

TM Montante, LLC
\$ 3,465,838
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 531390

COMPANY INCENTIVES

- Approximately \$95,375 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 13,125

JOBS & ANNUAL PAYROLL

- Current / Retained Jobs: 4 FTE
- Est. salary/yr. of jobs retained: \$50,000
- Current Annual Payroll: \$ 200,000
- Projected new jobs: 0
- Total jobs after project completion: 4 FTE
- Construction Jobs: 14

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
- NET Community Benefits: \$3,232,963
- Spillover Jobs: 14
- Total Payroll: \$13,044,940

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

- Incentives: \$108,500
- Community Benefit: \$3,179,768
- Cost: Benefit Ratio
 - 1:29

Project Title: 50 Gates Circle Adaptive Reuse

Project Address: 50 Gates Circle, Buffalo, NY 14209
 Buffalo Public Schools

Agency Request

A sales tax and mortgage recording tax abatement in connection with the adaptive reuse of a 11,200 sq ft building located at Gates Circle in the City of Buffalo.

Building Acquisition	\$ 750,000
Building Renovation	\$ 2,240,000
Soft Costs/Other	\$ 475,838
Total Project Cost	\$ 3,465,838
85%	\$ 2,945,962

Company Description

TM Montante Development LLC is a real estate holding company fully owned by Montante Group which focuses on developing smart and distinctive commercial, residential and mixed-use properties.

Project Description

This adaptive reuse project will transform a mostly vacant 11,200 sq ft building into a mixed use development. Currently, therapist offices occupy 1,020 sq ft of the building with the remainder being vacant. The new use of this building will result in 2,230 sq ft dedicated to therapist offices and the remaining 8,970 sq ft of space used for 12 residential apartment units with one unit being offered at 80% AMI.

# of Units	Sq Ft	Rent Range
12 one-bedroom	490-645	\$1,227 - \$1,758

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	95,375
	Mortgage Recording	13,125
	Total	108,500
	Discounted at 2%	108,500

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**	
	Erie County	Individuals	Payroll Construction	\$1,750,860	
			Payroll Permanent	\$1,294,080	
		Public	Property Taxes	\$0	
			Sales Taxes	\$25,311	
			Other - NFTA	\$4,375	
	New York State	Public	Income Taxes	\$137,023	
			Sales Taxes	\$21,315	
				Total Benefits to EC + NYS***	\$3,232,963
				Discounted at 2%	\$3,179,768

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

Discounted Cost	\$ 108,500
Discounted Benefit	\$3,179,768
Ratio	1:29

Conclusion: The Cost Benefit for this project is: 1:29. For every \$1 in costs (incentives), this project provides \$29 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$54 in benefits to the community.**

New Tax Revenue Estimated – City of Buffalo 485 A Program

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
\$ 24,319	1,600,000	\$99,780	\$ 239,836	\$37,386
Combined Tax Rate: \$ 23.37				

Retail Determination

Project Use	Sq Ft	Cost	% Project Cost
Retail / Commercial	2,230	446,000	20%
Residential housing + building amenities	8,970	1,794,000	80%
	11,200	2,240,000	

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 = \$ 3,465,838 85% = \$ 2,945,962
Employment	Coincides with recapture period	Maintain Base = 4FTE
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 4 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

- 5/2/23: Public hearing held.
- 5/31/23: Negative Declaration in accordance with SEQR (Type II Action)
- 5/31/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors