

## PUBLIC HEARING SCRIPT

**722 Group LLC and/or Individual(s) or  
Affiliate(s), Subsidiary(ies), or Entity(ies)  
formed or to be formed on its behalf  
Project**

Public Hearing to be held on August 27, 2015 at 9:30 a.m.,  
at the offices of the Erie County Industrial Development Agency located  
at 95 Perry Street, Suite 403, Buffalo, New York 14203

### ATTENDANCE

Tom Fox / Ellicott Development Co.

Members of the General Public

#### **1. WELCOME:** Call to Order and Identity of Hearing Officer.

Hearing Officer: *Welcome. This public hearing is now open; it is 9:30 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.*

#### **2. PURPOSE:** Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the 722 Group LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Monday, August 17, 2015.*

#### **3. PROJECT SUMMARY:** Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a leasehold interest in a parcel or parcels of land located at 722 West Delavan in the City of Buffalo, Erie County, New York (the "Land") improved thereon with the vacant former School 56 building containing in the aggregate*

*approximately totaling 69,000 +/- square feet (the "Existing Improvements"), (ii) the renovation, upgrading and equipping of the Existing Improvements on the Land to accommodate (a) approximately 33 apartments in studio, one-, two-, and three-bedroom configurations from the basement level through the third floor, (b) approximately 5,000-10,000 sq. ft. of commercial space in the basement level and first floor, (c) an elevator shaft, (d) a new entrance lobby, and (e) re-surfacing and re-striping of the existing parking surface (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").*

*The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption benefits (in compliance with Agency's uniform tax exemption policy).*

**☒ 4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.**

Hearing Officer: *All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on September 15, 2015. There are no limitations on written comments.*

**☒ 5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.**

Hearing Officer: *If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.*

## **The Hearing Officer calls on those who raise their hand.**

Tom Fox, Ellicott Development Company here for School 56 722 West Delevan application for ECIDA incentive package, mortgage recording tax and sales tax credit. This project is the applicant is 722 Group LLC, a partnership of Ellicott Development Companies, Sinatra Real Estate. The school building we're in the process of purchasing it from the City of Buffalo, it's a former project law Olmstead school, school 56 constructed in 1909, approximately 70,000 gross sq. ft., 4 floors, the property has been vacant since 2011. It has been non-operational according to the City. A letter of which was provided to Karen Fiala. The program includes 33 apartment units in a mix of studio, 1, 2 and 3 bedroom unit sizes including also 5-10,000 sq. ft. of not-for-profit commercial space and then surface parking in the rear of the property for approximately 82 vehicles. The project has already received final board approval and SEQRA negative declaration, planning board approval was finally received on July 28<sup>th</sup> of this year after several meetings with residents and community groups. A couple of issues that we worked out with them on. A number of, similar to other adaptive reuse projects, we have a number of issues here that require a lot of cost on our end, hard costs in construction, there is no elevator on the property and we need that to bring it up to code compliance. Also, we need all new plumbing, electrical, HVAC, all new sprinkler system which doesn't exist in the building, we had to modify the existing windows, all the existing windows. There is significant remediation involved, we have a lot of mold in the lowest level. A lot of asbestos throughout the building, floor tiles, pipe wraps and that sort of stuff and then lead paint is pretty present as well, prevalent and an issue we need to deal with. In addition, I don't know if I mentioned a new roof, we need installed across the structure. The proposed project totals out at just under \$6 million dollars. \$5,760,000 is the proposed total costs that is comprised of the purchase price or land acquisition costs of \$1.1 million and hard costs at \$3,920,000 and soft costs of \$740,000. Cash flow projection has been provided with the application evidencing a low rate of return on the project under 10% or around 10%. Identifying heavy risk. Schedule for the project is: we are in design right now, completing drawings and make for permanent soon. We are hoping to be under construction in October and completed in April. As I mentioned earlier, our application here is for assistance with mortgage recording tax credit and sales tax credit. Mortgage recording tax credit at a proposed mortgage of \$4.5 million, would be \$45,000 and then a sales tax credit, its estimated around \$171,000.

## **☒ 6. ADJOURNMENT.**

As there were no further comments, the Hearing Officer closed the public hearing at 9:45 a.m.

**SIGN IN SHEET  
PUBLIC HEARING**

August 27, 2015, at 9:30 a.m.  
at the offices of the Erie County Industrial Development Agency located  
at 95 Perry Street, Suite 403, Buffalo, New York 14203  
regarding:

**722 Group LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies),  
or Entity(ies) formed or to be formed on its behalf**

Project Location: 722 West Delavan, Buffalo, New York

Name	Company and/or Address	X box to speak/ comment
Tom Fox	Ellicott Development Co.	X