



Trico Redevelopment

[Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name 791 Washington Street, LLC
Applicant Address 4 Centre Drive
Applicant Address 2

Applicant City Orchard Park
Applicant State New York
Applicant Zip 14127

Phone 716-667-1234
Fax 716-667-1258
E-mail sfairbrother@kroggrp.com
Website

NAICS Code 531000
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 791 Washington Street, LLC

State and Year of Incorporation/Organization New York/2016
List of stockholders, members, or partners of Real Estate Holding Company Peter L Krog & Historic Tax Credit Investor TBD

Individual Completing Application

Name Scott Fairbrother
Title Chief Financial Officer - The Krog Group, LLC
Address 4 Centre Drive
Address 2
City Orchard Park
State New York
Zip 14127
Phone 716-667-1234

7/18/2016

The Erie County Industrial Development Agency (ECIDA)

Fax

716-667-1258

E-Mail

sfairbrother@kroggrp.com

Company Contact (if different from individual competing application)

Name Paul R. Neureuter
Title President - The Kroger Group, LLC
Address 4 Centre Drive
Address 2
City Orchard Park
State New York
Zip 14127
Phone 716-667-1234
Fax 716-667-1258
E-Mail pneureuter@kroggrp.com

Company Counsel

Name of Attorney Douglas W. Dimitroff
Firm Name Phillips Lytle
Address One Canalside
Address 2 125 Main Street
City Buffalo
State New York
Zip 14203
Phone 716-847-5408
Fax 716-852-6100
E-Mail ddimitroff@phillipslytle.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%

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Please include name and % of ownership.

Peter L. Krog & Historic Tax Credit Investor TBD

Applicant Business Description

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

The company is a single purpose entity that has been formed to hold the real property being redeveloped at 791 Washington Street. The managing member of the LLC with the controlling interest is a real estate developer with a long track record of successful development throughout Western New York including Erie County. The member with the controlling interest has been in business for in excess of thirty years and has successfully completed a number of historic renovations. The planned redevelopment consists of a mixed use project that will provide office space, housing and services that are expected to primarily be complimentary to the Buffalo Niagara Medical Campus. The building will be rehabilitated to provide the future home of the second Emerson Culinary School for high school students. In addition, the rehabilitation will include an extended stay hotel to serve patients and visitors of medical campus. The hotel is also a critical component for the Buffalo Public School as they consider expanding programs for the culinary school to include a hospitality curriculum. The project will include housing in support of the University of Buffalo Medical School and commercial space for companies that are looking to form a strategic alliance with other service providers located on the BNMC.

Estimated % of sales within Erie County 80

Estimated % of sales outside Erie County but within New York State 10

Estimated % of sales outside New York State but within the U.S. 5

Estimated % of sales outside the U.S. 5

(*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

The entity applying for the benefits is newly formed and does not have the history to provide the percentages requested. The newly formed entity expects that the tenants anticipated to occupy the structure will purchase approximately 90% of their supplies, raw materials and vendor services from firms within Erie County.

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 a Municipality identified above?

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

791 Washington Street

Will the completion of 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 OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

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?

No

(If yes, you will need to complete the Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

111.31-1-1.11

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

N/A - Property is not currently on the tax roll

Assessed value of land

100,000

Assessed value of building(s)

1,495,000

Are Real Property Taxes current?

Yes

If no please explain

N/A - Property not currently on the tax roll

Town/City/Village of Project Site

City of Buffalo

School District of Project Site

City of Buffalo

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

Buffalo Brownfield Restoration Corporation - Applicant has executed a Purchase Agreement with the current owner. See attached.

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

Yes

Describe the present use of the Proposed Project site

The historic building is listed on the National Register. The building has been vacant in excess of 10 years and is currently in need of significant repairs and environmental remediation to avoid total demolition. If the applicants redevelopment effort does not move forward the building would likely need to be demolished at a cost to tax payers of approximately \$6 - \$8 Million. The building currently has a fence around it to prevent pedestrians from being close enough to be hit by the occasional debris that breaks off the building and falls on the street below.

Please provide narrative of the proposed project and the purpose of the proposed 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)

See attached narrative of the proposed project

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)

See attached reasons why Agency's Financial Assistance is necessary.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

This project will not move forward without Financial Assistance provided by the Agency.

