

283 Ship Canal Parkway, LLC
\$52,284,244
AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$1,961,100 in real property tax savings.
- Approximately \$3,085,592 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$337,381

EMPLOYMENT

- New Jobs Projected: 76
- Annual payroll: \$4,410,500
- Estimated salary of jobs to be created: \$55,000

PROJECT HISTORY

- 04/26/2021 - Public hearing held.
- 05/26/2021 - City of Buffalo, as SEQR lead agency, confirmed that the Project will be carried out in conformance with the conditions and thresholds contained in the 2002 FGEIS.
- 05/26/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 06/14/2021 - Public Hearing Held
- 06/23/2021 - Amendatory Inducement Resolution presented to the Board of Directors

Project Title: 283 Ship Canal Parkway, LLC

Project Address: 283 Ship Canal Parkway
 Buffalo, New York 14218
 (Buffalo City School District)

Amended Agency Request

Adding a request to enter into a non-standard PILOT Agreement

Prior Agency Request

A sales tax and mortgage tax in connection with the construction of a 335,000 sq. ft. warehouse/distribution facility in the Buffalo Lakeside Commerce Park.

New Building Construction	\$30,500,000
Infrastructure	\$ 6,211,855
Non-Manufacturing Equipment	\$15,072,389
Soft Costs	\$ 500,000
Total Project Cost	\$52,284,244
85%	\$44,441,607

Company Description

The applicant is an affiliate of Sonwil Distribution Center, Inc. an independent real estate developer, public warehouse provider, and asset and non-asset-based transportation provider. Sonwil's headquarters are located in West Seneca.

Project Description

The proposed project consists of the construction of a 335,000 warehouse/distribution facility in the Lakeside Commerce Park in the City of Buffalo. The new facility will allow Sonwil to competitively price their warehouse/distribution services and not only accommodate current customer demand, but also grow such current customers' presence in the region while growing the amount of logistical services to prospective customers and industries.

In 2005, the ECIDA entered into an agreement with the City of Buffalo, County of Erie and the Buffalo Urban Development Corporation to establish a Buffalo Brownfields Redevelopment Fund ("BBRF"). The fund was to be financed through the diversion of payments-in-lieu-of-taxes ("PILOTS") arising from projects located in the Buffalo Lakeside Commerce Park ("BLCP"). Companies enter into a 15-year PILOT (standard at the time) with the 15-year schedule of payments being received by the fund for eligible project costs. Originally intended for eligible project costs at the BLCP, the agreement was modified by the BUDC Board of Directors in 2012 to allow for BBRF funds to be used by other "comparable projects" in the City of Buffalo. Riverbend, Northland and 308 Crowley Street were designated as comparable projects by the Board.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 15 Year Abatement Period	Additional Local Revenue over 15 Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$10,000,000	\$302,400	\$100,500	\$218,000
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 = \$52,284,244 85% = \$44,441,607
Employment	Coincides with 15 year PILOT	Projected = 76 85% = 64 Recapture Employment = 64
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 15 year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 15-year PILOT	Adherence to Policy
Recapture Period	15-year PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Recording 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 76 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.