November 1, 2018
8:30 am
95 Perry Street, 5th Floor Conference Room
Buffalo, NY 14203

1. Call Meeting to Order

2. Approval of the October 4, 2018 Policy Committee Minutes (Pages 2-4)

3. Project Matrix (Page 5)

4. Project Presentations (Staff – Company Q&A)
   a. REVPAC/467 Richmond Avenue Amendment (Pages 6-30)
   b. REVPAC Tax Certification

5. Adjournment – Next Meeting December 6, 2018 at 8:30 a.m.
MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MEETING: October 4, 2018, at Erie County Industrial Development Agency,
95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Hon. April Baskin, Mr. Richard Cummings, Hon. William J. Krebs,
Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon.
Glenn R. Nellis and Laura Smith

ABSENT: Rev. Mark E. Blue, Hon. Byron W. Brown, Hon. Johanna Coleman,
Colleen DiPirro, David J. State and Maria Whyte

OTHERS PRESENT: John Cappellino, Executive Vice President; Karen M. Fiala, Assistant
Treasurer and Robert G. Murray, Secretary

GUESTS: Andrew Federick, Erie County Senior Economic Development
Specialist; Robert Corrao, on behalf of 1485 Niagara, LLC

There being a quorum present at 9:11 a.m., Mr. Lipsitz called the meeting of the Policy
Committee to order.

MINUTES

The minutes of the September 6, 2018 Policy Committee meeting were presented. Upon
motion made by Mr. Nellis, and seconded by Ms. McDuffie, the aforementioned Policy
Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Lipsitz reviewed the Agency’s project matrix and directed that the report be received
and filed.

PROJECT PRESENTATIONS

1485 Niagara, LLC, 1485 Niagara Street, Buffalo, New York. Mr. Cappellino presented
this proposed sales tax and mortgage recording tax abatement benefits project involving the
company’s adaptive reuse of the former Aldrich & Ray Manufacturing Company facility into a
mixed use commercial and residential apartment space.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage
recording tax abatement benefits, the approval of this project will be conditioned upon adherence
to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

**Draft Recapture Material Terms**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Term</th>
<th>Recapture Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investment</td>
<td>At project completion</td>
<td>Investment amount equal to or greater than 85% of project amount. Total Project Amount = $5,600,000 85% = $4,760,000</td>
</tr>
<tr>
<td>Employment</td>
<td>Same as recapture period</td>
<td>Maintain Base = 53 Create 85% of projected Projected = 1 PT Recapture Employment = 53</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Unpaid Tax</td>
<td>Same as recapture period</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>Recapture of state and local sales tax and mortgage recording tax</td>
</tr>
</tbody>
</table>

Ms. McDuffie asked if Agency staff could review the draft recapture material terms to reflect the new retention policy. Mr. Cappellino confirmed that staff would make that revision.

Ms. McDuffie asked if the company, as described in the project log, would be making one of the residential units available as an affordable unit offered at 90% of AMI. At this point in time, Mr. Cappellino introduced Mr. Robert Corrao to the Committee. Mr. Corrao responded on behalf of the Company and stated that the Company would commit to providing one unit at 90% of AMI.

Ms. Smith expressed support for the project noting this is a building located in a highly distressed area and that bringing in high end residential units will provide a new beneficial mix of mixed income residents to the area.

Ms. Smith then moved and Mr. Mudie seconded to approve of the project as proposed.

Ms. McDuffie spoke in favor of the project and thanked the company for providing an affordable housing unit and contributing to the mixed income character of the neighborhood.

Mr. Cummings queried as to the meaning of “N/A” with respect to the MBE/WBE utilization evaluative criteria. Mr. Cappellino explained that “N/A” means not applicable because the Agency has no required MBE/WBE utilization requirements. However, if the company was accessing federal and/or state funds that required MBE/WBE utilization, then Mr. Cappellino explained that the MBE/WBE commitment would be so noted within the evaluative
criteria table. Mr. Cummings expressed concerns that “N/A” is perhaps not the best statement or abbreviation to use as it would leave one to believe that MBE/WBE utilization is not applicable to the project when MBE/WBE consideration should be applicable to a project such as this that is receiving taxpayer assistance. Mr. Cummings then asked the Company what its philosophy is with respect to retaining MBE/WBE contractors. Mr. Corrao responded that the Company maintains a list of MBE/WBE contractors and in the past, has utilized up to 10% MBE/WBE vendor participation.

