

950 Broadway LLC, Cedarland Development
\$ 11,653,862
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531390

COMPANY INCENTIVES

- Approximately \$ 511,175 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 80,865

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs: 0 FTE
- Projected new jobs: 34 FT, 4 PT
- Est. salary/yr. of jobs created: 65,000 FT/35,000 PT
- Total jobs after project completion: 36 FTE
- Construction Jobs: 55

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
- NET Community Benefits: \$ 14,939,584
- Spillover Jobs: 51
- Total Payroll: \$ 14,064,371

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$ 592,040
 Community Benefit: 14,585,592
 Cost: Benefit Ratio
 • 1: 25

Project Title: 950 Broadway
 Project Address: 950 Broadway Ave. Buffalo NY 14212
 Buffalo Central School District

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a 40,570 sq ft commercial building located in the City of Buffalo’s East Side.

Building Acquisition	\$ 627,000
Building Renovation	\$ 6,611,742
Non- Manufacturing Equipment	\$ 2,205,545
Soft Costs/Other	\$ 2,209,575
Total Project Cost	\$ 11,653,862
 85%	 \$ 9,905,783

Company Description

Cedarland Development Group, a real estate development company was founded by Dr. Fadi Dagher, a Lebanese immigrant (and former transplant surgeon) and his son, Kevin Dagher. Cedarland has focused on blighted properties on Buffalo’s East and Lower West sides for the past decade owning commercial, industrial and residential properties throughout Buffalo. Their recent projects include The Grid, a 217 unit residential project, located at 1155 Main St. The Grid provides residents with proximity to Buffalo’s Medical Campus and to downtown. Cedarland credits its sound working relationships with state and local government officials and commitment to collaboration with community stakeholders in maximizing its positive impact in the historically disadvantaged East side, the Broadway-Fillmore District in particular. Dr. Dagher is the sole member of 950 Broadway LLC, a real estate holding company.

Project Description

This project aims to revitalize a vacant building located at 950 Broadway - a prominent intersection on the East Side of Buffalo into a mixed-use facility with 28 affordable apartment units, an indoor urban farm/garden and a ground floor affordable day care facility for the community. The apartment units will be offered at 60%, 70% and 80% of AMI corresponding to the rent ranges below.

# of Units	Sq Ft	Rent Range
10 studio apartments	450	\$840
14 one-bedroom	660	\$883-\$1,212
4 two-bedroom	880	\$1,457

The company is pursuing property tax savings through the NYS 44-A historic property exemption program.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Sales	\$511,175
	Mortgage Recording	\$ 80,865
	Total	\$592,040
	Discounted at 2%	\$592,040

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Construction	7,156,048
			Payroll Permanent	6,908,323
		Public	Property Taxes	
			Sales Taxes	116,910
			Other - NFTA	26,955
	New York State	Public	Income Taxes	632,897
			Sales Taxes	98,450
			Total Benefits to EC + NYS***	14,939,584
			Discounted at 2%	14,585,592

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period *** may not sum to total due to rounding

Discounted Cost \$ 592,040
 Discounted Benefit \$ 14,585,592
 Ratio 1: 25

Conclusion: The Cost Benefit for this project is: 1:25. For every \$1 in costs (incentives), this project provides \$25 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 46 in benefits to the community.**

New Tax Revenue Estimated – NYS 444-A Historic Property Exemption

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
\$ 2,514	\$ 1,955,000	\$ 29,490	\$ 106,563	\$45,351
Combined Tax Rate: \$ 23.198				

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Commercial (CAO -Daycare facility)	14,452	\$ 6,204,889	53%
Retail (Urban Farm)	8,000	\$ 244,520	2%
Other: apartments	18,118	\$ 5,204,453	45%

The retail component of the project is less than 30% of the project costs and therefore no sign off 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 = \$ 11,653,862 with 85% = \$9,905,783
Employment	Coincides with recapture period	Maintain Base = 0 Projected = 36 FTE Create 85% of Projected = 30 FTE Recapture Employment = 30 FTE
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
<u>Recapture Period</u>	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes & 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 30 jobs (FTE), 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

- 8/26/22: Public hearing held.
- 9/28/22: Type II Action – No SEQRA compliance required.
- 9/28/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors