



In the News

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ECIDA's lending division approves \$3 million in loans for TM Montante Development's Gates Circle project and manufacturer Boston Valley Terra Cotta

\$2 million loan for Gates Circle project is one of the largest in the agency's history

Buffalo, NY— The Erie County Industrial Development Agency's lending arm approved a \$2 million loan Wednesday to TM Montante Development for remediation of the Gates Circle property in the City of Buffalo. The \$2 million loan represents one of the largest loans granted by the ECIDA's Regional Development Corporation (RDC) loan division.

Erie County Executive Mark C. Poloncarz said, "One of Erie County's most iconic intersections and travel routes is poised for a complete makeover with today's announcement of ECIDA bridge loan funding to assist TM Montante in the redevelopment of the historic Millard Fillmore Hospital Gates Circle site. The hulking former hospital building will be demolished and replaced with an inviting, mixed-use urban parcel that complements surrounding neighborhoods, invites economic development, and underscores the vibrancy in the heart of the City. Wise use of ECIDA funding is assisting in the transformation of our region and the invigoration of the Gates Circle area, and we look forward to the project getting underway."

City of Buffalo Mayor Byron Brown stressed the significance of redeveloping the huge parcel bordered by Linwood Avenue, Delaware Avenue and West Delevan.

"This is another important step forward for TM Montante Development's estimated \$150 million project that will redevelop the site of the former Millard Fillmore Hospital campus at Gates Circle into a vibrant, mixed-use urban district," said Mayor Byron Brown. "Gates Circle is an important connection point in our city. This project places Buffalo in a position to generate additional investment and business expansion throughout our city, while further enhancing the neighboring Olmsted Park System. Today's financial support from the ECIDA is great news and we're excited for construction to begin on yet another major project."

The County Executive and the Mayor are members of the ECIDA and RDC Boards by virtue of their elected offices.

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TM Montante Development submitted the winning plan for the vacant property after several options and studies were considered and either rejected or fell through.

"We are very appreciative of this \$2 million bridge loan and encouraged by the widespread support our vision for the future of Gates Circle continues to receive," said Matthew Montante, chief operating officer, TM Montante Development. "From the County Executive, the Mayor and the Erie County Industrial Development Agency, to the Regional Economic Development Council and our State representatives, the redevelopment of this signature parcel has been recognized as a priority project for our community. Their collective understanding of the importance of this project to the City of Buffalo and surrounding neighborhoods, and their recognition of the complex and challenging task of transforming the site from its past use to its future life, are central to the project's success."

Although the \$2 million is one of the largest made by the RDC, the Board voted unanimously in favor of granting the loan at Wednesday's meeting.

"Our position as an independent, public benefit corporation allows us to take risks with loans that a traditional lender might not otherwise make," said ECIDA President and CEO Steve Weathers. "Providing financing for the remediation and demo portion of the Gates Circle project was critical to TM Montante Development's exceptional plan for the property, and the RDC Board wanted to see this project go forward."

The RDC Board also unanimously granted another historically large loan—\$1 million—to Boston Valley Terra Cotta for the purchase of manufacturing equipment and "working capital needs" as they expand their Orchard Park manufacturing facility. The expansion will add 26 jobs to the 119 currently employed there.

The world-renowned company manufactures a wide variety of architectural terra cotta products, including roof tiles, sculptured siding, cornices and gargoyles, and specializes in historical restoration work.

The ECIDA Board of Directors unanimously approved tax savings for two businesses, Derrick Corporation and Lazarus Properties, LLC.

Cheektowaga manufacturer Derrick Corporation was granted approximately \$65,000 in sales tax savings and \$74,000 in real property tax savings for the proposed 5,500 sq. ft. expansion of their Cheektowaga research center. Two jobs from their current workforce of 477 are dependent on the project, which Derrick says is critical to their remaining competitive. At an annual payroll of \$134,000 for the two jobs, that represents \$938,000 invested into the community in the form of employee paychecks from Derrick over the seven-year term of the PILOT.

"Derrick Corporation is a great example of a company that has leveraged previous ECIDA incentive packages and grown its workforce from 200 in 1990 to 477 today. They know how to create successful public-private partnerships that result in economic growth for Erie County," said ECIDA Vice President John Cappelino.

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Buffalo spirits company Lazarus Properties, Inc, LLC will receive approximately \$72,000 in sales tax savings, and \$20,000 in a one-time elimination of the mortgage recording fee for the acquisition and development of 65 Vandalia Street in Buffalo. The facility will be developed into a craft distillery producing gin, vodka and whiskey, and will also house Queen City Malting, the first malt house in Western New York in nearly four decades. Eleven new jobs will be created, at an average salary of \$35,000, for an annual payroll of \$385,000.

The Erie County Industrial Development Agency is an independent, public benefit corporation sanctioned by the State of New York to offer tax incentives to qualified businesses, and is dedicated to furthering economic development, adaptive reuse of qualified properties, job creation and ensuring a thriving business environment in Erie County. The staff of the ECIDA are not employees of the City of Buffalo, the County of Erie, or the State of New York. The ECIDA does not receive operating funds from taxpayer revenues. The ECIDA receives its operating funds by collecting fees from businesses that enter into contracts with the Agency, from investments, and from loan fees.

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