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

See attached Impact on Applicant and Erie County.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

The Buffalo Culinary School and extended stay hotel operator may lease equipment for their respective operations. However, at this point in time, the extent of the leased equipment is yet to be determined.

Site Characteristics

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

Yes

Describe the present zoning/land use

General Commercial District

Describe required zoning/land use, if different

N/A

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

N/A

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

The project site is currently in the New York State Brownfield Cleanup Program as a volunteer. The project site contains contaminants that will add to costs of redevelopment to clean the property to a sufficient level to house the new Buffalo Culinary School and meet residential clean up standards under the Brown Field Cleanup Program.

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?

TBD - Not known at this time.

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?

Yes

If yes, please explain.

The project has commercial space available that could be occupied by a company that performs research and development activities. The applicant has not identified a tenant at this point that performs these activities, but could attract one given the location on the Buffalo Niagara Medical Campus.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

N/A

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 Yes 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 Acquisition of Existing Facility
- Yes Housing
- Yes Equipment Purchase
- Yes Multi-Tenant
- Yes Commercial
- Yes Back Office
- Yes Retail
- Yes Mixed Use
- No Facility for the Aging
- Yes Civic facility (not for profit)
- Yes Other
- Hotel

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 100,000

600,000 square feet

2 acres

New Building Construction

\$ 0

square feet

New Building addition(s)

\$ 0

square feet

Infrastructure Work

\$ 0

Renovation

\$ 71,913,324

479,475 square feet

Manufacturing Equipment

\$ 0

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

\$ 6,975,000

Soft Costs: (professional services, etc.)

\$ 11,502,218

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 90,490,542

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

\$ 0

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

Yes

If Yes, describe particulars:

Preliminary legal fees, carrying costs associated with getting the property under contract. In addition, preliminary environmental engineering costs associated with quantifying the level of contamination have been paid

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):

\$ 18,090,542

Bank Financing:

\$ 50,250,000

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

Public Sources (include sum total of all state and federal grants and tax credits):

\$ 22,150,000

Identify each state and federal grant/credit:

Federal Historic Tax Credits, NYS Historic Tax Credits, NYS Brownfield Tax Credits & National Grid Grant

Total Sources of Funds for Project Costs:

\$90490542.00

Has a financing preapproval letter or loan commitment letter been obtained?

No

Mortgage Recording Tax Exemption Benefit:

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

*Amount of mortgage, if any, that would be subject to mortgage recording tax.

\$ 50,250,000

Lender Name, if Known

The applicant is in the process of obtaining financing. The structure for project financing is predicated on the selection of the Historic Tax Credit investor. The applicant has been working with Goldman Sachs, Chase and Bank of America as potential Historic Tax Credit investors.

Estimated Mortgage Recording Tax Exemption Benefit (product of Mortgage Amount as indicated above multiplied by 1%):

\$502500.00

Construction Cost Breakdown:

Total Cost of Construction

\$ 76,088,324

(sum of 2,3,4,5, and/or 7 In Question K, above)

Cost for materials

\$ 29,193,554

% sourced in Erie County

80%

% sourced in State

95% (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

\$ 36,170,000

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

\$ 3,164,875

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit:

The applicant has also engaged in a few conversations with the City and ECIDA representatives regarding Pilot Incremental Financing to support additional parking and other public improvements associated with the development area. If the applicant is not able to successfully negotiate a PIF arrangement an application may be made to obtain the 4B5A exemption.

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

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Research & Development	square feet	\$ 0	0
Commercial	0 square feet	\$ 0	0
Retail	256,914 square feet	\$ 38,568,596	34
Office	35,300 square feet	\$ 7,473,216	7
Specify Other	187,261 square feet	\$ 44,448,730	39

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

9/1/2016

End date : Estimated completion date of project

3/1/2019

Project occupancy : estimated starting date of operations

8/1/2018

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?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

Current # of jobs at proposed project location or to be relocated at project location

IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED

IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon TWO years after Project completion

Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon TWO Years after Project Completion **

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Full time	0	0	130	130
Part time	0	0	0	0
Total	0	0	130	

** The Labor Market Area Includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauque. For the purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

*** By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PTE jobs into FTE jobs by dividing the number of PTE jobs by two (2). This estimate, based on information provided above, will be included within the PILOT worksheet in the additional documents section.

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	Average Salary	Average Fringe Benefits
Management	\$ 50,000	\$ 17,500
Professional	\$ 60,000	\$ 24,000
Administrative	\$ 38,000	\$ 13,300
Production	\$ 0	\$ 0
Independent Contractor	\$ 0	\$ 0
Other	\$ 28,250	\$ 4,725

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?

No

Payroll information

Annual Payroll at Proposed Project Site

\$ 7,000,000

Estimated average annual salary of jobs to be retained

\$ 0

Estimated average annual salary of jobs to be created

\$ 53,850

Estimated salary range of jobs to be created

From \$ 25,000 To \$ 85,000

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

N/A

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

N/A

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

No

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

N/A

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)

Historic Tax Credit, Brownfield Tax Credits, Buffalo Building Reuse Loan Program, National Grid Grant or Pilot Increment Financing (485a if unable to secure PIF).

Section III: 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 located on the South end of the Buffalo Niagara Medical Campus (BNMC). BNMC contains the necessary foot traffic required to support a second Buffalo Culinary School. In addition, BNMC has a need for an extended stay hotel to serve the campus and the thousands of visiting patients, their families and other visitors that come in from out of town to receive medical treatment on an inpatient/outpatient basis. The applicant expects there to be a shortfall of market rate housing near the campus to support the anticipated increase in employees working on the campus and students attending the University of Buffalo Medical School.

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 project site	SIC or NAICS—also briefly describe type of business, products services, % of sales in Erie Co.
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Section VI: 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:

Not applicable

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State **Yes**

Within Erie County **Yes**

If Yes to either question, please, explain **A potential tenant that is looking to expand their presence and office space could relocate from an existing leased office location to the applicants facility. The prospective tenant is looking to lease approximately 35,000 square feet.**

Will the project result in a relocation of an existing business operation from the City of Buffalo?

Yes

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.)

A potential tenant that is looking to expand their presence and office space could relocate from an existing leased office location to the applicants facility. The prospective tenant is looking to lease approximately 35,000 square feet.

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 docks etc.)

The occupant is looking for greater proximity to the Buffalo Niagara Medical Campus(BNMC). BNMC fits the image of the prospective tenant better than their current existing location.

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?

Yes

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

The applicants prospective tenant would remain an tenant in the City of Buffalo, but would me moving to a different location within the City limits.

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

The current facility would likely be subsequently leased to another office tenant.

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.

N/A

Section VII: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?	Yes
What is the age of the structure (in years)?	0
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 vacant, number of years vacant.	10
If underutilized, number of years underutilized.	15
Describe the use of the building during the time it has been underutilized:	The building has been vacant since the Trico company left the building in approximately 2005.
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	\$ The structure is 100% vacant and has no income being generated from it.
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	\$ The estimated value of the Federal Historic Tax Credits is approximately \$13 million and the NYS Tax Credit will be capped at \$5 million.
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)	
See attached	
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	
The City of Buffalo has expressed a willingness to explore a Plot Increment Financing agreement to construct parking in support of the project. In addition, the local Preservation Board has approved the redevelopment plan. The applicant has also received formal site plan approval.	
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	
See attached Other Factors for the ECIDA to Consider	

Section VIII: Senior Citizen Rental Housing Projects

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Has the project received written support from the city, town or village government in which it is located?

<BLANK>

Describe the location of the project as it relates to the project's proximity to the town / village / city center or to a recognized hamlet.

N/A

Is the project consistent with the applicable municipal master plan?

<BLANK>

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

N/A

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

<BLANK>

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

N/A

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

<BLANK>

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

<BLANK>

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

N/A

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

<BLANK>

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented features and safety amenities, security systems, call systems, on site medical services)

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project's return on investment?

<BLANK>

If yes, please 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)

N/A

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.

N/A

Section IX: 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? Yes

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? 53 %

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, Chautauque and Cattaraugus counties) in which the project will be located? Yes

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? Yes

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

If yes, explain

The Buffalo Public Schools will be hiring approximately 100 new teachers to work and the new culinary school. The hotel will hire approximately 25 new employees. The commercial tenants that could occupy the space could employ up to 500 employees. The applicant will have a minimum of new employees responsible for the management and maintenance of the building. In addition, the construction/building rehabilitation will result in the employment of approximately 150 full time construction jobs.

Is the project located in a Highly Distressed Area? Yes

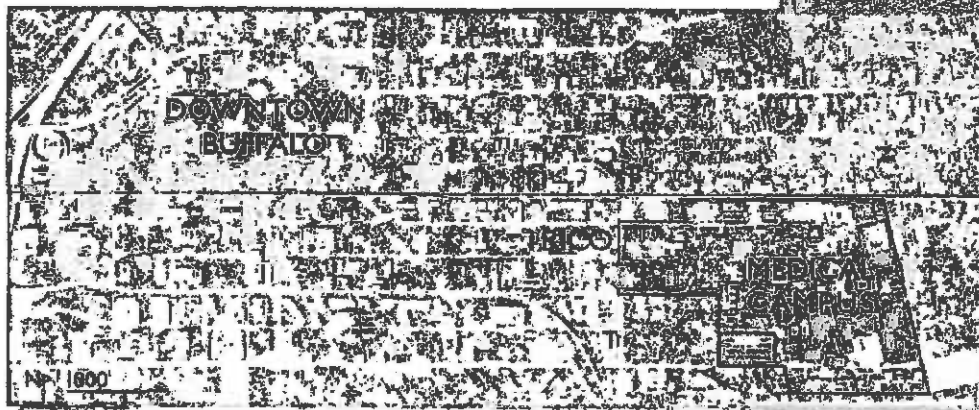
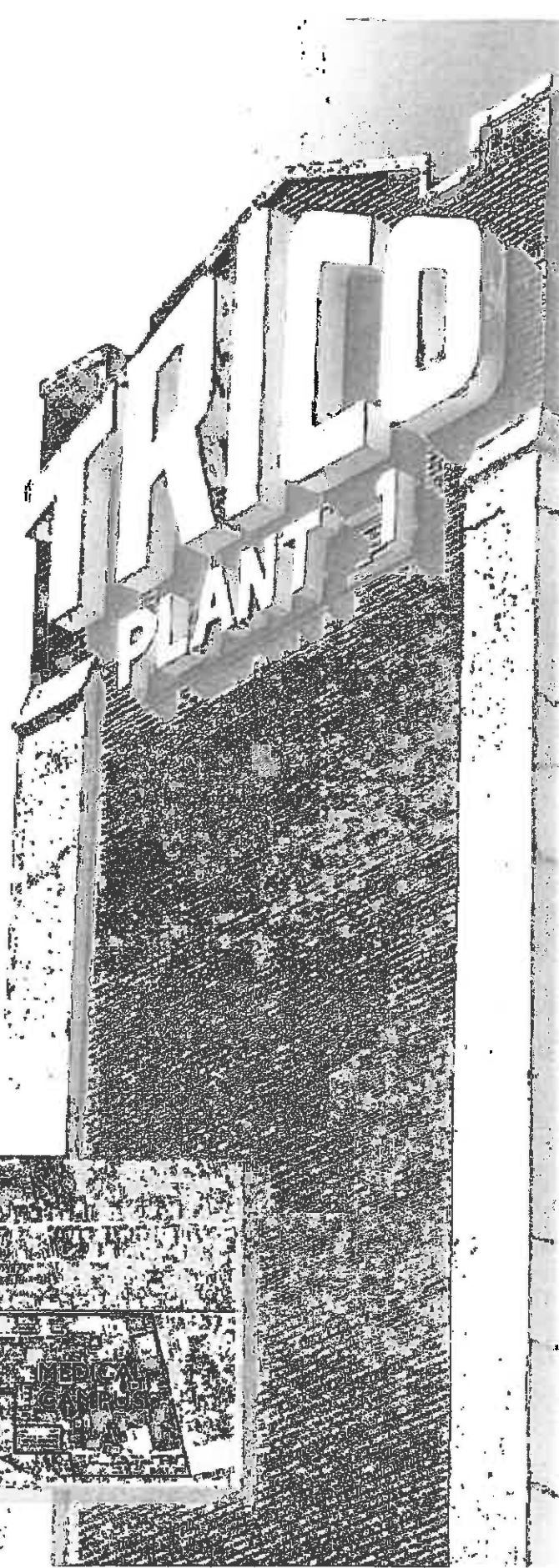
Complete renovation of one of Buffalo's most iconic historic buildings.

THE TRICO BUILDING is located within the rapidly growing Buffalo Niagara Medical Campus. With over 12,000 daily employees, the Campus is anchored by Buffalo General Medical Center, Roswell Park Cancer Institute, the SUNY Center of Excellence in Bioinformatics and the Hauptman Woodward Research Institute. New additions currently under construction include the University at Buffalo Medical School and Women's and Children's Hospital, both slated to open in 2017. The projected daytime population of the Campus is expected to top 20,000 at that time.

