

128 Pearl, LLC
\$1,840,427
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 531110
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$16,500 in mortgage recording tax savings • Approximately \$62,492 in sales tax savings
EMPLOYMENT
<ul style="list-style-type: none"> • The project is anticipated to create 1 job (two years after project completion)

PROJECT HISTORY
<ul style="list-style-type: none"> • No public hearing required since estimated benefit amount is less than \$100,000 • 03/22/2017-ECIDA Board adopts a Negative Declaration in accordance with SEQRA. • 03/22/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: 128 Pearl, LLC

Project Address: 128 Pearl Street
 Buffalo, New York 14202
 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the redevelopment and adaptive reuse of the former St. Paul’s Episcopal Church Parish House.

Renovation	\$1,428,380
Soft Costs	\$ 412,047
Total Project Cost	\$1,840,427
85%	\$1,564,362

Company Description

St. Paul’s Cathedral in Buffalo has owned the property located at 128 Pearl Street since it was built in 1896. The property has been exempt since that time. The church created 128 Pearl, LLC, a for-profit taxable entity, to leverage the historic tax credit program and adaptively reuse the structure.

The structure was originally home to the Church’s offices and administrative functions until 2011 when they relocated to a more visible, handicap accessible structure at 4 Cathedral Place.

Project Description

The redevelopment plan for 128 Pearl Street includes the construction of 7 apartments and approximately 950 sq. ft. of commercial/office space. The apartment composition includes (3) 760 sq. ft. 1-BR units leasing for approximately \$1,150 per month and (4) 1,300 sq. ft. 2-BR units leasing for approximately \$1,900 per month. Parking will be provided in a surface lot one block from the project location.

The facility is over 120 years old and has been vacant for the past 5 years.

Schneider Development and Schneider Architectural will act as 3rd party consultants assisting in the redevelopment of the structure.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 12-Year 485-a Abatement Period	Additional City Revenue over 12-Year 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$820,000	\$63,000	\$44,000	\$27,000
Combined Tax Rate: \$34.00				

Retail Determination

Use	S. Ft.	Cost	% of Project Cost
Residential	9,315	\$1,670,180	91%
Commercial /Retail	950	\$ 170,247	9%
Total	10,265	\$1,840,427	100%

Since the retail component of the project represents 9% of the project costs, no sign off by the County is required.

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Project Amount = \$1,840,427 85% = \$1,564,362
Employment	2 years after project completion	Create 85% of Projected Projected = 1 85% = 1
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after project completion	State and Local Sales Taxes Mortgage Tax

Recapture applies to:

- State and local sales taxes
- Mortgage 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 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 1 employee at the facility; iii) its adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.