

Application Title

Phoenix Brewery Apartments

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

| | |
|--------------------|--|
| Total Project Cost | 7565000 |
| Applicant Name | Phoenix Brewery Apartments, LLC |
| Applicant Address | 617 Main Street Suite 350 |
| Phone | 7162208468 |
| Fax | 7162992061 |
| E-mail | matt@sinatraandcompany.com |
| Website | www.sinatraandcompany.com |
| Fed ID# | - - - - |

Individual Completing Application

| | |
|---------|-----------------------------------|
| Name | Matt Connors |
| Title | VP of Development |
| Address | 3350 Delaware Avenue |
| Phone | 7168669717 |
| Fax | |
| E-Mail | matt@sinatraandcompany.com |

Company Contact (If different from individual completing application)

Name
Title
Address
Phone
Fax
E-Mail

Company Counsel

| | |
|------------------|----------------------------|
| Name of Attorney | Kevin Zanner |
| Firm Name | Hurwitz & Fine |
| Address | 424 Main Street |
| Phone | 7164331331 |
| Fax | |
| E-Mail | KJZ@hurwitzfine.com |

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 | 2014 |
| State of Organization | New York |

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

Please include name and % of ownership.

Sinatra & Company Real Estate—52%, MDC Retail—24%, Daniel Lewis—24%

Business Description

Describe in detail company background, products, customers, goods and services

Sinatra and Company Real Estate is a full-service real estate development firm handling project management, property management, real estate brokerage and construction development. The company is one of the largest commercial and residential property owners in Western New York with approximately one million square feet of real estate since its inception in 2009. The company has a strong commitment to the community and serves areas such as the Buffalo Niagara Medical Campus, Allentown, Elmwood Village and suburbs of Buffalo out to Lockport.

| | |
|--|------------|
| Estimated % of sales within Erie County | 100 |
| Estimated % of sales outside Erie County but within New York State | |
| Estimated % of sales outside New York State | |
| Estimated % of sales outside the U.S. | |

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)

100

Section II: Project Description & Details

Location of proposed project facility

| | |
|----------------------------|--|
| Address | 835-847 Washington Avenue |
| City | Buffalo |
| State | New York |
| Zip Code | 14203 |
| SBL Number | 111.23-8-4 |
| Town/City/Village | Buffalo |
| School District | Buffalo |
| Present Project Site Owner | Phoenix Brewery Apartments, LLC |

Please provide a brief narrative of the project

835 Washington is the former Phoenix Brewery that currently serves as warehouse space and houses a 400 SF retail tenant, Hair by Botticelli. The total square footage of this historic building is 55,000 SF. Our plan is to convert the facility into 30 luxury apartments with a drive-in parking garage that will supply approximately 24 spots. Apartment unit sizes will range from approximately 750SF to 1250SF and will seek an average rent around \$1500/month. The company is in negotiations with various businesses to open in the building.

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?

Yes

If yes, please provide copies of the study.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms

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

No

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?

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

The Phoenix Brewery Apartments is an ambitious project and will be the premier residential housing "detonators" east of Main Street. While Sinatra & Company is extremely excited at this development potential, east of Main Street is still an unproven market for luxury housing. We will be making a significant capital investment in luxury apartments and amenities to eliminate a negative perception people have of the city's "East Side". -The current structural integrity of the building is unknown and will require significant structural/engineering testing due to years of inactivity. -Around 1900, there was a large fire that destroyed more than half of the original building. As a result, the building was reconstructed in various sections causing over 5 separate grade changes which will make construction extremely difficult on the ground floor for the indoor parking component. Additionally, as seen on the pro forma, the renovation costs of this vacant warehouse will drastically affect the ROI for years to come until the building is stabilized. The IDA participation can effectively narrow the financing gap to ensure this ambitious project will spark even more residential development within the medical campus when other developers can witness the success of the Phoenix Brewery Apartments.

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition **\$ 1785000****1.26** acres **55000.00** square feetNew Building Construction **\$ 0****0.00** square feetNew Building addition(s) **\$ 0****0.00** square feetRenovation **\$ 5738000****52000.00** square feetManufacturing Equipment **\$ 0**Non-Manufacturing Equipment: **\$ 0**
(furniture, fixtures, etc.)Soft Costs: (professional **\$ 42000**
services, etc.)Other Cost **\$ 0****Explain Other Costs****Total Cost 7565000****Project Refinancing (est. amount) 0**

Select Project Type (check all that apply)

No Industrial**Yes** Multi-Tenant**Yes** Mixed Use**No** Acquisition of Existing Facility**Yes** Commercial**No** Facility for the Aging**Yes** Housing**No** Back Office**No** Civic Facility (not for profit)**No** Equipment Purchase**Yes** Retail**No** Other**SIC Code****NAICS Code 5311110**

