



In the News

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ECIDA Board elects first female Chair, approves tax incentives for Orchard Park senior assisted-living facility and additional floor of Conventus building on Medical Campus

\$4.3 million in tax incentives will generate \$38.6 million in private investment

Buffalo, NY— The Erie County Industrial Development Agency Board of Directors Wednesday elected the agency's first female Chair, unanimously choosing Buffalo Urban League President and CEO Brenda McDuffie for the one-year term. Western New York Area Labor Federation President Richard Lipsitz was unanimously elected as Vice Chair. The board also welcomed Erie County Association of School Boards President and ex-officio new member Dr. Carol Nowak. Dr. Nowak fills the vacancy left by departing board member Raymond L. Carr.

Voting in support of two very different economic development projects on the agenda, the Board approved tax abatements Wednesday for the expansion and upgrade of a senior assisted-living facility in Orchard Park, and the addition of a seventh floor on the Conventus building on the Medical Campus, to house a biotech firm.

Developer The Hamister Group, Inc. will receive a total of \$3.8 million in sales, mortgage and property tax abatements to help finance a 105-unit addition and upgrade to the Orchard Heights senior assisted-living facility in Orchard Park, with a total project cost of \$28.6 million. The project will bring an additional \$542,000 in local tax revenue and \$128,000 in revenue to the County during the seven-year abatement period. Developer Mark Hamister told the ECIDA Policy Committee on July 2 that without the ECIDA tax incentives he cannot finance the project and it will not move forward.

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The breakdown of total temporary tax reductions (projected over seven years) is:

Sales tax reduction	\$1,104,000
Mortgage tax reduction	\$286,000
Property tax reduction	\$2,400,000

Among the qualifiers, the tax reductions carry a “claw back,” or benefit recapture provision, that requires Hamister to maintain the facility’s forty-two full time and sixty-one part time jobs, and add fifteen new jobs, plus hire local labor for construction.

Hamister told the ECIDA’s Policy Committee on July 2 that he spends 65% of his \$3,600 per month cost-per-resident locally, and noted the great need for assisted-living and independent living units for middle and low income seniors in Orchard Park. Orchard Heights now turns away ten to twenty seniors every month due to lack of beds. Orchard Heights residents have an average annual income of \$24,000 and twenty percent of the residents receive subsidies and financial aid from the company. The average age of entry is between eighty and eighty-one years old.

The ECIDA board approved the temporary tax abatements in a thirteen-to-three vote.

The ECIDA Board unanimously approved \$472,000 in tax abatements to Ciminelli Real Estate for an added seventh floor to the \$10 million Conventus building, making it possible for pharmaceutical and biotech firm Albany Molecular Research Inc. to bring two hundred and fifty biotech jobs to Buffalo’s growing Medical Campus.

The State University of New York’s Fort Schuyler Management Corporation (part of the SUNY college of Nanoscale Science & Engineering) will fund the build-out and purchase of the 60,000 square foot seventh floor with portions of a “Buffalo Billion” grant from Empire State Development, and will then lease the space to AMRI. The State established “claw back” provisions in the deal to ensure the creation and retention of 250 jobs through 2025, and Fort Schuyler and AMRI will invest \$30 million to \$40 million for tenant improvements, equipment and training. No new tax abatements are being granted for the original six floors of the building, or for interior tenant improvements on the seventh floor. The State, through Fort Schuyler, will retain ownership of the entire seventh floor unit.

“Bringing AMRI to the Medical Campus is a great step forward in creating the advanced research and manufacturing economy Buffalo needs to remain competitive in the job market,” said ECIDA President and CEO Steve Weathers. “As complicated as this layered financing is, sometimes it takes a collaborative and coordinated effort to bring in a company that has specific facility needs, a tight deadline and two hundred and fifty quality jobs for Western New Yorkers,” said Weathers.

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The breakdown of the Conventus Building's AMRI Seventh Floor incentives is:

Mortgage tax reduction \$100,000
(applied only to the shell of the seventh floor, not to the interior or
the other six floors of the building)

Sales tax reduction \$372,000 on the purchase of up to \$4,251,428.50 worth of
goods and services related to the construction of the framework of the seventh floor (applied only
to the materials purchased to build out the seventh floor, not to interior improvements or to the
first six floors of the building)

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The Erie County Industrial Development Agency is a 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 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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