

St. Paul Group, LLC
\$3,785,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$142,146 in sales tax savings
- Up to 3/4 of 1% pf the final mortgage amount estimated at \$26,495

EMPLOYMENT

- New Jobs Projected = 18 FT

PROJECT HISTORY

- 12/01/2017 - Public Hearing Held. Transcript attached.
- 12/20/2017 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 12/20/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: St. Paul Group, LLC
 Project Address: 1115 Main Street
 Buffalo, New York 14209
 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of the former Our Lady of Lourdes Church.

Building Acquisition	\$ 40,000
Renovation	\$3,249,060
Soft Costs	\$ 495,940
 Total Project Cost	 \$3,785,000
 85%	 \$3,217,250

Company Description

St. Paul Group, LLC is a corporation formed by Ellicott Development. The LLC is 100% owned by 1238 Group, LLC which LLC is 100% owned by Santa Croce Group. The applicant is a newer formed LLC, however, its principals have over 40 years of successful real estate development and management experience redeveloping many properties in the City of Buffalo and Western New York.

Project Description

The proposed project involves the full-scale renovation of an existing vacant structure originally constructed in 1898 and known as Our Lady of Lourdes Church. The proposed renovation includes the construction of two new floors within the open cathedral nave which will result in a building that will measure approximately 32,000 sq. ft.

End uses include 1st floor retail/restaurant or brewery uses, 2nd floor offices although tenants are unknown at this time and 3 residential apartments in 1-3 BR configurations on the 3rd floor. While the apartment component has not yet been fully laid out, the average unit square footage for a one bedroom would be approximately 900 sq. ft. and 1,300 sq. ft. for the 2 BR and 1,800 sq. ft. for the 3 BR. Rents will be in the \$1,100 to \$1,950 per month range and includes water.

The church was constructed in the late 1800's and has been vacant for approximately 24 years.

The former church will internally connect with a new 6-story medical office building soon to be under construction at 1091 Main Street.

The new medical office building is not seeking financial assistance from the ECIDA.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional City Revenue over 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$3,000	\$1,500,000	\$116,000	\$81,000	\$50,000
Combined Tax Rate: 33				

Retail Determination

Use	Sq. Ft.	Cost	% of Project Cost
Retail	5,550	\$812,265	25%
Office	5,703	\$812,265	25%
Residential/Other	11,200	\$1,624,530	50%
Total	22,453	\$3,249,060	100%

On December 20, 2017 the Board determined that the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County shall provide written confirmation confirming the financial assistance.

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 = \$3,785,000 85% = 3,217,250
Employment	Same as recapture period	Create 85% of projected: Projected = 18 Recapture Employment = 15
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Recapture Applies to:
Mortgage Recording Tax
Sales 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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has 15 full time employees at the facility iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.