Mr. Cummings then stated that, by way of example, the City requires MBE/WBE utilization at a 25% goal for City projects. Mr. Lipsitz confirmed that the Company will be utilizing the City for 485-a real property tax benefit, however, the 485-a real property tax benefit does not require MBE/WBE utilization. Mr. Cummings acknowledged he is aware of that but stated that unless there is an MBE/WBE guideline, nothing will change. Mr. Cummings expressed concern that the Policy Committee needs to consider this issue now, as a policy, rather than at the time an application is submitted and placed before the Committee. Ms. McDuffie asked that MBE/WBE utilization be added to the Policy Committee list of potential material terms and conditions to be considered as applicable to providing financial assistance.

Mr. Lipsitz then called for the vote and the project was then unanimously approved for recommendation to members of the Agency.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:35 a.m.

Dated: October 4, 2018

__________________________
Robert G. Murray, Secretary
## Project Matrix/Material Factors/Clawbacks

<table>
<thead>
<tr>
<th>Count</th>
<th>Project Name</th>
<th>Approval Date</th>
<th>Project Type</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
<th>Factors</th>
<th>Clawback</th>
<th>Local Labor</th>
<th>Length of Term</th>
<th>Additional Findings</th>
<th>*Incentive Amount</th>
<th>Adaptive Reuse</th>
<th>Pay Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shell Fab</td>
<td>Jan-18</td>
<td>Threshold</td>
<td>$3,618,000</td>
<td>85%</td>
<td>45</td>
<td>10</td>
<td>PILOT</td>
<td>Mortgage Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td>Amemotary</td>
<td>$424,469</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acquest Development</td>
<td>Feb-18</td>
<td>Threshold</td>
<td>$1,575,000</td>
<td>85%</td>
<td>25</td>
<td>2</td>
<td>Sales</td>
<td>Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td></td>
<td>$65,625</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Group V (Athena)</td>
<td>Feb-18</td>
<td>Threshold</td>
<td>$1,337,500</td>
<td>85%</td>
<td>55</td>
<td>23</td>
<td>PILOT</td>
<td>Mortgage Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$131,063</td>
<td>YES</td>
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<tr>
<td></td>
<td>Niagara Label</td>
<td>May-18</td>
<td>Threshold</td>
<td>$1,925,000</td>
<td>85%</td>
<td>49</td>
<td>5</td>
<td>Sales</td>
<td>Tax</td>
<td>YES</td>
<td>Period of PILOT 10 Years</td>
<td></td>
<td>$286,036</td>
<td>YES</td>
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<tr>
<td></td>
<td>ROAR Logistics</td>
<td>Jun-18</td>
<td>Threshold</td>
<td>$2,610,000</td>
<td>85%</td>
<td>43</td>
<td>14</td>
<td>PILOT</td>
<td>Mortgage Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>$236,500</td>
<td>YES</td>
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<tr>
<td>1</td>
<td>Columbus Development</td>
<td>Jul-18</td>
<td>Threshold</td>
<td>$3,000,000</td>
<td>85%</td>
<td>30</td>
<td>8</td>
<td>PILOT</td>
<td>Mortgage Sales Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>$323,500</td>
<td>YES</td>
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<tr>
<td></td>
<td>Ebenezer Relcor</td>
<td>Jul-18</td>
<td>Threshold</td>
<td>$5,000,000</td>
<td>85%</td>
<td>84</td>
<td>11</td>
<td>Sales</td>
<td>Tax</td>
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<td>Amemotary Phase II</td>
<td>$1,936,686</td>
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<td>Northland II</td>
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<td>Threshold</td>
<td>$40,967,094</td>
<td>85%</td>
<td>0</td>
<td>8</td>
<td>Sales</td>
<td>Tax</td>
<td>YES</td>
<td>Period of PILOT 7 Years</td>
<td></td>
<td>$323,500</td>
<td>YES</td>
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</tr>
<tr>
<td></td>
<td>Michigan Broadway</td>
<td>Aug-18</td>
<td>Threshold</td>
<td>$6,634,244</td>
<td>85%</td>
<td>3</td>
<td>3</td>
<td>Mortgage Sales Tax</td>
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<td>2 years after Termination of Sales Tax</td>
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<td>$197,500</td>
<td>YES</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Pierce Arrow Kenska</td>
<td>Aug-18</td>
<td>Threshold</td>
<td>$34,355,000</td>
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<td>Mortgage Sales Tax</td>
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<td>$1,248,375</td>
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<tr>
<td></td>
<td>Emerson Huron</td>
<td>Aug-18</td>
<td>Threshold</td>
<td>$37,919,442</td>
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<td>60</td>
<td>0</td>
<td>Mortgage Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td>Amemotary 2017</td>
<td></td>
<td>YES</td>
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<tr>
<td></td>
<td>1485 Niagara, LLC</td>
<td>Oct-18</td>
<td>Threshold</td>
<td>$5,600,000</td>
<td>85%</td>
<td>53</td>
<td>1</td>
<td>Mortgage Sales Tax</td>
<td>YES</td>
<td>2 years after Termination of Sales Tax</td>
<td></td>
<td>$243,125</td>
<td>YES</td>
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</table>

### Total Rows

<table>
<thead>
<tr>
<th>Approval Date</th>
<th>Project Type</th>
<th>Project Amount</th>
<th>Investment</th>
<th>Jobs Retained</th>
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<th>Additional Findings</th>
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<th>Adaptive Reuse</th>
<th>Pay Equity</th>
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<tbody>
<tr>
<td>2018 Sub</td>
<td></td>
<td>$84,688,886</td>
<td></td>
<td>116</td>
<td>8</td>
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<td></td>
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<td>Total</td>
<td></td>
<td>$145,271,280</td>
<td></td>
<td>447</td>
<td>95</td>
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</tr>
</tbody>
</table>
467 Richmond Avenue, LLC/Rosanna Elizabeth Visual & Performing Arts Campus (REVPAC)
$10,775,636
AMENDATORY INDUCEMENT RESOLUTION

**Eligibility**

- NAICS Section - 531110

**Company Incentives**

- Approximately $345,625 in sales tax savings.
- Up to $50,000 in mortgage recording tax exemption.

**Employment**

- Current Employment - 3
- The project is anticipated to create 1 additional job after project completion

**Project History**

- 5/31/2017 - Public hearing held. Transcript attached
- 6/28/2017 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 6/28/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 10/23/2018 - Public Hearing held. No oral or written comments
- 11/28/2018 - Amendatory Inducement Resolution presented to the Board of Directors.

<table>
<thead>
<tr>
<th>Project Title</th>
<th>467 Richmond Avenue, LLC/Rosanna Elizabeth Visual &amp; Performing Arts Campus (REVPAC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Address</td>
<td>467 Richmond Avenue Buffalo, New York 14222 (Buffalo City School District)</td>
</tr>
</tbody>
</table>

Amended Agency Request

Approval is being sought to modify the original project description to include the addition of one 404 sq. ft. apartment unit which will serve as a live/work space for artists and will rent for approximately $800/month. The company will also be applying to the City of Buffalo for the 485-a real estate exemption. All other components of the project remain unchanged.

**Agency Request**

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

- Acquisition $192,026
- Building Addition $300,000
- Renovation $5,809,313
- Equipment $1,246,400
- Soft Costs $3,227,897
- Total Project Cost $10,775,636

**Company Description**

467 Richmond Avenue, LLC was formed by Rachel Ann and Ryan Heckt for the purpose of undertaking this project on behalf of the Rosanna Elizabeth Visual & Performing Arts Campus ("REVPAC"). The organization was formed specifically to support community-based projects that promote and support the arts and the social benefits derived from the arts, community development and other related social justice causes. REVPAC is an organization that will benefit performing arts groups by providing rehearsal space and a venue for performances for various artists and touring groups.

