

From the Buffalo Business First:

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Tax breaks approved for \$90 million Trico project

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Calling it “a major milestone” for the entire community, Buffalo Mayor Byron Brown said he was glad to see his fellow **Erie County Industrial Development Agency** directors unanimously approve sales tax breaks for Krog Corp. to begin its \$90 million makeover of the former Trico Products plant.

Sales tax breaks amount to \$3 million, but in its first five years, the hotel portion of the project will create \$1.6 million in new, county bed tax dollars.

Vacant for more than decade, the sprawling former windshield wiper production plant has been an eyesore for Buffalo, especially as vehicles came off of the Kensington Expressway and its location on the southern edge of the Buffalo Niagara Medical Campus.

“Seeing it there was frustrating,” Brown said.

It was, as Brown said, one of four major downtown buildings that posed economic development challenges for his administration. The other landmarks: Statler City, the former AM&A’s flagship department store on Main Street, and the One Seneca Tower.

Now, development plans for all four are underway, in varying forms.

Mark Croce continues to use Statler City as a catering center and is working on plans for the upper floors of the 18-story building. Downstate interests are beginning a \$70 million makeover of the AM&A’s building into a Wyndham Hotel



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Krog Corp. plans for a mixed-use development with a 120-room hotel, 150 apartments and the home for the Emerson Culinary School’s second downtown location at the former Trico plant.

and Washington developer Douglas Jemal is hoping to close on his \$12 million deal for the 38-story One Seneca Tower this fall.

Krog hopes to begin its work on the Trico building by early September. Plans call for a mixed-use development with a 120-room boutique, extended stay-themed hotel, 150 apartments and the home for the Emerson Culinary School's second downtown location.

"Getting to this point proved to be incredibly difficult," Brown said.

One the biggest hang ups Krog chairman and founder Peter Krog said, was gaining all the necessary approvals to demolish approximately 120,000-square-feet of the building's "ice house" sandstone structure along its Ellicott Street front. The ice house is part of the complex that dates back to the late 1800s, but that portion of the building was physically beyond repair. It took Krog more than 18 months to gain all the necessary state and federal approvals for the ice house demolition.

At the same time, because of larger than anticipated remediation costs and other factors the development price tag ballooned from \$56 million to \$90 million.

"Every renovation project is a challenge," Krog said. "This is a big job, a large job that has to be done in phases."

Krog said the project is on pace to be completed by the summer of 2018.

"Instead of having a building that was at risk of being demolished, we will now have a gleaming entry point into downtown," said Erie County Executive Mark Poloncarz. "This a good example of why government does invest in certain projects."

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