a different municipality, has the project occupant attempted to find a suitable location within the municipality?

<BLANK>

Is the project reasonably necessary to preserve the project occupant's competitive position in its industry?

<BLANK>

If yes, please explain and provide supporting documentation

What factors have lead the project occupant to consider remaining or locating in Erie County?

What is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section VI: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Multi-Tenant Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility

Market Conditions as described in the December 2011 Zimmerman Volk Associate, LLC Study of Downtown Buffalo.

Have any tenant leases been entered into for this project?

No

If yes, please list below and provide square footage (and percent of total square footage) to be leased to tenant and NAICS Code for tenant and nature of business

Section VII: Environmental Questionnaire

General Background Information

Address of Premises

145-149 Swan Street Buffalo, NY 14203

Name and Address of Owner of Premises

Swan Street Buffalo, LLC 443 Delaware Ave. Buffalo, NY 14202

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

Urban Area with surrounding parking lots. Scattered Warehouses and Manufacturing buildings.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

Existing Asphalt parking lots with four story (circa 1905-1906) and five story (circa 1896) masonry and timber Isolated buildings. Four story, unoccupied/ 5 story partially occupied with light manufacturing to vacate December 2012.

Describe all known former uses of the Premises

145 Swan Street was built for Witkop & Holmes, a local grocery business that commissioned the 30,000 square foot brick and wood frame structure. 149 Swan St. was constructed in 1896 for Sibley & Holmwood Candy Company, a local confectioner. Other uses of the Site includes Storage for the Buffalo Transportation Museum and textile manufacturing for Synthetic Textiles.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Not Applicable

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Not Applicable

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Not Applicable

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

Not Applicable

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

49 Residential Units, Commercial/ Retail Space. New 6" Sanitary Service- Roof and Parking Lot Storm water run-off.

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Not Applicable

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

<BLANK>

If yes, please identify the materials

Not Applicable