

1016 East Delavan, LLC \$ 35,327,500 AMENDATORY INDUCEMENT RESOLUTION																						
ELIGIBILITY <ul style="list-style-type: none"> • NAICS Section – 236220 	Project Title: BPS Commissary Kitchen																					
COMPANY INCENTIVES <ul style="list-style-type: none"> • Original: Approx \$2,859,900 in real property tax savings. Amended: \$0 prop tax savings • Original: Up to \$1,177,537 in sales tax savings Amended: Up to \$1,263,247 in sales tax savings • Original: 3/4 of 1% of the final mortgage amount up to \$175,249 Amended: Up to \$216,750 in mortgage recording tax savings 	Project Address: 1016-1044 East Delavan Ave, Buffalo, NY 14215 (Buffalo Central School District) <p style="text-align: center;">Amended Agency Request</p> <p>Adjustments to project and resulting incentives to reflect 1) the Buffalo School District's intent to purchase the building post construction (no PILOT needed) and 2) increased project costs.</p> <p style="text-align: center;">Agency Request</p> <p>A sales and mortgage recording 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.</p>																					
JOBS & ANNUAL PAYROLL <ul style="list-style-type: none"> • Annual Payroll: \$ 2,393,000 • Current Jobs: 16 FT, 35 PT • Avg salary/yr. - retained jobs FT = \$ 59,600, PT = \$30,000 • Projected new jobs: 15 PT • Est. salary/yr. of PT jobs created: \$ 30,000 • Total jobs after project completion: 16 FT, 50 PT • Construction Jobs: 156 	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Prior</th> <th style="width: 20%; text-align: center;">Current</th> </tr> </thead> <tbody> <tr> <td>Land / Building Acquisition</td> <td style="text-align: right;">\$ 1,250,000</td> <td style="text-align: right;">\$ 1,110,000</td> </tr> <tr> <td>New Building Construction</td> <td style="text-align: right;">\$22,267,479</td> <td style="text-align: right;">\$ 26,249,298</td> </tr> <tr> <td>Non- Manufacturing Equipment</td> <td style="text-align: right;">\$ 3,921,995</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Soft Costs/Other</td> <td style="text-align: right;"><u>\$ 5,628,325</u></td> <td style="text-align: right;"><u>\$ 6,775,786</u></td> </tr> <tr> <td>Total Project Cost</td> <td style="text-align: right;">\$33,067,799</td> <td style="text-align: right;">\$34,135,084</td> </tr> <tr> <td>85%</td> <td style="text-align: right;">\$28,107,629</td> <td style="text-align: right;">\$29,014,821</td> </tr> </tbody> </table> <p style="text-align: center;">Company Description</p> <p>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.</p> <p style="text-align: center;">Project Description</p> <p>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 administration and a test kitchen that will serve as a conference room / community space available for local community meetings & training for food service employees. The BPS needed a facility that can function at a higher level -promoting healthier meals for students and promoting 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. BPS has chosen to purchase the building from McGuire instead of being a building tenant. BPS will directly purchase equipment.</p>		Prior	Current	Land / Building Acquisition	\$ 1,250,000	\$ 1,110,000	New Building Construction	\$22,267,479	\$ 26,249,298	Non- Manufacturing Equipment	\$ 3,921,995	\$ -	Soft Costs/Other	<u>\$ 5,628,325</u>	<u>\$ 6,775,786</u>	Total Project Cost	\$33,067,799	\$34,135,084	85%	\$28,107,629	\$29,014,821
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PROJECTED COMMUNITY BENEFITS* <ul style="list-style-type: none"> • Term: 2 YEARS after project completion • NET Community Benefits: \$ 33,417,739 • Spillover Jobs: 141 • Total Payroll: \$ 31,448,737 																						
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)* Incentives: \$ 1,479,997 Community Benefit: \$ 32,989,241 Cost: Benefit Ratio <ul style="list-style-type: none"> • 1: 22 																						

* 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	\$1,263,247
	Mortgage Recording	\$ 216,750
	Total	\$1,479,997
	Discounted at 2%	\$1,479,997

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$21,210,127
			Payroll Permanent	\$10,238,610
		Public	Property Taxes	\$ 0
			Sales Taxes	\$ 261,417
			Other Muni Revenue (NFTA)	\$ 72,250
	New York State	Public	Income Taxes	\$ 1,415,193
			Sales Taxes	\$ 220,141
			Total Benefits to EC + NYS***	\$33,417,739
			Discounted at 2%	\$32,989,241

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

Discounted Cost \$ 1,479,997
 Discounted Benefit \$32,989,241
 Ratio 1:22

Conclusion: The Cost Benefit for this project is: 22:1. For every \$1 in costs (incentives), this project provides \$22 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$22 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	n/a	n/a	n/a
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 = \$34,135,084 85% = \$ 29,014,821
Employment	Coincides with recapture period	Maintain Base = 16 FT, 35 PT (33 FTE) Create 85% of Projected Projected = 15 PT 85% = 12 PT (6 FTE) Recapture Employment = 39 FTE
Local Labor	Coincides with recapture period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to Policy
Unpaid Tax	Coincides with recapture period	Adherence to Policy
<u>Recapture Period</u>	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) 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
- 2/26/24: Public hearing held.
- 3/27/24: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 3/27/24: Amended Lease/Leaseback Inducement Resolution presented to the Board of Directors