



# In the News

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## ECIDA Board approves \$3.2 million in tax savings for four projects, generating \$29.3 million in private investment *\$250,000 loan for Niagara Lubricant project also approved*

Buffalo, NY— The Erie County Industrial Development Agency’s Board of Directors approved incentives for four Western New York projects Wednesday, ensuring more than \$29.3 in private investment in Erie County, and opening the door for the revitalization of three Historic Register structures in the City of Buffalo.

### **960 Busti Avenue**

The 93-year-old brick building at 960 Busti Avenue and Niagara Street—long a dilapidated, graffiti-covered eyesore—will soon be home to 27,000 sq. ft. of commercial space, and 23,000 sq. ft. of residential space, rehabilitated by Ellicott Development.

The ECIDA Board approved approximately \$284,000 in sales tax savings for purchases of construction materials and other equipment, and a one-time elimination of the mortgage recording tax fee, approximately \$55,000 on their \$5.5 million mortgage. The total cost of the project will be \$7 million.

This project and the two others in the City approved Wednesday fall under the ECIDA’s “Adaptive Reuse” policy, which focuses on reinvestment in urban areas and existing buildings. In this case a building that has been empty for twenty years will generate an estimated \$176,000 in tax revenue to the County, and \$149,000 in revenue to the City of Buffalo during the abatement period.

“This type of neighborhood revitalization is exactly what the adaptive reuse policy is designed to do,” said ECIDA President and CEO Steve Weathers. “The Niagara Corridor is attracting investment, but because of the deteriorated state of many of the structures, many developers have difficulty making the projects economically feasible without these kinds of incentives,” Weathers added.

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### **Phoenix Brewery Apartments**

Sinatra and Company developers will transform the former Phoenix Brewery complex at 835-847 Washington Street, into 30 luxury apartments, ranging from 750 sq. ft. to 1,250 sq. ft., with an average monthly rent of \$1,500.

As another adaptive reuse project, Sinatra was approved for \$251,000 in sales tax on the purchase of construction materials and other equipment, and a one-time elimination of the 1% mortgage recording fee, which for the \$6.5 million mortgage on this property will be a savings of \$65,000. The total cost for the 55,000 sq. ft. building, which will also provide private parking for 24 residents at the corner of Washington and Virginia, will be \$7.6 million.

In a letter of support for the project, U.S. Congressman Brian Higgins wrote "...this company's vision includes the first of its kind partnership with the 'Say Yes Buffalo' program in which The Phoenix Brewery Apartments LLC will donate 10% of its projects once stabilized to this board based community education collaborative to increase high school and postsecondary completion rates."

### **251 Main Street**

A group of investors were approved for \$348,000 in sales tax savings on construction equipment and other materials, and a one-time elimination of the 1% mortgage recording fee to rehabilitate the vacant 251 Main Street in Buffalo into 36 apartments and commercial space.

MSBP 251, LLC will save \$65,000 on the mortgage recording fee, and the total cost to renovate the 46,500 sq. ft. structure will be \$8.2 million.

Marine Midland Bank was the last tenant to utilize the building, which is the only surviving structure in Buffalo with its entire five story façade made of cast iron.

The developers cited lead based paint and asbestos remediation as factors in their need for the incentives.

City of Buffalo Mayor Byron Brown said in his letter of support, "This project will help to eliminate blight on this section of Main Street by bringing new economic and residential life to this building."

### **2839-2871 Broadway [Broadway Development Park]**

Benderson Development, which successfully converted the former Donovan Building adjacent to Canalside into a mixed-use facility, applied for incentives to construct two "spec" buildings totaling 100,000 sq. ft. in The Broadway Development Park Town of Cheektowaga.

The ECIDA Board approved \$328,000 in sales tax savings for construction materials and other equipment, and approximately \$570,000 in property tax savings (over a seven-year PILOT period).

Cheektowaga Town Supervisor Mary F. Holtz cited Benderson's successful first two phases of the project, which saw five "spec" buildings created and almost fully leased, that "lead to the creation of approximately 250 jobs to date. The project continues to hold the promise of more good paying jobs for our area," she noted.

The total cost invested by Benderson to build the two buildings will be \$6.5 million.

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### **Niagara Lubricant**

ECIDA lending arm Regional Development Corporation's Board of Directors approved a \$250,000 loan to Niagara Lubricant Company for gap funding for the purchase of new equipment. The Board heard the application, which was below the normal \$350,000 threshold for Board approval, because Niagara Lubricant has an existing loan balance that when added to this loan request, exceeds that limit.

"Niagara Lubricant is one of our best success stories," said ECIDA Executive Vice President John Cappellino. "They are a local, family-owned company that turned to the ECIDA when they could not find financing to stay in business after a terrible fire destroyed their building. We helped them piece together financing through the ECIDA and Grow America Fund, and now they are not only fully operational with 31 employees but ready to expand, and create five more jobs," Cappellino said. "That is a long way from them almost having to shut down the company a few years ago," he added.

*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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