



In the News

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ECIDA Board approves refinancing Buffalo School Bonds, \$1.8 million in tax savings for two projects, *District will save \$30 million in financing costs*

Buffalo, NY— The Erie County Industrial Development Agency’s Board of Directors approved incentives for two projects Wednesday, and agreed to refinance bonds for the Joint Schools Construction Board, saving the Buffalo School District nearly \$30 million in financing costs.

2331 and 2335 Union Road

The Board unanimously approved \$87,000 in sales tax exemptions on construction equipment and \$130,000 in real property tax savings on a new warehouse facility for Gordon Companies in Cheektowaga. Owner Dave Gordon operates the largest internet-fulfillment warehouse of Christmas decorations in the United States, and the popular “Dave’s Christmas Shop” in Cheektowaga. Gordon Companies suffered severe damage to the two large internet-sales warehouses on Union Road during the November 2014 winter storm, losing equipment and inventory.

The \$1.8 million project will rebuild the warehouses at 2335 and 2331 Union Road and add six new jobs to the company’s current roster of 82 employees. The incentives do not apply to the retail operation.

500 Seneca Street (Amendment)

Savarino Development Corp. applied for an amendment to their previous incentive package for 500 Seneca Street in Larkinville to add 110 apartments to the adaptive reuse project. The developer plans to use a portion of the residential income to subsidize a job training program in the building. The ECIDA Board unanimously approved a \$1.4 million in sales tax exemptions on purchased construction materials, and a waiver of the one-time \$150,000 mortgage recording tax fee on the project.

The portion of 500 Seneca being used for the residential component would have remained vacant. Savarino is investing an additional \$4 million on top of the project’s original \$32 million total to develop the apartments.

Joint Schools Construction Bonds Refinancing

The ECIDA Board unanimously agreed to serve as the conduit to refinance two of the Joint Schools Construction Board's nine bonds, saving the school district nearly \$30 million in financing costs. By refunding up to \$325 million outstanding from the Series 2007A and 2008A bonds, the JSCB can take advantage of favorable current market conditions, and lower its borrowing expenses. The bonds do not become an obligation of the ECIDA, as is the case with all ECIDA-issued bonds. The ECIDA serves only as a "pass through" when the agency issues bond debt.

"More money for the schools," said Erie County Executive Mark Poloncarz after the vote, noting that the ECIDA is also waiving its fees.

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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