

PUBLIC HEARING SCRIPT

500 Seneca Street, LLC Project

Public Hearing to be held on April 28, 2015 at 9:00 a.m.,
at the Erie County Industrial Development Agency offices located at
95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE

Sam Savarino, Savarino Companies

Kevin Hayes, Savarino Companies

1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: *Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am a Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.*

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the 500 Seneca Street, LLC project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Saturday, April 18, 2014.*

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a 1.87+/- acre parcel of land located at 500 Seneca Street in the City of Buffalo, Erie County, New York (the "Land") together with an existing 324,000+/- SF building thereon known as the historic F. N. Burt Company Factory (the "Existing Improvements"), (ii) the construction and/or renovation, expansion, upgrading and equipping of the Existing Improvements thereon into a mixed-use project consisting of Class A office space, 110+/- market-rate apartments; manufacturing, processing or distribution space, and commercial space, together with secured on-site parking (the "Improvements"), and (iii) the acquisition and installation by the*

Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes sales and use tax exemption benefits and mortgage recording tax exemption benefits (in compliance with Agency's uniform tax exemption policy).

☒ 4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: *All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on May 19, 2015. There are no limitations on written comments.*

☒ 5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.*

The Hearing Officer calls on those who raise their hand.

Sam Savarino, Savarino Companies and Partner at 500 Seneca Street, LLC. and the Owner/Applicant. What we are asking for is a modification/amendment to the previous approval given to this project. The project has become larger because we have activated a portion of the building which was going to remain vacant under the prior proposal.

500 Seneca Street as originally proposed was going to be commercial office space, primarily located in the newest portion of an old building on Seneca and Hamburg Streets. We were going to utilize historic tax credits and only utilize about half of the building for space; the oldest part of the building was going to be minimal restoration on the exterior leaving it really as a relic but utilize historic tax credits. The change that we are proposing now is to activate the oldest portion of the building. We are going to do that by adding 110 living units to that area. The reason why we want to do that is, well first are foremost it's a good idea to activate that building, activate that corner and activate that neighborhood and find some beneficial use for that portion of the

structure. The other reason is the Mayor of the City of Buffalo has made a request or a desire to see several thousand new housing units or residential units in the City of Buffalo. Doing some market research and finding out there was indeed some increasing need for apartments in a city location, we decided to go ahead with this portion of the project. It increases the value of the project, I don't know the exact numbers but it's between \$5-6 Million and that's why we're asking for a modification of our prior application.

The project itself is the reason why we need the assistance of the ECIDA and it's a bit of a challenge to make the numbers work. We provided you an analysis of the net cash flow on the project at the end. You can see the deal is thin and at best it's leveraged by historic tax credits and Brownfield Rehabilitation Tax Credits. So without us coming in and moving this project forward, you would have a vacant structure sitting there, probably would still be sitting vacant, leaking contaminants into the soil. It's an audacious project and we are spending in excess of \$30 Million out there for this, for something with a marginal return and it needs all the help it can get. Thank you.

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

SIGN IN SHEET

PUBLIC HEARING

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at the Erie County Industrial Development Agency offices located at
95 Perry Street, Suite 403, Buffalo, New York 14203
regarding:

500 Seneca Street, LLC

Project Location: 500 Seneca Street, Buffalo, New York 14204

Name	Company and/or Address	X box to speak comment
Sam Savarino	Savarino Companies 95 Perry Street Buffalo, New York 14203	X
Kevin Hayes	Savarino Companies 95 Perry Street Buffalo, New York 14203	