

Arbor Multi-Family Housing, LLC
\$2,100,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 525990

COMPANY INCENTIVES

- Approximately \$ 183,750 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs: 168
- Salary/yr. of jobs retained: \$72,000
- Annual Payroll: \$ 12,840,000
- Projected new jobs: 25
- Est. salary/yr. of jobs created: \$70,000
- Total jobs after project completion: 193
- Construction Jobs: 0

PROJECTED COMMUNITY BENEFITS*

- Term: project completion + 2 years
 - NET Community Benefits: \$ 58,213,128
 - Spillover Jobs: 158
- Total Payroll: \$ 54,901,860

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$ 183,750
 Community Benefit: \$ 55,911,058
 Cost: Benefit Ratio 1:304

Project Title: Arbor 2022 Relocation
 Project Address: 500 Colvin Woods, Tonawanda, NY 14150
 Ken-Ton Union Free School District

Agency Request

A sales tax abatement in connection with the equipping of 30,000 sq ft existing building within the Colvin Woods Business Park in Tonawanda, NY.

Non- Manufacturing Equipment	\$ 2,000,000
Soft Costs/Other	\$ 100,000
Total Project Cost	\$ 2,100,000
85%	\$ 1,785,000

Company Description

Arbor Multi-Family Lending, LLC (Arbor) is an experienced loan servicer rated by S&P and Fitch for commercial and special servicing. In 2000 the company relocated its loan servicing operations to Erie County from Boston, MA and hired its first 5 local employees. Arbor’s in-house multifamily servicing and asset management teams extend financial partnerships with commercial and multi-family clients, assisting through the life-cycle of all loans. Currently based in Depew (Lancaster), Arbor’s nationwide serviced portfolio includes mezzanine financing, permanent deals, construction/funded-forward products, REIT/securitized transactions and HUD insured projects.

Project Description

Arbor has outgrown the 22,000 sq ft space of their current facility at 3370 Walden Ave, Depew (Lancaster). With their lease expiring in 2022 and an inability to expand their current space - the company undertook an extensive search to find a new location meeting the company’s space requirements (30,000 sq ft +/-) located within a reasonable distance from their current operations. Other requirements included: access to major highways, a building generator, high visibility outdoor signage, ample parking and employee amenities – a key component to attracting and retaining the best candidates in a highly competitive labor market. The company complied with the UTEP Inter-Municipal Move Policy engaging their landlord and the Lancaster IDA to find a new location. After an extensive search, the company has identified 30,000 sq ft of available space at 500 Colvin Woods, Tonawanda, to lease on the 2nd fl of this existing office building. The company plans to purchase new office furniture, AV equipment, build out a state-of-the-art computer room, an upscale breakroom and employee lounge. New computer equipment will enable Arbor to be more efficient and reduce use of paper. The creation of an attractive work environment will appeal to prospective job applicants and enable Arbor to retain current talent – allowing Arbor to remain competitive in the industry and achieve their goals.

*Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	0
	Sales	183,750
	Mortgage Recording	0
	Total	183,750
	Discounted at 2%	183,750

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	0
			Payroll Permanent	54,901,860
		Public	Property Taxes	
			Sales Taxes	456,372
	New York State	Public	Income Taxes	2,470,584
			Sales Taxes	384,313
			Total Benefits to EC + NYS***	58,213,128
			Discounted at 2%	55,911,058

*Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period ***may not sum to total due to rounding

Discounted Cost \$ 183,750
 Discounted Benefit \$ 55,911,058
 Ratio 1:304

Conclusion: The Cost Benefit for this project is: 26:1. For every \$1 in costs (incentives), this project provides \$304 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$533 in benefits to the community.**

*Cost Benefit Analysis Tool powered by MRB Group

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$ 2,100,000 85% = \$ 1,785,000
Employment	2 years following project completion.	Maintain Base = 168 Create 85% of Projected Projected = 25 85% = 21 Recapture Employment = 189
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	2 years following project completion.	Adherence to Policy
Unpaid Tax	2 years following project completion.	Adherence to Policy
<u>Recapture Period</u>	2 years following project completion.	Recapture of state and local sales taxes

Recapture applies to:

State and Local Sales Taxes

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) company has maintained 168 jobs and created 21 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 12/23/21: Public hearing held.
- Type II Action – No SEQR required
- 01/26/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors