

Jemal's Seneca, LLC
\$45,000,000
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 531110
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$337,500 in mortgage tax exemption
EMPLOYMENT
<ul style="list-style-type: none"> • Projected New Jobs - 5 FTE • Estimated Construction Jobs - 294 • Annual payroll: \$325,000 • Estimated salary of jobs to be created: \$65,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 03/02/2020 - Public hearing held. Transcript attached. • 03/25/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 03/25/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors • 03/25/2020 - Board Resolution to authorize ECIDA to enter into Payment in Lieu of Taxes Increment Financing ("PIF") for a period of 25 years to fund Accelerator Fund projects as well as other infrastructure improvements

Project Title:	Jemal's Seneca, LLC
Project Address:	1 Seneca Street Buffalo, New York 14203 (Buffalo School District)
Agency Request	
A mortgage recording tax exemption in connection with the redevelopment of the former HSBC building.	
Building Renovation	\$25,000,000
Infrastructure	\$15,225,000
Equipment	\$ 4,000,000
Soft Costs	\$ 275,000
Total Project Cost	\$45,000,000
85%	\$38,250,000

Company Description

Jemal's Seneca, LLC is in the process of the redevelopment and re-occupancy of the vacant 1.2 million square foot Seneca One complex which consists of a vacant 38-story tower, two 4-story annex buildings to the south and west of the tower and a plaza area surrounding these buildings. The LLC is 99% owned by Douglas Jemal and 1% owned by Paul Millstein.

Project Description

The redevelopment plan will serve to provide needed commercial Class A office space to Buffalo's growing IT hub and stabilize an iconic Buffalo commercial complex. Approximately \$15,000,000 in infrastructure improvements are planned which includes elevator work, fire protection work, internet and technology improvements, plumbing and storm/sanitary systems.

ECIDA's involvement is limited to providing a mortgage recording tax exemption on the property.

The ECIDA, at the request of the City of Buffalo, will enter into a PILOT Agreement with the developer for a 25-year term. The PILOT Agreement will provide for full tax payments to both the County and City. All City of Buffalo PILOT payments will be directed to be paid to the ECIDA. The ECIDA will create a separate fund for the Accelerator Fund projects as well as other critical downtown streetscape improvements and will reimburse the City for these infrastructure improvements. The City of Buffalo estimates the dollar amount of revenue generated through the PIF over the 25-year term to be approximately \$40,000,000.

Retail Determination

Project Use	Sq. Ft.	Cost	% of Project Costs
Vacant/Commercial	1,200,000	\$45,000,000	100%

Should the Board determine that the project is a retail project as it was located in a highly distressed area in the 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.

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 = \$45,000,000 85% = \$38,250,000
Employment	Same as recapture period	Create 85% of Projected Projected = 5 FTE 85% = 4.5 Recapture Employment = 4.5
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after mortgage closing	Mortgage Tax

Recapture applies to:
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 5 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.