

Silos at Elk Street
\$2,055,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$78,750 in sales tax savings.
- Up to \$18,000 in mortgage recording tax exemption.

EMPLOYMENT

- Current Employment (Young & Wright - 32
- Projected Jobs 4

PROJECT HISTORY

- No Public hearing required as benefit amount is less than \$100,000.
- 5/24/2017 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 5/24/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Silos at Elk Street

Project Address: 50 Elk Street
Buffalo, New York 14210

Agency Request

A sales tax and mortgage tax exemption in connection with the redevelopment and adaptive reuse of the property.

Land Acquisition	\$ 5,000
Renovation	\$1,800,000
Equipment	\$ 50,000
Soft Costs	\$ 200,00
 Total Project Cost	 \$2,055,000
 85%	 \$1,746,750

Company Description

The Silos at Elk Street was formed by Young and Wright Architectural for the purpose of undertaking the project. Young and Wright was founded in 2003 and currently leases space at 740 Seneca Street. They have outgrown space at the Seneca Street location and have no ability to expand at the current site.

Project Description

The proposed project consists of the renovation and adaptive reuse of the property located at 50 Elk Street in the City of Buffalo which is approximately 19,000 sq. ft. The location was the site of the former Buffalo Malt Group complex. The developers propose to transform the property into a mix of light industrial, office and residential space. The architectural firm will then relocate their offices to the new location on the 2nd floor where they will occupy approximately 14,000 sq. ft. The building is in a state of disrepair and has been abandoned for over thirty years.

Two apartments are planned for the development and will be in the 600 – 1,090 sq. ft. range with rents of approximately \$750 and \$1,360 respectively.

Impact on Taxes

Current Yearly Taxes	Estimated Increase in Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional Local Revenue over 485-a Abatement Period	Additional Yearly Revenue Upon Expiration of Abatement Period
\$1,900	\$700,000	\$54,000	\$38,000	\$23,400
Combined Tax Rate: \$33 Current A.V. \$57,700				

Retail Determination

Use	Sq. Ft.	Cost	% of Project Cost
Residential	1,700	\$123,300	1%
Young & Wright/Commercial	17,265	\$1,931,700	99%
Total	18,965	\$2,055,000	100%

On May 24, 2017, the Board determined that the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County provided written confirmation confirming the financial assistance.

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 = \$2,055,000 85% : \$1,746,750
Employment	See Recapture Term	Maintain Base: 32 Create 85% of Projected: Projected = 4 85% = 3 Recapture Employment: 35
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Unpaid Taxes	See Recapture Term	Adherence to policy
Pay Equity	See Recapture Term	Adherence to policy
Recapture Period	2 years after project completion	State and Local Sales Taxes Mortgage Recording Tax

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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has maintained 32 positions and has created 3 additional positions; iii) adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.