

**Walcot Apartments**  
**\$ 3,345,000**  
**PRIVATE INVESTMENT INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section – 531390

**COMPANY INCENTIVES**

- Approximately \$106,050 in sales tax savings

**JOBS & ANNUAL PAYROLL**

- Current Jobs: 0
- Annual Payroll: \$ 0
- Projected new jobs: 1
- Est. salary/yr. of jobs created: \$ 55,000
- Total jobs after project completion: 1
- Construction Jobs: 14

**PROJECTED COMMUNITY BENEFITS\***

- Term: 2 years after project completion.
- NET Community Benefits: \$ 1,467,000
- Spillover Jobs: 5 temp, 2 perm
- Total Payroll: \$ 1,341,000

**INCENTIVE COST/COMMUNITY BENEFIT RATIO\***

Incentives: \$106,050  
Community Benefit: \$ 1,464,000  
Cost: Benefit Ratio

- 1:14

Project Title: Walcot Apartments  
Project Address: 257 Elmwood Ave  
Buffalo, New York 14222  
(Buffalo City School District)

**Agency Request**

A sales tax exemption in connection with the adaptive reuse of a mid-century modern building within the Elmwood Village to 12 apartments (inclusive of 1 affordable rate apartment).

Building Acquisition	\$ 830,000
Reconstruction / Renovation	\$1,950,000
Infrastructure	\$ 70,000
Non- Manufacturing Equipment	\$ 180,000
Soft Costs/Other	\$ 315,000
Total Project Cost	\$3,345,000

85% \$2,843,250

**Company and Project Description**

Sinatra and Company Real Estate was founded in 2010 and has its HQ in Buffalo, NY. With approx. 5,800 apartments and nearly 1 Mil commercial sq ft owned and managed in WNY, Upstate NY, Dallas, South Bend and Chicago regions, Sinatra and Company are one of the largest private owner-operators of apartments and commercial properties in WNY. Sinatra and Company Redevelopment, LLC (the applicant) is a subsidiary of this group.

The Walcot Apartments are an adaptive reuse & historic tax credit project within the Elmwood Village. This 12,500 sq ft mid-century modern building has been vacant for nearly a decade. With the rise in construction materials costs, labor shortages and various financial obstacles such as asbestos and structural issues, the project is seeking assistance to lower renovation costs. The project will create 12 one-bedroom apartments (ranging from 700 – 900 sq ft @ \$1,022 - \$1,850/mo). 10% (1) apartment will be offered at an affordable rate (80% AMI) and 11 apartments will be market rate. There will be approx. 500 sq ft of light commercial space on the 1<sup>st</sup> floor.

\* Inform Analytics/Center for Governmental Research

## Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses Inform Analytics, a widely-recognized modeling tool from the Center for Governmental Research, to assess the economic impact of a project applying for incentives. This cost:benefit ratio is assessed via a Cost-Benefit Analysis, as is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached Inform Analytics Projected Community Benefits and Community Cost Benefit Analysis.

### Cost: Incentives

COSTS	Tax Exemption	Amount
	Property (485a)	
	Sales	106,000
	Mortgage Recording	
	Total	106,000
	Discounted at 2%	

### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	1,010,000
			Payroll Permanent	331,000
		Public	Property Taxes	
			Sales Taxes	33,000
	New York State	Public	Income Taxes	64,000
			Sales Taxes	29,000
			Total Benefits to EC + NYS***	1,467,000
			Discounted at 2%	1,464,000

\*\*includes direct & indirect \$ over project period    \*\*\*may not sum to total due to rounding

Discounted Cost            \$ 106,000  
 Discounted Benefit        \$ 1,464,000  
 Ratio                            1:14

**Conclusion:** The Cost Benefit for this project is: 1:14. For every \$1 in costs (incentives), this project provides \$14 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$24 in benefits to the community.**

\* Inform Analytics/Center for Governmental Research

### Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Residential	12,000	\$1,910,000	98%
Commercial / Retail	500	\$ 40,000	2%

Since the retail component of the project represents less than 33% of the project cost, no sign off by the County is required.

## 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 = \$3,345,000 85% = \$ 2,843,250
Employment	Coincides with recapture period	Projected = 1 85% = 1 Recapture Employment = 1
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to Policy
Unpaid Tax	Coincides with recapture period	Adherence to Policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes

Recapture applies to:

State and Local Sales Taxes

### 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 job, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

### Project ECIDA History

- 08/23/2021 - Public hearing held. Transcript Attached
- Type II Action – No SEQRA compliance required.
- 09/22/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors