

Buffalo Lafayette, LLC

\$34,000,000

INDUCEMENT RESOLUTION

HIGHLIGHTS

Eligibility: NAICS Section - 53-Real Estate

COMPANY INCENTIVES

- Approximately \$1,750,000 in sales tax savings
- Up to \$340,000 in mortgage recording tax savings.



Project Title: Buffalo Lafayette, LLC

Project Address: 391 Washington Street, Buffalo, New York (Buffalo School District)

SIC/NAICS: 6513/531110

Agency Request

Sales tax, mortgage recording tax and real property tax exemption in connection with the construction and/or renovation and equipping of the vacant former Hotel Lafayette for operation of a hotel, banquet facility as well as approximately 100 apartments.

Land/Building Acquisition	\$1,500,000
Building Renovations	24,500,000
Equipment	8,000,000
TOTAL	34,000,000

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. In addition to the above, Mr. Termini is in the process of renovating the former AM&A's warehouse buildings into a mixed-use project consisting of 15,000 sq. ft. of commercial office space and 48 apartments. He has also been approved for a project to renovate and equip the vacant 350,000 sq. ft. AM&A's facility for the operation of a multi-tenant facility to include offices, apartments, food court, banquet facilities and a hotel.

Project Description

The historic Lafayette Hotel will be transformed into a high end-boutique hotel, apartment complex and banquet center as part of the \$34,000,000 renovation project being undertaken by the developer.

The facility is approximately 106 years old and consists of 250,000 sq. ft. of space. According to the developer the "bones" of the building are good and the architectural details both inside and outside remain intact.

The Hamister Group plans to operate an approximately 30 room boutique hotel on the second floor with the first floor consisting of a grand banquet hall and meeting space

The building will also accommodate approximately 100 apartments ranging in size from 800 sq. ft. to 1,000 sq. ft. with monthly rents in the \$900—\$1,000 range.

The first floor is anticipated to facilitate several small restaurants that offer outdoor dining.

This project builds on 2 other projects that are being undertaken nearby by Mr. Termini. They include the renovation and adaptive reuse of both the AM&A's warehouse and store facilities.

Project Incentives

- Approximately \$1,750,000 in sales tax savings
- Up to \$340,000 in mortgage recording tax savings
- It is anticipated the company will receive real property tax benefits through either the City's 485-a exemption or the empire zone, if qualified.

Employment

<u>FT</u>	<u>PT</u>	<u>Total</u>
3	10	13

Employment will be based on the tenants at the facility and will include the people employed by the hotel and commercial businesses. It is anticipated that 262 direct construction jobs will be generated as a result of this project.

Project History

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| 3/3/2010 | Public hearing held no oral or written comments. Transcript on file at ECIDA. |
| 3/2/2010 | City of Buffalo as lead agency adopts negative declaration |
| 3/8/2010 | \$34,000,000 Lease/Leaseback Resolution presented to Board of Directors |