THE KROG GROUP brings a unique skill set to the redevelopment of the Trico Building. Krog has tackled numerous adaptive re-use projects and has co-developed and/or constructed several hotels, including the Four Diamond Watkins Glen Harbor Hotel and 1000 Islands Harbor Hotel.

Through its single purpose entity, 791 Washington Street LLC, Krog plans to re-purpose the building as a mixed-use facility accommodating extended stay hotel, apartments, a public high school and other commercial and retail space, while retaining a portion of the building for indoor parking.

Key to the project's success is a partial demolition allowing more manageable floor depths and thus more daylighting opportunity. Upon completion, the property will be approximately 480,000 square feet.





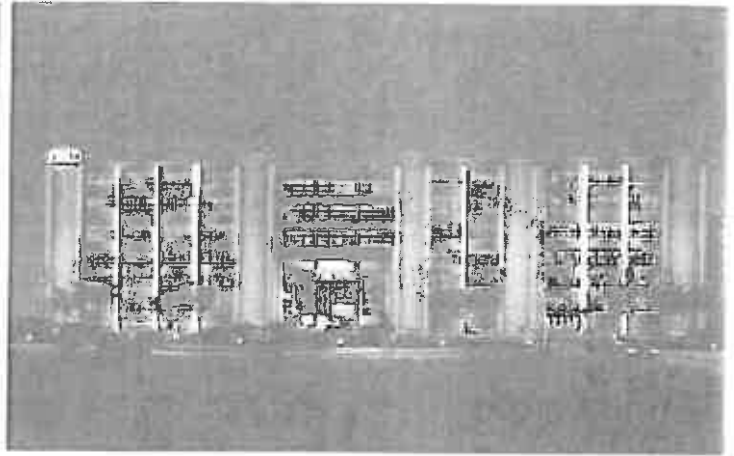
PLANNED PROGRAM

An extended stay hotel will be located in the southwest quadrant, spanning floors 1-6. This stacked approach provides design/construction economies while benefiting from the view of the City to the southwest. The extended stay market is currently underserved in downtown Buffalo, and the hotel will benefit from significant demand generated from the nearby Buffalo Niagara Medical Campus. The hotel is planned for around 114 rooms.

Buffalo Public Schools continues to upgrade and refine their facilities and have selected The Trico Building for their next new High School. Known as Emerson Culinary School II, the new school will occupy 85,000 sf and serve 500 students. Students operate a public restaurant, bakery and banquet facility and are responsible for all operations of these public food and beverage facilities including supply chain, accounting, food preparation, and restaurant operations. The Trico location was selected due to its proximity to daytime pedestrian traffic.

The Trico Building fosters a live-work community with the balance of space committed to market rate apartments and commercial offices. Plans are developing for a 35,000 square foot Class-A headquarters for an established Buffalo-based hi-tech firm servicing the telecommunication industry. In addition, there is approximately 56,000 square feet of commercial office space and 12,000 square feet of retail/food beverage space. The plans include approximately 70 apartments with studios, one- and two-bedroom units, located on upper floors.

Extended Stay Hotel	106,000 sf
Emerson Culinary School II	85,000 sf
Anchor Tenant – Class-A Headquarters	35,000 sf
Commercial Space	56,000 sf
Apartments	78,000 sf
Retail & Food/Beverage	12,000 sf
Parking/Circulation/Common	107,000 sf



BUILDING HISTORY

The Trico Building was named to the National Register of Historic Places in 2001, with a Part 2 application accepted in 2015. Known as Plant No. 1, the complex is an assembly of buildings purchased and constructed from 1917 to 1937 by the Tri-Continental Products Company, later known as Trico. The firm was founded by John R. Oshei, who developed the first automatic windshield wiper for the automotive industry.

Trico gained importance and became an iconic emblem of Buffalo's automotive manufacturing legacy. Employing over 4,000 people, Trico's success enabled Oshei to become one of the City's most generous philanthropists. The building was originally designed by Buffalo-based Plummer and Mann Engineers and is one of the finest examples of a Daylight Factory building, with large divided windows providing daylight to the large expanse of manufacturing space. Trico discontinued use of the building in 2000.

