

Creative Structures Services, Inc./David Pawlik/New Covenant Church
\$1,730,000
INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - 53

COMPANY INCENTIVES

- The City of Buffalo is anticipated to provide a real estate tax exemption on property through its 485-a exemption program.
- Approximately \$61,000 in sales tax savings
- Approximately \$17,000 in mortgage recording ax savings



Project Title: Creative Structures Services, Inc./David Pawlik/New Covenant Church

Project Address: 786 Kenmore Avenue
 Buffalo, New York 14216
 (Buffalo City School District)

SIC/NAICS: 6513/531110

Agency Request

Sales tax and mortgage tax exemption in connection with the adaptive reuse of the New Covenant Church into a mix of commercial and residential use.

Acquisition	\$ 210,000
Building Renovations	1,400,000
Soft Costs	<u>120,000</u>
Total Project Cost	\$1,730,000

Company Description

Creative Structures Services, Inc. is a general contractor and development company and is owned by Russell Kyte and David Pawlik. In 2010, the ECIDA Board approved a similar project on behalf of the developers which consisted of the redevelopment of the North Park Presbyterian Church located at 700 Parkside Avenue in the City of Buffalo.

Project Description

The project consist of the adaptive reuse of the former New Covenant Church and Fellowship Hall located in the City of Buffalo. The site is approximately 13,000 sq. ft. with 75 existing parking spaces.

With a declining membership and building utilization, the congregation voted in August, 2012 to make the difficult decision and sell the property. The parishioner base had eroded to less than 40 people.

The property will be transformed into a mix of residential and commercial space. It is anticipated 14 residential units each being approximately 2,000 sq. ft. and 2,000 sq. ft. of commercial space will be constructed.

As with most adaptive reuse projects there are significant challenges to overcome in an effort to comply with New York State and local building codes: Some of these challenges include: utilizing a former sanctuary for apartments which adds to the cost (almost 30%) due to existing ceiling height, taller windows and a sloped floor; added engineering columns in the basement to support the load of the loft apartments; added fire protection sprinkler systems; upgrades for handicap accessibility; new energy efficient windows; extensive asbestos abatement at all related areas of the existing HVAC equipment and piping; existing asbestos tile located within the Fellowship Hall.

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Project Benefits

Reuse of a underutilized building in the City of Buffalo

Asbestos removal

Further stabilization of the neighborhood

Project Incentives

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Impact on Taxes

Current Yearly Taxes based on A.V. of \$728,400	Appraised Value of Church*	Additional value based on increase in assessment \$700,000	New Revenue over 10 years after renovation
\$0	\$195,000		\$64,000
Combined Tax Rate: \$34.43			

*New assessment is determined by taking 50% of renovation costs

Over the abatement period it is anticipated the County will receive \$49,000 & the City will receive \$15,000. Upon the expiration of the abatement period the property will generate \$30,000 in taxes annually.

Employment

It is anticipated that 2 new employees will be hired as part of the project. One employee is anticipated at the property Management company - EF Burke Realty. An additional employee is anticipated to be hired through Creative Structures and would be responsible for site supervision.

Project History

No public hearing required since project benefits are below \$100,000

12/17/2012 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.

12/17/2012 Lease/Leaseback Inducement Resolution presented to Board of Directors.