

SelectOne RE Holdings
\$1,700,000
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 56
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$77,000 in real estate tax savings • Approximately \$50,000 in sales tax savings • Up to \$17,000 in mortgage tax savings
PROJECT BENEFITS
<ul style="list-style-type: none"> • The project is anticipated to create 6 new jobs.
EMPLOYMENT
<ul style="list-style-type: none"> • Current Jobs Full Time - 14 Part Time - 2 • Total Jobs after project completion Full Time - 20 Part Time - 2
PROJECT HISTORY
<ul style="list-style-type: none"> • 10/2/2014 - Public hearing held. Comments attached • 10/22/14 - Approval of Negative Declaration in accordance with SEQRA • 10/22/14 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: SelectOne RE Holdings

Project Address: 760 Seneca Street
Buffalo, New York 14210
(Buffalo City School District)

Agency Request

A sales tax, mortgage recording tax and real estate tax exemption in connection with the adaptive reuse of 760 Seneca Street.

Acquisition	\$ 550,000
Renovation	850,000
Non-Manufacturing Equipment	150,000
Soft Costs	150,000
Total Project Cost	\$1,700,000

Company Description

SelectOne RE Holdings is a real estate holding company of SelectOne Search, LLC and SelectOne Tech, LLC and is a temporary and permanent placement staffing agency. The business was founded in 2005 and is currently located in leased space in the Town of Lancaster. The company specializes in financial, accounting, information technology and engineering placements. Major clients include M&T Bank, First Niagara and Citigroup. The company also services many smaller to mid-sized clients throughout WNY.

Project Description

SelectOne will be purchasing a long-vacant structure located at 760 Seneca Street and conduct a complete rehabilitation and renovation of this 120 year old building. The company currently leases 5,000 sq. ft. in Lancaster and has grown substantially in the past several years.

SelectOne will occupy the 2nd and 3rd floors of the building and the ground floor will be made available for lease to a professional services tenant. The renovated building in the heart of the Larkinville/Hydraulics District will enhance the overall area as the project site represents one of the last undeveloped properties in this immediate area.

Since the project involves an inter-municipal move, in accordance with the Uniform Tax Exemption Policy, the ECIDA has forwarded a copy of the application to the Supervisor of the Town of Lancaster and the Mayor of the City of Buffalo.

TENANT/USE	SQ. FT.	COST	% of PROJECTED COST
SelectOne Companies	8,000	\$1,700,000	100%
Vacant - Possible Retail	4,000	\$0	0%
TOTAL	12,000	\$1,700,000	100%

Retail Determination

Based on SelectOne’s application, it is their contention that the services they provide to their customers-financial/accounting/information technology and engineering firms-does not constitute a retail operation per the NYS statute as those end users do not personally visit the site. Should the Board determine that this is a retail operation, the approval will need to be accompanied by a sign off by the County Executive of a retail project in a highly distressed area. State Law provides the ability for IDA to assist retail projects when any portion of the property is in or adjacent to a distressed census tract. This project is within census tract 164 which is considered highly distressed under the State statute.

PILOT Table

The project will generate approximately \$21,000 of revenue to the local taxing jurisdictions over the abatement period representing \$3,500 to the County of Erie and \$17,500 to the City of Buffalo.

Year	% payment under PI-LOT	Est. County Payment	Est. City Payment	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$233	\$1,170	\$1,403	\$14,034	\$12,631
2	10%	\$233	\$1,170	\$1,403	\$14,034	\$12,631
3	20%	\$466	\$2,340	\$2,806	\$14,034	\$11,228
4	20%	\$466	\$2,340	\$2,806	\$14,034	\$11,228
5	30%	\$699	\$3,511	\$4,210	\$14,034	\$9,824
6	30%	\$699	\$3,511	\$4,210	\$14,034	\$9,824
7	30%	\$699	\$3,511	\$4,210	\$14,034	\$9,824
TOTAL PAYMENTS		\$3,495	\$17,553	\$21,048	\$98,238	\$77,190

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 = \$1,700,000 85% of total project amount = \$1,445,000
Employment	Coincides with PILOT term	Maintain 100% of existing FT (14) and PT (2) jobs and add 85% of projected (5) for a total of 19 FT and 2 PT
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Recapture Period	Coincides with 7-Year PILOT term	Recapture of state and local sales taxes, mortgage tax and real estate taxes

Recapture applies to:

- State and Local Sales Taxes
- Mortgage Recording Taxes
- Real Property Taxes

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA’s Policy Committee to recapture the local portion of the sales tax and real property taxes.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create an additional 5 jobs (85% of 6) iii) confirm adherence to ECIDA local labor hiring policy.