**Project Description**

The proposed project consists of the renovation and adaptive reuse of the property located at 467 Richmond Avenue which is the former Richmond Methodist Episcopal Church. The church is a historical structure and was constructed in the late 1800's. The facility which consists of 36,000 sq. ft. will be a campus for the utilization by performing arts groups and will incorporate and business meeting space, live/work space for artists and a recording studio.

REVPAC currently has 3 employees that will be located at the facility and the plan is to hire one additional employee.

In addition to the performing arts venue, the company plans to construct several market rate apartments on an adjacent property which will serve to create a revenue stream to cover the expenses of the campus. ECIDA sales tax and mortgage tax benefits will be limited solely to the renovation of the church, and the corporate and business meeting space. No benefits will be provided to the new housing component.
Retail Determination

<table>
<thead>
<tr>
<th>Use</th>
<th>Sq. Ft.</th>
<th>Cost</th>
<th>% of Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance/Event and Meeting Space</td>
<td>37,000</td>
<td>$6,109,313</td>
<td>100%</td>
</tr>
</tbody>
</table>

On June 28, 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.

Impact on Taxes

<table>
<thead>
<tr>
<th>Current Yearly Taxes</th>
<th>Estimated Increase in Assessed Value</th>
<th>Additional County Revenue over 485-a Abatement Period</th>
<th>Additional Local Revenue over 485-a Abatement Period</th>
<th>Additional Yearly Revenue Upon Expiration of Abatement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,200</td>
<td>$2,500,000</td>
<td>$193,000</td>
<td>$135,000</td>
<td>$83,000</td>
</tr>
<tr>
<td>Combined Tax Rate: $33.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Draft Recapture Material Terms

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</tr>
<tr>
<td></td>
<td></td>
<td>Total project Amount = $10,775,636</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% : $9,159,290</td>
</tr>
<tr>
<td>Employment</td>
<td>See Recapture Term</td>
<td>Maintain Base: 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create 85% of Projected:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Projected = 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85% = 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recapture Employment: 4</td>
</tr>
<tr>
<td>Local Labor</td>
<td>Construction Period</td>
<td>Adherence to policy including quarterly reporting</td>
</tr>
<tr>
<td>Unpaid Taxes</td>
<td>See Recapture Term</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>See Recapture Term</td>
<td>Adherence to policy</td>
</tr>
<tr>
<td>Recapture Period</td>
<td>2 years after project completion</td>
<td>State and Local Sales Taxes, Mortgage Recording Tax</td>
</tr>
</tbody>
</table>

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 3 positions and has created 1 additional position iii) adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.
REVPAC

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name
Rosanna Elizabeth Visual & Performing Arts Campus (REVPAC)

Applicant Name
467 Richmond Avenue, LLC.

Applicant Address
345 West Ferry

Applicant City
Buffalo

Applicant State
New York

Applicant Zip
14213

Phone
716-289-6247

Fax
716-630-7077

E-mail
bonnie_danni@hotmail.com

Website
richmondferrychurch.org

NAICS Code
53131

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
467 Richmond Avenue LLC

State and Year of Incorporation/Organization
2,014

List of stockholders, members, or partners of Real Estate Holding Company
Rachel Heckl, Ryan Heckl

Individual Completing Application

Name
Bonnie Danni

Title
Financial Manager

Address
345 West Ferry

Address 2

City
Buffalo

State
New York

Zip
14213
Phone  716-289-6247
Fax  716-630-7077
E-Mail  bonnie_danni@hotmail.com
Company Contact (if different from individual completing application)

Name: Rachel Heckl
Title: Owner
Address: 345 West Ferry
City: Buffalo
State: New York
Zip: 14213
Phone: 716-913-2709
Fax: 716-630-7077
E-Mail: rachelanneheckl@gmail.com

Company Counsel

Name of Attorney: Steven J. Weiss
Firm Name: Cannon Heyman & Weiss LLP
Address: 726 Exchange Street, Suite #500
City: Buffalo
State: New York
Zip: 14210
Phone: 716-856-1700
Fax: 716-856-2311
E-Mail: sweiss@chwattys.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: 2013

List all stockholders, members, or partners with % of ownership greater than 20%
Please include name and % of ownership.

Rachel Anne Heck 50% Ryan Heck 50%
Applicant Business Description

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

467 Richmond Avenue LLC was created to own, develop and facilitate the adaptive re-use of the former Methodist Church at Richmond and West Ferry and several adjacent vacant structures to form The Rosanna Elizabeth Visual & Performing Arts Campus (REVPAC). REVPAC will be home to performing arts groups and individuals with the goal of providing resources towards the self-sufficiency of performing artists and organizations.

Estimated % of sales within Erie County 100
Estimated % of sales outside Erie County but within New York State 0
Estimated % of sales outside New York State but within the U.S. 0
Estimated % of sales outside the U.S. 0

(*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.

There is no reason we can foresee why we would not be purchasing our annual supplies locally and utilizing vendors/suppliers from within Erie County. A table will be uploaded that isolates our projections for the next 10 years contained within our pro forma profit and loss statement.
Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations
n/a

Will the Proposed Project be located within a Municipality identified above?
No

In which Municipality will the proposed project be located
Buffalo

Address
467 Richmond Avenue, Buffalo, NY 14222

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
100.29.6.1.1

What are the current real estate taxes on the proposed Project Site
$12,200 annually.

Assessed value of land
39,100

Assessed value of building(s)
149,600

Are Real Property Taxes current?
Yes

If no please explain

Town/City/Village of Project Site
Buffalo

School District of Project Site
Buffalo

Does the Applicant or any related entity currently hold fee title to the Project site?
Yes

If No, Indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?
No

Describe the present use of the Proposed Project site
Currently, the previous church at Richmond and Ferry is vacant and has been for the better part of two decades. Before we
purchase the building and land, it was owned by a non-profit also hoping to develop it into a cultural arts center. When they were unable to accomplish all they hoped to with the funds they had been able to raise, the building and land were purchased by 467 Richmond Avenue, LLC.

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)

467 Richmond Avenue LLC will own, develop and facilitate the building of The Rosanna Elizabeth Visual & Performing Arts Campus (REVPAC). REVPAC will be home to performing arts groups and individuals with the goal of providing resources towards the self-sufficiency of performing artists and organizations. By doing so, our 467 Richmond Ave LLC through REVPAC aims to increase the productivity of these organizations (i.e. the generation of new works, performance pieces and installation pieces. Focusing on the movement arts primarily, REVPAC has strategically created multiple revenue streams that will cover the expenses of the Campus. By adding recording facilities, corporate and business meeting space, events and other revenue streams such as leases for residential housing (which is not a part of this application scope), REVPAC has guaranteed its ability to cover costs and permanent financing. The owner of 467 Richmond Avenue LLC, has identified a growing need in our City that has become increasingly difficult to accommodate. Dancers and movement artists are challenged when it comes to space for rehearsal and performances in the City of Buffalo and currently there are no performance spaces specifically tailored toward dance and movement artists. The work entails renovations to the original building that include a new addition, high efficiency equipment and a focus on green technology which will enhance this remarkable space that will retain its historic character. In addition to our incoming tenant list, additional tenants may utilize the building through StartUp NY for which the facility is designated and aligned with Buffalo State College. The project benefits from Historic Tax Credit (HTC) investment, has been awarded a loan through the Better Buffalo Fund/Buffalo Billion, and will utilize the City of Buffalo’s 485-a tax deferment program. NOTE: The project description has been modified slightly to add one 400 sq. ft. residential unit to the church building. The rent for this work/live loft will be appx. $800/month. The company will also be applying to the City of Buffalo to utilize their 485-a real estate exemption program.

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:

Without the assistance the ECIDA could provide, it will take longer to get to the point of construction. And, the facility will carry more dollars into permanent financing than desired. The project requires ECIDA assistance to help defray the extensive cost of renovation is to the structure which has been neglected for years and is currently on the National Registry of Historic Buildings, requiring very specific building materials that meet State Historic Preservation Office (SHPO) standards.

