



W. Delavan

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name	722 Group LLC
Applicant Address	295 Main Street, Suite 210, Buffalo, NY 14203
Phone	716-854-0060
Fax	
E-mail	Lhall@ellicottdevelopment.com
Website	www.ellicottdevelopment.com
Federal ID#	
NAICS Code	
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	722 Group LLC
Federal ID#	
State and Year of Incorporation/Organization	New York State, 2015
List of stockholders, members, or partners of Real Estate Holding Company	7112 Group LLC, Henry Gorino, Chuck Mauro, Sinatra & Company Real Estate LLC

Individual Completing Application

Name	Lauren Hall
Title	Assistant
Address	295 Main Street, Suite 210, Buffalo, NY 14203
Phone	716-854-0060
Fax	716-852-2829
E-Mail	lhall@ellicottdevelopment.com

Company Contact (if different from individual completing application)

Name Thomas Fox
Title Director of Development
Address 295 Main Street, Suite 210, Buffalo, NY 14203
Phone 716-854-0060
Fax 716-852-2829
E-Mail tfox@ellicottdevelopment.com

Company Counsel

Name of Attorney Joseph Cavan
Firm Name Paladino, Cavan, Quinlivan
Address 295 Main Street, Suite 210, Buffalo, NY 14203
Phone 716-852-8222
Fax 716-852-2829
E-Mail jrc1015@aol.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	Yes
Exemption from Real Property Tax	No
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Business Organization

Type of Business Limited Liability Company
Type of Ownership
Year Established 2015
State of Organization New York

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

Please include name and % of ownership.

7112 Group LLC 40%, Sinatra & company Real Estate LLC 40%

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

The applicant, 722 Group, LLC, is a partnership between Ellicott Development Company and Sinatra & Company Real Estate. This partnership is well qualified to undertake the proposed project with their collective experience in real estate development, management and leasing in a wide variety of projects including office, retail, hotels, multi-family and mixed-use developments. Ellicott Development Company is a multi-faceted, fully integrated Property Management, Leasing and Development firm with the "In-House" capacity to provide legal, administrative, financial, management, accounting, development, site selection, site assemblage, architectural design and drafting services, construction, leasing, maintenance, janitorial and security services. Ellicott Development Company has been responsible for more than \$500 million in real estate development projects, ranging from new construction to historic rehabilitation. Together with its affiliates, it owns and controls more than 7 million square feet of office, commercial and residential space, including more than 2 million square feet of office space in downtown Buffalo, 8 hotels with 3 more under development, 400 mid to high-end apartment units with an additional 300+ units currently under development, and more than 2 million square feet of retail space throughout Upstate New York and Western Pennsylvania. Headquartered in downtown Buffalo, Ellicott Development Company employs more than 500 people locally in Western New York. Sinatra & Company is a real estate investment firm focused on the Western New York and Southern California areas. The company invests in distressed multi-family, single-family, and commercial real estate. Since inception, it has acquired over 1 million square feet of real estate with more in the pipeline. In addition to managing their own properties, Sinatra & Company manages their own construction processes, including histories renovation and preservation projects. In addition, Sinatra & Company operates a brokerage arm of their business called Sinatra & Company Realty through American Dream Realty of WNY, which services the Western New York residential sales community.

Estimated % of sales within Erie County	0
Estimated % of sales outside Erie County but within New York State	0
Estimated % of sales outside New York State but within the U.S.	0
Estimated % of sales outside the U.S.	0

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

100

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo

Will the Proposed Project be located within the Municipality, or within a Municipality, identified above?

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

722 West Delavan, Buffalo, NY 14222

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

Yes

(If Yes, you will need to complete Section V of this Application)

SBL Number for Property upon which proposed Project will be located

89.70-2-21

What are the current real estate taxes on the proposed Project Site

Assessed value of land

68,000

Assessed value of building(s)

1,346,700

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo School Districts

Does the Applicant or any related entity currently hold fee title to the Project site?

No

If No, indicate name of present owner of the Project Site

City of Buffalo

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the Proposed Project site

722 West Delavan was home to former School 56. The property consists of a 69,000 square foot vacant building which has been vacant for many years.

Please provide narrative of project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project

eligibility)

We are proposing to renovate the building into a mix of uses, including residential and commercial. From the basement through the 3rd floor, we will be constructing a total of 33 apartments in studio, one-, two-, and three-bedroom configurations. In addition, we will have approximately 10,000 square feet of not-for-profit commercial space in the basement and 1st floor. As required by code, an elevator shaft and new entrance lobby will be added at the northwest corner of the building. The elevator shaft and lobby will be clad in architectural split face block in a color matching the brick facade of the existing building. The redevelopment of this site will also include resurfacing and restriping the existing parking surface in the rear of the building.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

IDA assistance is required given unknown costs associated with renovating an existing building that has been vacant for many years. The project will include many substantial costs including window restoration, a new elevator, sprinklers, structural and masonry repairs and all new electrical, plumbing and mechanical systems to bring the building into code compliance.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

The project site is located in R2 district.

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

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

Yes

If yes, please explain

There are asbestos containing materials in the building that will need to be abated.

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

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.

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

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform 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?

Select Project Type for all end users at project site (you may check more than one)

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales No **Services** Yes

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

No Manufacturing

Yes Multi-Tenant

Yes Mixed Use

No Acquisition of Existing Facility

Yes Commercial

No Facility for the Aging

Yes Housing

Yes Back Office

Yes Civic Facility (not for profit)

No Equipment Purchase

No Retail

No Other

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 1,100,000 69,000 square feet 2 acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$ 0

Renovation

\$ 3,920,000 square feet

Manufacturing Equipment

\$ 0

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

\$ 0

Soft Costs: (professional services, etc.)

\$ 740,000

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 5,760,000

Project Refinancing; estimated amount (for refinancing of existing debt only)

\$ 0

Sources of Funds for Project Costs:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge)

\$ 4,500,000

Lender Name, if Known

Equity

Have any of the above costs been paid or incurred as of the date of this Application?

Yes

If Yes, describe particulars:

Asbestos study, phase I, legal, design and engineering fees.

Construction Cost Breakdown:

Total Cost of Construction

\$ 3,920,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 1,960,000

% sourced in Erie County

100%

% sourced in State

100% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$ 1,960,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 171,500

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

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	10,000 square feet	\$ 932,000	20
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0
Specify Other	30,000 square feet	\$ 3,728,000	80

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>

Provide estimate of additional construction cost as a result of LEED certification you are seeking

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

10/1/2015

End date : Estimated completion date of project

4/1/2016

Project occupancy : estimated starting date of operations

4/1/2016

Have construction contracts been signed?

No

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

Yes

Has the Project received site plan approval from the appropriate planning department?

Yes

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed 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	Net total new jobs
Full time	0	0	2	2
Part time	0	0	0	0
Total	0	0	2	

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

Will any of the facilities described above be closed or subject to reduced activity?

Yes

Payroll Information

Annual Payroll at Proposed Project Site

\$ 60,000

Estimated average annual salary of jobs to be retained

\$ 0

Estimated average annual salary of jobs to be created

\$ 30,000

Estimated salary range of jobs to be created

From \$ 30,000 **To** \$ 30,000

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

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

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

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

Yes, responded to the City of Buffalo's RFP for redevelopment of the structure.

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

20% Historic Tax Credit, 485a

Section III: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?	Yes
What is the age of the structure (in years)?	107
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
If yes, number of years vacant?	3
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
If yes, please provide dollar amount of income being generated, if any	\$
Does the site have historical significance?	Yes
Are you applying for either State/Federal Historical Tax Credit Programs?	Yes
If yes, provide estimated value of tax credits	\$ 980,000
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 (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)	

The redevelopment of former School 56 at 722 West Delavan is accompanied with many challenges making the project an uncertain success without assistance such as that which is available through the ECIDA's Adaptive Reuse Program. The building was constructed more than 100 years ago in 1909 and was operated as a school until 2012 at which point the property became vacant. Since the property was never utilized for housing it will require modern updates to all building and life safety systems including HVAC, electrical, plumbing, fire safety and a new roof. In addition, many modifications to the existing stairwell. The building contains asbestos laden materials which will need to be abated. In addition, the existing windows will require significant modifications to increase the natural light provided to the interior along with improving their thermal performance to increase efficiency. The heightened costs associated with rehabilitating this structure are not supported by the current rental rates for residential and not-for-profit commercial space in the project area.

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

We have received support from the City of Buffalo Planning Board, along with the Mayors Office of Strategic Planning and the Delaware district Common Council Members Office.

Please indicate other factors that you would like 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 has historical significance, site or structure is presently delinquent in property tax payments

The redevelopment of former School 56 at 722 West Delavan is being completed in concert with the SHPO and NPS. The property has recently received an approved Historic Rehabilitation Tax Credit Part 1 application. In completing this project as a certified historic rehabilitation, we will be facing many additional and costly upfront expenses with no guarantee on delivery of a tax credit upon project completion to offset said costs.

Section IV: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? <BLANK>

If yes, complete the Retail Questionnaire Supplement below.

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 %

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).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? <BLANK>

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

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? <BLANK>

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? <BLANK>

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>

Section V: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

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 Yes to either question, please, explain

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 out of the City of Buffalo (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 within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

<BLANK>

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

If the current facility is to be abandoned, 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

The project is supported by current market conditions. Based on our market research, there is currently a strong demand for market-rate apartments and commercial space in the project location.

Have any tenant leases been entered into for this project?

No

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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Section VII: Environmental Questionnaire

General Background Information

Address of Premises 722 West Delavan, Buffalo NY, 14222

Name and Address of Owner of Premises 722 Group LLC, 295 Main Street Suite 210, Buffalo, NY 14203

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

The project site is generally flat and is not in close proximity to any wetlands, coastline, rivers, streams and lakes.

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

The building was constructed in 1909 and has since been operated as a school.

Describe all known former uses of the Premises

School 56.

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

<BLANK>

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?

<BLANK>

If yes, please provide copies of the permits.

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

N/A

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

N/A

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

N/A

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

N/A

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

An 8,000 gallon storage tank is present in the former coal vault of the school, however no leaks or spills have been reported. The storage tank is currently registered with the DEC. See attached Phase I report for further details.

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?

<BLANK>

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

See attached asbestos study.