

Wood & Brooks Properties, LLC
\$ 23,127,638
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 23

COMPANY INCENTIVES

- Approximately \$ 1,036,714 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 127,733

JOBS & ANNUAL PAYROLL

- Current jobs: 0
- Projected new jobs: 1 FT, 2 PT
- Est. annual salary of jobs created: \$50,000
- Total jobs after project completion: 2 FTE
- Construction Jobs: 161

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
- NET Community Benefits: \$ 15,909,643
- Spillover Jobs: 92
- Total Payroll: \$ 14,964,518

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

Incentives: \$ 1,164,447
 Community Benefit: 15,866,785
 Cost: Benefit Ratio
 • 1: 14

Project Title: Wood and Brooks Adaptive Reuse
 Project Address: 2101 Kenmore Ave. Tonawanda, NY 14207
 Kenmore-Town of Tonawanda UFSD

Agency Request

Sales tax & mortgage recording tax incentives for the adaptive reuse of the historic Wood & Brooks piano factory complex – converting over 98,000 sq ft of vacant / underutilized space into residential and commercial uses.

Building Acquisition	\$ 670,000
Building Renovation	\$ 19,112,322
Non- Manufacturing Equipment	\$ 380,775
Soft Costs/Other	\$ 2,964,541
Total Project Cost	\$ 23,127,638
85%	\$ 19,658,492

Company Description

Wood & Brooks Properties, LLC is comprised of members of a 4th generation group of family-owned businesses who have owned the complex site since 1972. The entity was formed to repurpose the complex with the hope of reinvigorating an area that has been downtrodden for many years and assist with its urban rebirth.

Project Description

This project will convert the Wood & Brooks piano factory complex into mixed use development starting with an existing 6 story building and adjacent single story building. The space will be used to create 55 residential apartment units (62,300 SF) with the remaining space to be used by a commercial tenant (36,070 SF). The applicant commits to at least 10% of residential units being offered at 80% of AMI rents to provide affordable housing options for the community. Through partnering with the Construction Exchange of WNY, a commercial incubator space is planned to support the growth and prosperity of small construction businesses. Erie 1 BOCES has provide a LOI to lease incubator space for building trades programming for adult learners.

# of Units	Sq Ft	Rent Range
6 Studio	779-883	\$1,105 - \$1,600
34 one-bedroom	779-883	\$1,300 - \$1,600
15 two-bedroom	951-982	\$1,500 - \$1,800

The company is pursuing property tax savings through the City's 485 A 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	1,036,714
	Mortgage Recording	127,733
	Total	1,164,447
	Discounted at 2%	n/a

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**	
	Erie County	Individuals	Payroll Construction	14,534,083	
			Payroll Permanent	430,435	
		Public	Property Taxes	0	
			Sales Taxes	124,393	
			Other - NFTA	42,578	
	New York State	Public	Income Taxes	673,404	
			Sales Taxes	104,752	
				Total Benefits to EC + NYS***	15,909,643
				Discounted at 2%	15,866,785

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

Discounted Cost \$ 1,164,447
 Discounted Benefit \$ 15,886,785
 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 \$25 in benefits to the community.**

New Tax Revenue Estimated – Town of Tonawanda 485 A Program (12 year term)

Current Yearly Taxes*	Estimated New Assessed Value (value of improvements)	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	Additional School Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 90,177	\$ 7,845,100	\$ 1,349,213	\$ 586,534	\$ 5,149,841	\$ 834,855
Combined Tax Rate: \$106.417373 * Current yearly taxes based on entire site – however, the project will only be located on a portion of the site.					

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Residential housing + building amenities	62,300	15,495,517	67%
Commercial Space	36,070	7,632,121	33%
Total	98,370	\$23,127,638	100%

There is no retail space component of the project 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 = \$ 23,127,638 85% = \$ 19,658,492
Employment	Coincides with recapture period	Maintain Base = 0 Projected = 1 FT, 2 PT Create 85% of Projected = 1 FTE Recapture Employment = 1 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 maintained 1 job (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

- May 23, 2022: Tonawanda Town Board issues a SEQR - Negative Declaration
- April 11, 2023: Public hearing held.
- April 26, 2023: Lease/Leaseback Inducement Resolution presented to the Board of Directors