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)

The project seeks to provide a facility that does not currently exist in Erie County, that allows for job creation and expansion of business activities in art and music production. The location of the project will impact competitiveness, which is why the location in the west side and the particular complex of buildings is important to establishing jobs and retaining jobs for incoming tenant businesses hoping to stay in Erie County.

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

Significant investment has already been put into the project by ownership. The financial assistance ECIDA may provide allow us to begin construction over the summer months and maximize on the time of year before the winter season begins. This will allow us to achieve our anticipated opening date.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

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

Yes

Describe the present zoning/land use
Currently the facility located at 467 Richmond Avenue and the surrounding land is not being used and is awaiting construction to begin. The facility was previously a church zone A2.

**Describe required zoning/land use, if different**

The facility will be a multi-use facility located at 467 Richmond Avenue will be a visual and performing arts center part of a larger campus. The facility has been rezoned A3.

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

**Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?**

No

**If yes, please explain**

**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?**

Watts Architecture and Engineering have recommended and designed high efficiency equipment for the entire facility. Documents, cut sheets and plans can be provided.

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?**

No

If yes, please explain.

**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**  
**No Housing**  
**No Equipment Purchase**  
**Yes Multi-Tenant**  
**Yes Commercial**  
**No Back Office**  
**Yes Retail**  
**Yes Mixed Use**  
**No Facility for the Aging**  
**No Civic Facility (not for profit)**  
**No Other**
Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

$ 192,026 36,000 square feet 1 acres

New Building Construction

$ 0 square feet

New Building addition(s)

$ 300,000 1,000 square feet

Infrastructure Work

$ 0

Renovation

$ 5,809,313 36,000 square feet

Manufacturing Equipment

$ 0

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

$ 1,246,400

Soft Costs: (professional services, etc.)

$ 1,240,031

Other Cost

$ 1,987,866

Explain Other Costs

Stabilization, pre-construction, and developer fee

Total Cost

$ 10,775,636

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

$ 4,263,197

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

Yes

If Yes, describe particulars:

$1,294,928 of the Other Costs have been paid by the Owner and are reflected as Owners Equity in our Capital Stack.

Sources of Funds for Project Costs:

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

$ 1,294,928

Bank Financing:

$ 4,263,197

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):

https://www.ecidany.com/app/tax-incentive-application-2014/print/672
$ 0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs: $5,558,125

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. $4,903,571

Lender Name, if Known TBD

Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above): $36,776

Construction Cost Breakdown:

Total Cost of Construction $9,200,923 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials $3,184,357

% sourced in Erie County

80%

% sourced in State

100% (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 $3,950,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): $345,625

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: City of Buffalo 485-a

For proposed facility please include # of sq ft for each of the uses outlined below

<table>
<thead>
<tr>
<th>Use</th>
<th>Cost</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Processing</td>
<td>0 square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Warehouse</td>
<td>0 square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>0 square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Commercial</td>
<td>34,000 square feet</td>
<td>$5,742,754</td>
</tr>
<tr>
<td>Retail</td>
<td>0 square feet</td>
<td>$0</td>
</tr>
<tr>
<td>Office</td>
<td>2,000 square feet</td>
<td>$366,558</td>
</tr>
</tbody>
</table>

https://www.ecidary.com/app/tax-incentive-application-2014/print/672
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)

Provide estimate of additional construction cost as a result of LEED certification you are seeking

0

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

7/1/2017

End date: Estimated completion date of project

12/30/2018

Project occupancy: estimated starting date of operations

1/1/2018

Have construction contracts been signed?

