

**201 Ellicott, LLC and
Ellicott Green Acres, LLC (d/b/a Braymiller Market)
\$6,901,900
INDUCEMENT RESOLUTION**

ELIGIBILITY

- NAICS Section - 531120, 445230, 424480

COMPANY INCENTIVES

- Approximately \$339,513 in sales tax savings
- Approximately \$391,000 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$34,500

EMPLOYMENT

- Projected New Jobs - FT -- 25
PT - 40
- Total Jobs 2 Years after Project Completion:
- Annual payroll: \$1,622,000
- Estimated salary of jobs to be created: \$29,637

PROJECT HISTORY

- 05/30/2019 - Public hearing held. Transcript attached.
- 08/28//2019 - City of Buffalo as lead agency adopts negative declaration in accordance with SEQRA.
- 08/28/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: 201 Ellicott, LLC & Ellicott Green Acres, LLC (d/b/a Braymiller Market)

Project Address: 201/203 Ellicott Street
Buffalo, New York 14203
Buffalo City School District

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the construction of a 21,510 sq. ft. fresh food market and food distribution center and approval of the assignment and assumption of Agency Lease and PILOT from 201 Ellicott, LLC to Ellicott Green Acres, LLC upon project completion.

Land Acquisition	\$ 175,000
Building Construction	\$4,160,000
Non-Manufacturing Equipment	\$1,800,000
Soft Costs	\$ 766,599
Total Project Cost	\$6,901,900
85%	\$5,866,615

Company Description

201 Ellicott, LLC is a corporation formed by Ciminelli Development. Paul Ciminelli owns 100% of the LLC. Ellicott Green Acres, LLC was formed by Stuart Green who owns 100% of the corporation and is also the owner of Braymiller Market, the ultimate tenant.

Braymiller Market has over 70 years of experience in providing fresh produce and specialty foods utilizing local farmers.

Project Description

The proposed project consists of the construction of a 21,510 sq. ft. fresh food market; the first of its kind in the downtown Buffalo market. 201 Ellicott, LLC will undertake the construction of the facility. The market will focus on the sale and distribution of affordable fresh foods to restaurants, residents, commuters, visitors and businesses in the City of Buffalo. Locally-sourced produce, a café for fresh prepared foods, catering and seasonal items such as pumpkins and annuals will be offered.

The retail portion of the grocery store will encompass 9,280 sq. ft. and the wholesale side of the business will occupy 9,580 sq. ft. A back office will take up the remaining space.

Currently the neighborhoods surrounding 201 Ellicott continue to be underserved with respect to the accessibility to fresh, healthy food. Adjacent census tracts include at least 1/3 of residents that live farther than 1/2 to 1 mile to the nearest supermarket. It is estimated 60% of sales will be to wholesalers with the remaining 40% devoted to customers who personally visit the site. The City and the company are working to obtain funding for a USDA Healthy Food Financing Initiative grant.

The site is currently utilized as a surface parking lot and owned by the City of Buffalo which makes it exempt from real estate taxes.

The project will serve to complement an adjacent development of over 200 affordable one and two bedroom units being undertaken by Ciminelli Development.

The project is located in a census tract that is considered highly distressed under State statute with many other highly distressed census tracks surrounding it.

It is anticipated that upon project completion, 201 Ellicott, LLC will assign the ECIDA Lease and PILOT to Ellicott Green Acres, LLC.

Retail Determination

Project Use	Sq. Ft.	Cost	1% of Project Cost
Grocery Warehouse	9,580	\$1,841,760	44
Grocery/Retail	9,280	\$1,784,085	43
Backoffice in Support of Operation	2,780	\$ 534,456	13
Total	21,640	\$4,160,301	100%

On August 28, 2019 the Board determined that the project was a retail project as it was located in a highly distressed area. In addition the project makes available goods and services which would not, but for the project, be reasonably accessible to residents of the municipality. In compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County will provide written confirmation confirming the financial assistance.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$2,000,000	\$22,000	\$84,000	\$71,000
Combined Tax Rate: \$35.50				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$6,901,900 85% = \$5,866,615
Employment	Coincides with 7-year PILOT	Create 85% of Projected Projected = 45 FTE 85% = 38 Recapture Employment = 38
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:
 State and Local Sales Taxes
 Real Property Tax
 Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has created 45 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.