

132 Dingens Street, LLC (Pinto Construction)
\$ 9,300,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531120

COMPANY INCENTIVES

- Approximately \$ 285,798 in real property tax savings
- Approximately \$647,500 in sales tax savings
- 3/4 of 1% of the final mortgage amount up to \$ 52,500

JOBS & ANNUAL PAYROLL

- Current Jobs: 0
- Annual Payroll: \$ 0
- Projected new jobs: 18 FTE
- Est. salary/yr. of jobs created: \$36,000
- Total jobs after project completion: 18 FTE
- Construction Jobs: 41

PROJECTED COMMUNITY BENEFITS*

- Term: 7 YEARS
- NET Community Benefits: \$13,522,893
- Spillover Jobs: 45
Total Payroll: \$12,669,797

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

Incentives: \$965,548
 Community Benefit: \$12,907,347
 Cost: Benefit Ratio
 • 1:13

Project Title: Warehouse #2
 Project Address: 132 Dingens St, Buffalo, NY 14206
 (City of Buffalo School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the addition of 81,000 sq ft of spec space to a newly constructed warehouse.

Building Addition	\$ 7,950,000
Infrastructure	\$ 700,000
Non- Manufacturing Equipment	\$ 400,000
Soft Costs/Other	\$ 250,000
Total Project Cost	\$ 9,300,000
85%	\$ 7,905,000

Company Description

132 Dingens, LLC is the owner of the property and its primary business is providing warehousing, office and exterior storage areas to various local industries. Current tenants include: Unicell, Amerifleet, First Student, Magellan Technology, Pinto Construction Services, Inc.

Project Description

The company is proposing an approx. 81,000 sq ft addition to a newly constructed spec warehouse intended for both warehouse and light manufacturing uses. This project is aimed at meeting the increased demand from existing and potential new tenants. No specific tenants have been identified.

* 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
	Property	\$285,798
	Sales	\$647,500
	Mortgage Recording	\$52,500
	Total	\$985,798
	Discounted at 2%	\$965,548

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$5,967,882
			Payroll Permanent	\$6,701,915
		Public	Property Taxes	\$71,449
			Sales Taxes	\$105,318
			Other Muni Revenue (NFTA)	\$17,500
	New York State	Public	Income Taxes	\$570,141
			Sales Taxes	\$88,688
			Total Benefits to EC + NYS***	\$13,522,893
			Discounted at 2%	\$12,907,347

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

Discounted Cost	\$965,548
Discounted Benefit	\$12,907,347
Ratio	13:1

Conclusion: The Cost Benefit for this project is: 13:1. For every \$1 in costs (incentives), this project provides \$13 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$19 in benefits to the community.**

New Tax Revenue Estimated

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
\$29,476	\$ 2,229,476	\$ 15,487	\$ 55,962	\$ 51,719
Combined Tax Rate: \$ 23.198				

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 = \$ 9,300,000 85% = \$ 7,905,000
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 18 85% = 15 Recapture Employment = 15 FTE
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
<u>Recapture Period</u>	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes, real property 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 maintained jobs and created jobs, 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

- 11/29/22: Public hearing held.
- 12/21/22: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 12/21/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

7/28/21: \$7,450,000 private investment to construct an approximately 81,000 sq ft warehouse facility at 132 Dings