

Terzo Development/Bush Lofts
\$3,050,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$96,250 in sales tax savings
- Approximately \$191,000 in real property tax savings
- Approximately \$16,875 in mortgage tax savings

EMPLOYMENT

- Projected New Jobs - 1 PT

PROJECT HISTORY

- 03/01/2021—Public hearing held.
- 03/24/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 03/24/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Terzo Development/Bush Lofts

Project Address: 44-17th Street
 Buffalo, New York 14213
 (Buffalo City School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the adaptive reuse of a 15,000 sq. ft. vacant building.

Building Acquisition	\$ 500,000
Renovation	\$2,050,000
Soft Costs	\$ 500,000
Total Project Cost	\$3,050,000

85% \$2,592,000

Company Description

Terzo Development was formed in 2020 and is owned equally by Carl Montante, III and John Ticco. The company was formed for the purpose of acquiring and renovating vacant facilities in the Buffalo area. Their mission is to help build under-invested communities and neighborhoods in the City of Buffalo such as the West Side, East Side and First Ward among other areas.

Project Description

This existing building has been vacant since 2019 and was severely underutilized prior to that time. The project consists of the renovation and re-use of this 15,000 sq. ft. structure into 13 apartments. Three of the 13 units will be offered at 80% of the adjusted median income (“AMI”) throughout the 7-year PILOT term. A breakdown of the units is offered below:

Units	Square Feet	Rent Range
3-1 bedroom	635-1,007	\$900-\$1,400
7-2 bedroom	812-1,240	\$1,137-\$1,740
2-3 bedroom	1,350-1,625	\$1,890-\$2,275
1-Studio	483	\$532-\$600

Also offered in the development of the building will be 6-7 spaces of off-site parking which will be available to the tenants. They will also be adding a curb cut to the front of the building which will open up 3-4 additional parking spaces.

Since 100% of the project is devoted to housing, there is no employment impact other than a part time building manager.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-year abatement period	Additional Local Revenue Over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$4,400	\$1,600,000	\$12,000	\$40,000	\$35,000
Combined Tax Rate: \$22				

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 = \$3,050,000 85% = \$2,592,000
Employment	Coincides with 7-year PILOT	Create 85% of Projected Projected = 1 PT 85% = 1 PT Recapture Employment = 1 PT
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 1 PT job, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.