

Houk Lofts, LLC/Signature Development

\$6,720,000

INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **53 Real Estate & Adaptive reuse**

COMPANY INCENTIVES

- Approximately \$ 45,000 in mortgage tax savings
- Approximately \$184,000 in sales tax savings
- County will receive full real property taxes.
- For City taxes, a real property tax abatement will be granted by the City of Buffalo through their 485-a exemption program.



Project Title: Houk Lofts, LLC/Signature Development

Project Address: 316/320 Grote Street
Buffalo, New York 14207
(Buffalo City School District)

SIC/NAICS: 6513/5311110

Agency Request

Sales tax and mortgage tax exemption in connection with the adaptive reuse of the former Houk Wire Wheel Company

Acquisition	\$230,000
Renovations	4,200,000
Equipment	150,000
Soft Costs	2,140,000
Total Project Cost	\$6,720,000

Company Description

Mr. Termini is the owner of Signature Development, a local development company focused on inner-city development. Some of the projects the company has been involved with include 1998 Vincent Morello Senior Housing (80 senior units built at Love Canal), 2002 & 2004 Ellicott Lofts, 2005 Oak School Lofts, 2005 IS Lofts, 2006 Webb Lofts. The Webb Lofts project included the reconstruction of a 5-story warehouse located in the Joseph Ellicott Historic District. This is a mixed use project with 32 loft apartments and the first privately owned daycare in Downtown Buffalo with a roof-top playground. Mr. Termini has also just completed the successful historic restoration of the Lafayette Hotel.

Project Description

The intent of the project is to build a walkable, sustainable neighborhood within a two block area of 320 Grote Street. The location is within walking distance of Buffalo State, Wegman's, Target, and the proposed Distillery Lofts, LLC project and is located on the Elmwood Bus line.

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Mr. Termini anticipates this project to be a catalyst for future development in this neglected neighborhood and for turning this neighborhood into an “urban oasis”. Plans call for creating a historic urban neighborhood containing loft style apartments in mixed-use buildings. The developer is planning to convert this former manufacturing plant into 20 1-bedroom and 3 2-bedroom apartments with rents ranging from 900 – \$1,250. The apartment units are anticipated to be occupied by young professionals as well as people associated with the medical campus. It is anticipated that a high end hair salon and tattoo studio would occupy the commercial portion of the space. In addition to renovating the complex, It is expected that the area between Grote and Hertel would take on an entirely different neighborhood feel which would include walkways, landscaped areas and bike paths.

This 100 year old 28,000 sq. ft. building formerly housed the Houk Wire Wheel Company which made wire wheels for the Pierce Arrow Plant and other auto manufacturers. It has been vacant for 15 years.

Impact on Taxes

Current Assessment per County records	Current Yearly Taxes	Est. County taxes over abatement period	Current City Taxes	Est. City taxes after over 485-a abatement period*
\$180,200	\$981	\$137,000	\$5,220	\$121,000
Combined Tax Rate: \$34.414	\$5.447/1000		\$28.967/1000	

*Assessed value determined by taking 50% of renovation budget.

Project Incentives

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Employment

<u>Current:</u>	<u>Year 2 (after completion of Project)</u>
0	4

Project History

- 12/18/12 City of Buffalo Planning adopts a Negative Declaration in accordance with SEQRA.
- 02/05/13 Public hearing conducted. Transcript attached.
- 02/19/13 Lease/Leaseback Inducement Resolution presented to Board of Directors.