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

| | | Cost | % of Total Cost |
|--------------------------|--------------------------|-------------|------------------------|
| Manufacturing/Processing | 0 square feet | 0 | 0 |
| Warehouse | 0 square feet | 0 | 0 |
| Research & Development | 0 square feet | 0 | 0 |
| Commercial | 3000 square feet | 0 | 0 |
| Retail | 0 square feet | 0 | 0 |
| Office | 0 square feet | 0 | 0 |
| Specify Other | 52000 square feet | 7565000 | 100 |

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

Gas**Electric Size****Water Size****Sewer Size****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

2015-04-01

End date : Estimated completion of project

2016-02-01

Project occupancy : estimated starting date of operations

2016-03-01

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

Yes

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)

Environmental and asbestos surveys, legal fees and closing costs, architectural and engineering fees

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to location):

| | Current # of jobs at project location or to be relocated at project location | 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 | 0 |
| Total | 0 | 0 | 0 |

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address

| | | | |
|-----------|---|---|---|
| Full time | 0 | 0 | 0 |
| Part time | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

Payroll Information

Annual payroll

45000

Estimated average annual salary of jobs to be retained

0

Average estimated annual salary of jobs to be created

45000

Estimated salary range of jobs to be created

From **45000** To **45000**

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

State Historic Preservation Office - Current location is going to apply for historic tax credits

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)?

126.00

If yes, number of years vacant?

10

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)

The Phoenix Brewery Apartments is an ambitious project and will be the premier residential housing "detonators" east of Main Street. While Sinatra & Company is extremely excited at this development potential, east of Main Street is still an unproven market for luxury housing. We will be making a significant capital investment in luxury apartments and amenities to eliminate a negative perception people have of the city's "East Side". The project requires over \$7 million in new investment for a structure that would otherwise sit vacant and underutilized. Having assistance to offset the initial losses on the project will help increase the ROI to a respectable number in years to come. -The current structural integrity of the building is unknown and will require significant structural/engineering testing due to years of inactivity. -Around 1900, there was a large fire that destroyed more than half of the original building. As a result, the building was reconstructed in various sections causing over 5 separate grade changes which will make construction extremely difficult on the ground floor for the indoor parking component. Additionally, as seen on the pro forma, the renovation costs of this vacant warehouse will drastically affect the ROI for years to come until the building is stabilized. The IDA participation can effectively narrow the financing gap to ensure this ambitious project will spark even more residential development within the medical campus when other developers can witness the success of the Phoenix Brewery Apartments.

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

Letter of support from Councilman Pridgen's office, Matt Enstice, President of the Buffalo Niagara Medical Campus, Congressman Brian Higgins, Say Yes To Education.

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

As previously stated, the building was constructed in 1888 and approximately 15 years later a fire destroyed nearly

all of the Ziegele Brewery. This created severe financial obstacles for the original owners causing them to build the Phoenix Brewing Company in stages thus creating approximately 4 separate "buildings" within the parcel. From a construction standpoint, it has created numerous grade changes throughout the ground floor creating substantial design challenges for our architect and engineering team to achieve a contiguous ground floor. Additionally, the building has never been used for apartments and will require modern updates and essentially all new building systems including but not limited to: -HVAC -Electrical -Plumbing -Roof -Demolition of existing freight elevator to install a modern, code-compliant passenger elevator -Poured concrete to accommodate the indoor parking ramp grade changes

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?

0.00 %

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?

No

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

Located in the heart of the Buffalo Niagara Medical Campus, this project will cater to the current employees of the various hospitals and office buildings in the area while also providing a housing opportunity for the new students of the Medical School located within a block distance. The BNMC is set to bring an additional 6500-7500 jobs to the medical corridor by 2017 once the completion of the UB Medical School, Children's Hospital and Conventus are complete. After meeting with Matt Enstice, President of the Buffalo Niagara Medical Campus, he stressed the importance of a walkable neighborhood within the campus that encourages employees and students to live in close proximity without having to drive. Despite numerous development projects on the perimeter, very few real estate developers have found a location to effectively build on campus achieving Matt's goal. Buffalo currently operates at a 97% occupancy for its apartment rentals; once one factors in the additional jobs created in this area, there will be a limited supply of residential housing which could drive up apartment prices in surrounding areas like the Elmwood Village due to this sudden demand.

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

835 Washington Street, Buffalo NY 14203

Name and Address of Owner of Premises

Phoenix Brewery Apartments, LLC, 617 Main Street Suite 350 Buffalo NY 14203

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

Slab on grade brick exterior warehouse

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

1888 original construction, there was a fire around 1900 which included a partial rebuild of the northern corner of the building.

Describe all known former uses of the Premises

Buffalo's original brewery, Ziegele Brewing Company. Due to a fire around 1900, the entire premises burned down and was rebuilt as the Phoenix Brewery to symbolize the "Phoenix rising from the ashes". La-Z-Boy furniture stored rented the space briefly in the 1990's but we are unable to locate a former lease or approximate square footage of their tenancy.

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

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

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

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

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

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

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?

Yes

If yes, please identify the materials

slight flashing on the window glaze as shown in attached asbestos report.