Yes

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):

<table>
<thead>
<tr>
<th>Current # of jobs at proposed project location or to be relocated at project location</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE and PT jobs to be RETAINED</th>
<th>IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Part time</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

** The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be

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

4

0
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 PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th># of Employees Retained and Created</th>
<th>Average Salary for Full Time</th>
<th>Average Fringe Benefits for Full Time</th>
<th>Average Salary for Part Time (if applicable)</th>
<th>Average Fringe Benefits for Part Time (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>0</td>
<td>$ 55,000</td>
<td>$ 10,500</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>$ 50,000</td>
<td>$ 10,500</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Administrative</td>
<td>0</td>
<td>$ 25,000</td>
<td>$ 8,013</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>$ 36,000</td>
<td>$ 9,113</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>0</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

Employment at other locations in Erie County: (provide address and number of employees at each location):

<table>
<thead>
<tr>
<th>Address</th>
<th>Full time</th>
<th>Part time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>


Will any of the facilities described above be closed or subject to reduced activity?

No

**Payroll Information**

**Annual Payroll at Proposed Project Site**

$ 170,613

**Estimated average annual salary of jobs to be retained (Full Time)**

$ 47,000

**Estimated average annual salary of jobs to be retained (Part Time)**

$ 0

**Estimated average annual salary of jobs to be created (Full Time)**

$ 47,000

**Estimated average annual salary of jobs to be created (Part Time)**

$ 0

**Estimated salary range of jobs to be created**

<table>
<thead>
<tr>
<th>From (Full Time)</th>
<th>To (Full Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 36,000</td>
<td>$ 55,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>From (Part Time)</th>
<th>To (Part Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

**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**

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

**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**

**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)**

The project will receive Historic Tax Credit (HTC) investment dollars, has been awarded a $1.5M loan through the Better Buffalo Fund and will utilize the City of Buffalo’s 485(a) tax program. The project will likely qualify for National Grid Energy Assistance programs as well.
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 need for visual and performing arts space impacts many artists in the area. Many are in need of reasonably priced space and collaboration opportunities which this campus will provide.

Have any tenant leases been entered into for this project?
Yes

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. |
Section IV: Tenant Information
Section V: Environmental Questionnaire

General Background Information

Address of Premises  467 Richmond Avenue Buffalo, New York 14222
Name and Address of Owner of Premises  Rachel Anne Heck! 540 Massachusetts Buffalo, New York 14213 Ryan Heck! 706 Pavement Road Lancaster, New York 14086

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

The REV PAC facility resides in the Richmond Ferry residential neighborhood within a few blocks of the Elmwood Village. The former church lies on the Ferry Circle a restored portion of the historic Olmsted Parks and Parkways system. The Church is less than a mile from the Grant Ferry business district.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The facility was previously an Episcopal/Methodist church. As attendance dropped over the years, it was no longer sustainable as a church. As a result, for many years it was vacant. Purchased by a non-profit group, renovations began to convert the facility into an arts center. Funding was not available to complete the renovations and the current owner purchased the facility in 2014.

Describe all known former uses of the Premises

- A church

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

- No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

- No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

- No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

- No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

- No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

- No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises
Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

N/A

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water’s classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials
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:

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

Within New York State  No

Within Erie County  No

If Yes to either question, please explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?  No

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.)

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 docs etc.)

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?  <BLANK>

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

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in? 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.
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)?  131

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.  12

If underutilized, number of years underutilized.  20

Describe the use of the building during the time it has been underutilized: The building has been empty

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)  No

If yes, please provide dollar amount of income being generated, if any  $

If apartments are planned in the facility, please indicate the following:

<table>
<thead>
<tr>
<th></th>
<th>Number of Units</th>
<th>Sq. Ft.</th>
<th>Low to High</th>
<th>Rent Range Low to High</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>1</td>
<td>404</td>
<td>$</td>
<td>800</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>0</td>
<td>0</td>
<td>$</td>
<td>0</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>0</td>
<td>$</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>$</td>
<td>0</td>
</tr>
</tbody>
</table>

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  $3,000,000

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)

Because of the age of the building and its status on the National Registry of Historic Places, very specific construction methods and materials must be utilized that conform to state and federal historical standards, raising the cost of construction significantly. The age and deterioration of the building as well as the remediation of toxic materials adds additional costs to the renovation budget. Also, the project permanent financing will increase by the amount of the assistance that tax abatement could offer us.

