

**Shea's Seneca, LLC**  
**\$9,041,730**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 53110

**COMPANY INCENTIVES**

- Up to 1% of the final mortgage amount. At this time, the estimated amount of the mortgage is \$7,000,000 for a savings of \$70,000.
- Approximately \$371,727 in sales tax savings.
- The company will be utilizing the City's 485-a exemption program for the real property tax abatement.

**EMPLOYMENT**

- The project is anticipated to create 4 FT / 27 PT additional jobs (two years after project completion).

**PROJECT HISTORY**

- 3/13/2017 - City of Buffalo, as lead agency, adopts negative declaration.
- 3/27/2017 - Public Hearing held. Transcript attached.
- 4/26/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Shea's Seneca, LLC

Project Address: 2178 Seneca Street  
 Buffalo, New York 14210  
 (Buffalo City School District)

**Agency Request**

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of an existing building.

Land & Building Acquisition	\$ 540,000
Renovation	\$7,080,521
Soft Costs	\$1,421,209
Total Project Cost	\$9,041,730
85%	\$7,685,470

**Company Description**

Shea's Seneca is an LLC formed by Jake Schneider, Kathryn Schneider, Andrew Dorn, Jr. and Andrew Dorn, IV.

**Project Description**

The proposed project entails the adaptive reuse of the historic Shea's Seneca Building in the heart of the South Buffalo Seneca Street neighborhood commercial corridor. The building is 48,000 sq. ft. and stands as the largest and most prominent building along the entire street from the Buffalo River to the City line.

The property is considered a neighborhood icon and is the largest structure along the commercial corridor. The redevelopment plan includes approximately 25 apartments and approximately 20,000 sq. ft. of commercial space. Lease rates for the apartments will range from \$900—\$1,400.

Commercial tenants include a non-profit community theater group (5,000 sq. ft.) that will be sharing space with other non-profit performance groups, a banquet facility (11,000 sq. ft.) and approximately 3,000 sq. ft. of space designated for neighborhood retail business yet to be identified.

**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
\$10,500	\$3,500,000	\$271,000	\$189,000	\$117,000
Combined Tax Rate: \$33 Current Assessment: \$311,500				

### Retail Determination

Project Use	Sq. Ft.	Cost	% of Project Cost
Residential	29,257	\$5,507,318	61%
Commercial/Retail	18,776	\$3,534,413	39%
Total	48,033	\$9,041,731	100%

According to State law, if more than 1/3 of the cost of the total project is devoted to retail uses, the IDA must make a retail finding. This requires a sign off by the County Executive.

### 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: \$9,041,730 85% : \$7,685,470
Employment	See Recapture Period	Projected Jobs: 4 FT/27 PT Create 85% of projected 85% = 14 FTE's
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Unpaid Tax Policy	See Recapture Period	Adherence to policy
Equal Pay Policy	See Recapture Period	Adherence to policy
Recapture Period	2 years after project completion	State and Local Sales Taxes Mortgage Tax

Recapture applies to:

- State and Local Sales Taxes
- Mortgage Recording Taxes

### 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 completion of the project company must certify i) total investment amount equal to or greater than 85% of the amount proposed; ii) confirm company has 14 FTE's at the facility; iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.