

1016 East Delavan, LLC
\$ 33,067,799
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 236220

COMPANY INCENTIVES

- Approximately \$2,859,900 in real property tax savings
- Up to \$1,177,537 in sales tax savings
- 3/4 of 1% of the final mortgage amount up to \$ 175,249

JOBS & ANNUAL PAYROLL

- Current Jobs: 16 FT, 35 PT
- Annual Payroll: \$ 2,393,000
- Projected new jobs:15 PT
- Est. salary/yr. of PT jobs created: \$ 30,000
- Projected retained jobs: 16 FT, 35 PT
- Est. salary/yr. of FT jobs retained: \$ 59,600.
- Total jobs after project completion: 16 FT, 50 PT
- Construction Jobs: 151

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$61,768,005
 - Spillover Jobs: 137
- Total Payroll: \$57,525,129

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

Incentives: \$3,937,286

Community Benefit: \$57,562,203

Cost: Benefit Ratio

- 1:15

Project Title: BPS Commissary Kitchen

Project Address 1016-1044 East Delavan Ave, Buffalo, NY 14215
 (Buffalo Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of a nearly 67,000 sq ft light industrial building that will serve as the new commissary kitchen for the Buffalo Public Schools.

Land / Building Acquisition	\$ 1,250,000
New Building Construction	\$22,267,479
Non- Manufacturing Equipment	\$ 3,921,995
Soft Costs/Other	\$ 5,628,325
Total Project Cost	\$33,067,799
 85%	 \$ 28,107,629

Company Description

The property and new commissary will be solely and wholly owned by 1016 East Delevan, LLC, a limited liability company. 1016 East Delavan, LLC was created for the purpose of providing a new commissary kitchen for Buffalo Public Schools and is an arm of McGuire Development Company. McGuire Development Company was founded in 1960 and has a diverse portfolio and proven track record of producing high quality development projects for municipalities. Recent projects include the redevelopment of 75 West Huron into the Buffalo School of Culinary Arts and Hospitality Management.

Project Description

The project consists of the construction of a 67,000 sq ft single story commissary kitchen for the sole use of the Buffalo Public Schools (BPS) to prepare and distribute school meals to all schools in the district. The existing facility could not meet the needs of the new programming requirements of the student meal plan created by the BPS. As part of this initiative the facility will cook onsite, using locally grown products, creating fresh and high-quality meal options for students. The new building will include office space for administraton and a test kitchen that will serve as a conference room / community space available for local community meetings and training for food service employees. The BPS needed a facility that can function at a higher level and promote healthier meals for students and promote a safe environment for its staff. The facility will distribute over 27,000 meals per day during the school year and 10,000 meals during the school's summer program.

* 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	\$2,859,900
	Sales	\$1,177,537
	Mortgage Recording	\$175,249
	Total	\$4,212,686
	Discounted at 2%	\$3,937,286

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$20,546,960
			Payroll Permanent	\$36,978,169
		Public	Property Taxes	\$714,975
			Sales Taxes	\$478,178
			Other Muni Revenue (NFTA)	\$58,417
	New York State	Public	Income Taxes	\$2,588,631
			Sales Taxes	\$402,676
			Total Benefits to EC + NYS***	\$61,768,005
			Discounted at 2%	\$57,562,203

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

Discounted Cost \$3,937,286
 Discounted Benefit \$57,562,203
 Ratio 1:15

Conclusion: The Cost Benefit for this project is: 15:1. For every \$1 in costs (incentives), this project provides \$15 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$17 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 3,186	\$ 14.7 M	\$152,788	\$ 562,187	\$ 360,673
Combined Tax Rate: \$ 24.31888				

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 = \$33,067,799 85% = \$ 28,107,629
Employment	Coincides with 10-year PILOT	Maintain Base = 16 FT, 35 PT Create 85% of Projected Projected = 15 PT 85% = 12 PT Recapture Employment = 16 FT, 47 PT
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
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) company has maintained 16 FT, 35 PT jobs and created 12 PT jobs (85% of projected), 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

- 6/27/23: Public hearing held.
- 7/26/23: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 7/26/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors