

1485 Niagara, LLC
\$5,600,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$205,625 in sales tax savings
- 3/4 of 1% of the final mortgage amount. At this time, the estimated at \$37,500.

EMPLOYMENT

- Retained Jobs: 53
- Creation - PT - 1
- Total Jobs 2 Years After Project Completion: FT-53
PT-1

PROJECT HISTORY

- 09/25/2018 - Public hearing held. Transcript attached.
- 10/24/2018 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 10/24/2018 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 1485 Niagara, LLC.
 Project Address: 1485 Niagara Street
 Buffalo, New York 14203
 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax in connection with the adaptive reuse of a 30,000 sq. ft. building.

Building Acquisition	\$ 600,000
Infrastructure	\$ 200,000
Renovation	\$4,500,000
Soft Costs	\$ 300,000

Total Project Cost \$5,600,000

85% \$4,760,000

Company Description

1485 Niagara, LLC has been formed for the purpose of undertaking the project. The ownership group consists of Angelo Natale, Frank Parisi and Carl Savarino.

All three individuals have a history of developing and managing commercial and multi-family real estate projects.

Project Description

The developers propose to adaptively reuse this 30,000 sq. ft. structure to provide a mixed-use project consisting of both commercial and residential uses. The building was constructed in the early 1900's and was formerly used by the former Aldrich & Ray Manufacturing Company. The first two floors will provide 16,000 sq. ft. of commercial space to be occupied by a chiropractic office (3,750 sq. ft.) and a network consulting company (12,500 sq. ft.). In addition, 14 market rate apartments are planned for the remaining 14,000 sq. ft. The square footage of the apartments will be in the 900-1,300 sq. ft. range and rent will average between \$1,200 - \$2,000. It should be noted the developer is considering designating at least one of the units as affordable offered at a rental rate of 90% of AMI. Both commercial tenants are currently in leased space in the City of Buffalo.

The building requires a full façade restoration, new roof, all custom windows, new entry doors, a new elevator and a full site cleanup with a new parking lot and sidewalks.

The project has been accepted into the NYSDEC Brownfield Cleanup Program. Additionally, they are working with SHPO for historic rehabilitation credits.

New Tax Revenue Estimated

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
\$0	\$1,650,000	\$127,000	\$93,000	\$57,000
Combined Tax Rate: \$34.66				

Retail Determination

Use	Sq. Ft.	Cost	% of Project Cost
Residential	14,000	\$2,350,000	50%
Commercial	12,500	\$1,750,000	37%
Retail	3,750	\$600,000	13%
Total	30,250	\$4,700,000	100%

Since the retail component of the project represents 13% of the project cost, no sign off by the County is required.

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 = \$5,600,000 85% = \$4,760,000
Employment	Same as recapture period	Retained Jobs = 53 Maintain 90% of retained Jobs = 48 Create 85% of Projected Projected = 1 PT Recapture Employment = 49
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:
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 completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) 49 FTE, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.