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 project has been vocally supported by the district of Niagara Coucilmember during planning board and zoning board hearings. The project is known to the City of Buffalo, Mayor's office, Empire State Development, Buffalo Urban Development Corporation and other entities. The project has also received support letters from the community. These letters are attached.

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

This site has historical significance and is presently vacant sitting in the middle of the Richmond Ferry area.
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?

No

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.

Is the project consistent with the applicable municipal master plan?

Yes

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

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

No

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

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?

No

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?

Yes

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

The Richmond Ferry area is a residential area in the Elmwood Village area. The former church we restoring sits on the circle of Richmond and Ferry. Residents want to see the space be useful again in this community as it has been vacant for the better part of two decades.

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

No

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures 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?

No

If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA 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)

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?

No

If yes, please describe provide a narrative citing key facts that substantiate this finding.
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? 100 %

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 the question above 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, Chautauqua and Cattaraugus counties) in which the project will be located? No

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? No

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

Is the project located in a Highly Distressed Area? Yes
To: Policy Committee

Date: November 1, 2018

Ref: 467 Richmond/Rosanna Elizabeth Virtual & Performing Arts Campus (REVPAC) Tax Certification

Background:

This project was approved at the June 2017 Board meeting for a mortgage and sales tax benefit. The project consists of the renovation and adaptive reuse of the property located at 467 Richmond which is the former Richmond Methodist Episcopal Church. The facility will be turned into a campus for performing arts groups and will incorporate business meeting space, live/work space for artists and a recording studio. The redevelopment plan also included the construction of several apartment units on an adjacent piece of property to create a revenue stream for the operation and to help defray the costs of the campus. IDA benefits are limited to the former church property and are not being provided to the adjacent new construction.

Tax Certification:

At the time of the June 2017 application the company signed the Unpaid Tax Certification indicating that there were no unpaid taxes on the property. Upon verification it has been determined that at the time of certification there were past due taxes owing on the property:

On the day the cert was signed (May 12, 2017) the following taxes were due for the 467 Richmond Property:

- To the County: $3,400 – not including int. and penalty
- To the City: $14,596 – not including int. and penalty

REVPAC was made aware that the certificate was signed while back taxes were due and owed. REVPAC indicated to staff that their intentions were to pay off the remaining unpaid taxes as part of an overall financing for the project. On October 24th, REVPAC paid the remaining unpaid taxes on the property and provided proof of payment to ECIDA as follows:

- To the County: $5,973.49
- To the City: $4,626.78

To date all taxes on 467 Richmond are paid and current.

Although the company was approved for a mortgage benefit on a $5M financing for the project, ECIDA staff informed the company that no benefits including the mortgage tax could be
provided until the Board considered the tax certification issue. As part of the overall financing which occurred on October 24th, REVPAC moved forward with a Mortgage on the property without ECIDA mortgage tax abatement. To date REVPAC has not received any of the ECIDA benefits which were approved in June 2017.

**Policy Considerations/Actions:**

As part of the ECIDA application, the certification of unpaid taxes is treated as a material term. The Unpaid Tax Policy adopted by the ECIDA in December of 2015 states that the ECIDA in its discretion will consider the disclosure information and any additional information relating to unpaid property taxes as a critical component in its determination to issue financial assistance. Although the policy specifically discussed disclosure of unpaid taxes, it was not specific regarding undisclosed and unpaid taxes at the time of certification. It is implied in the policy that the Board has broad discretion to take in account specific facts and circumstances surrounding unpaid tax situations.

It is recommended that the Policy Committee review the relevant facts regarding the REVPAC tax certification, unpaid taxes and current tax status of the proposed project and determine whether the committee would make a recommendation to the ECIDA Board regarding such.

It is also recommended that prior to any action by the ECIDA board, that REVPAC provide an updated unpaid tax certification.

A recent review of a project in which the tax certification was not accurate at the time of application resulted in the ECIDA board voting to re-affirm the previously approved inducement resolution. This would be the recommended procedure to follow if the ECIDA Board after a review of the relevant facts determines that the previously approved incentives be allowed to be utilized by REVPAC.