The project cost is estimated at \$90,490,000 and is supported by a variety of incentives including Federal and State Historic Tax Credits, New York State Brownfield Tax Credits, and grants from National Grid.

Design is advancing and construction is scheduled to begin in September 2016. Initial occupancy is planned for June 2018.



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791 WASHINGTON, LLC

ECIDA APPLICATION – TRICO MIXED-USE REDEVELOPMENT

NARRATIVE OF THE PROPOSED PROJECT:

The applicant is planning to renovate and redevelop the former Trico Industrial Building located at 791 Washington St In Buffalo. The current building has been vacant for over 10 years and has numerous structural and environmental challenges associated with renovating this historic structure. The building is likely slated for emergency demolition should the current redevelopment plan not move forward.

The applicant has received Part 2 approval to utilize Federal and State Historic Tax Credits to help incentivize the redevelopment of this iconic building located at the Southern gateway of the rapidly growing Buffalo Niagara Medical Campus. In addition, the site has been accepted into the NYS Brownfield Cleanup program to facilitate the remediation required to renovate this structure by converting it into a thriving mixed use building that fosters a live-work community.

The current plan calls for select demolition and substantial renovation to convert this to a mixed use structure that will serve as a site for a new Buffalo Culinary School, an extended stay hotel to serve the medical campus, market rate housing to meet the expanding demand for employees and students located on the medical campus and a limited retail component that will serve the campus and surrounding community. In addition, the building has commercial space that is currently being marketed to an existing business looking to expand their corporate headquarters in Buffalo.

The applicant has entered into a Purchase and Sale Agreement with the Buffalo Brownfield Restoration Corporation and has agreed to complete the project while meeting MWBE guidelines outlined by the City of Buffalo. A copy of the original executed Real Estate Purchase Agreement has been attached for reference.

REASONS WHY THE AGENCY'S FINANCIAL ASSISTANCE IS NECESSARY:

The proposed building has been vacant and unattended since 2005 and has fallen into significant disrepair. There are a number of structural issues that have developed as a result of the structure's failing roof system. In addition, the building has environmental contaminants that must be dealt with in order to bring the building back to life. These environmental issues add costs to the project that would not be experienced on a clean green site. The building's current size and configuration is not conducive to redevelopment. Therefore, partial demolition will be required to allow for more manageable floor depths and daylighting opportunities. The demolition costs drive the total project costs up even further. The building has been listed on the National Historic Register which will add to the cost of renovation as the rehabilitation is conducted within those guidelines. The applicant has applied for and received Part II historic approval to help alleviate some of the burden associated with the historic renovation. However, the project still remains economically challenged as a result of the historic renovation guidelines, remediation and demolition.

The proposed building lacks sufficient parking to easily attract commercial tenants for reasonable square foot absorption of the commercial space. As a result, parking will have to be constructed within the building and secured at market rates which further limits the economic viability of the project.

The applicant is applying for sales tax and mortgage tax abatement. The applicant will subsequently apply for Pilot Increment Financing to assist with other improvements and a proposed solution to the parking. If these incentives are not received the project will not move forward.

IMPACT ON APPLICANT AND ERIE COUNTY IF UNABLE TO OBTAIN FINANCIAL ASSISTANCE:

The applicant will not move forward with the project without the receipt of financial assistance. The result would be a delay or cancellation of the new Buffalo Culinary School location. This building would likely remain in the municipality's possession and require emergency abatement and demolition at the expense of Erie County and City of Buffalo taxpayers. Demolition and abatement of the entire building has been estimated to cost almost \$5,000,000.

OTHER FACTORS FOR THE ECIDA TO CONSIDER:

The existing state of the site presents a public safety hazard. The property has a fence around it to prevent the pedestrian traffic from getting too close to the building. Portions of the building have fallen off and dropped to the sidewalk below. This structural integrity of the building will continue to erode if the building is not renovated soon.

The structure requires a significant investment to stabilize the building and make it code compliant. The property contains contaminated material that will ultimately have to be remediated. The building is on the National Historic Register and serves as a main focal point as patrons enter the City of Buffalo via Goodell Street. Multiple developers have tried to get the project through SHPO and the National Parks Department, but none have ever succeeded. If this project fails it is unlikely that anyone will ever attempt to redevelop this parcel. The building will be demolished and a significant piece of Buffalo's history will ultimately be gone and tax payers will foot the bill for the demolition.