



Sweet Home Flats

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	Sweet Home Flats
Project Summary	Adaptive reuse for market rate multifamily development with 154 units.
Applicant Name	Amherst Sweethome Rd Property LLC
Applicant Address	100 Wall Street Suite 1601
Applicant Address 2	
Applicant City	New York
Applicant State	New York
Applicant Zip	10005
Phone	(646) 930-0206
Fax	
E-mail	info@dmginvestments.com
Website	www.dmginvestments.com
NAICS Code	531110

Business Organization

Type of Business	Limited Liability Company
Year Established	2021
State in which Organization is established	Delaware

Individual Completing Application

Name	Yuanyuan Ma
Title	Acquisitions Associate
Address	100 Wall St Suite 1601
Address 2	
City	New York
State	New York
Zip	10005
Phone	(646) 334-0708

Fax

E-Mail yuanyuanma@dmginvestments.com

Company Contact (if different from individual completing application).

Name Ariel Hai
Title Senior Vice President of Finance and Acquisitions
Address 100 Wall St Suite 1601
Address 2
City New York
State New York
Zip 10005
Phone (347) 400-8239
Fax
E-Mail arielhai@dmginvestments.com

Company Counsel

Name of Attorney Genevieve M. Trigg
Firm Name Barclay Damon LLP
Address 80 State Street
Address 2
City Albany
State New York
Zip 12207
Phone (518) 860-9032
Fax (518) 427-3484
E-Mail GTrigg@barclaydamon.com

Benefits Requested (select all that apply).

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	Yes
Exemption from Real Property Tax	Yes
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Amherst Sweethome Rd Property LLC is 100% owned by DMG Investments LLC. DMG Investments LLC is a real estate developer and investment company founded in 2013 and headquartered in New York City. DMG focuses on residential development and actively manage real estate investments of approximately \$700 million in assets under management across 10+ projects in New York, New Jersey, Texas, Tennessee, Wisconsin, and South Carolina.

Estimated % of sales within Erie County	100 %
Estimated % of sales outside Erie County but within New York State	0 %

Estimated % of sales outside New York State but within the U.S. 0 %

Estimated % of sales outside the U.S. 0 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

45

Describe vendors within Erie County for major purchases

The Applicant intends to source at least 45% of raw materials and vendor services within Erie County during construction, as well locally source annual supplies postconstruction, to the extent feasible.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

1265 Sweet Home Road, Buffalo, New York

Town/City/Village of Project Site

Town of Amherst

School District of Project Site

Sweet Home Independent School District

Current Address (if different)**Current Town/City/Village of Project Site (if different)****SBL Number(s) for proposed Project**

54.12-1-23.11

What are the current real estate taxes on the proposed Project Site

\$85,471.77

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 365,000

Building(s)

\$ 2,085,000

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

No

If no please explain

As the Agency may be aware, the former hotel that was proposed at the project site has been abandoned since 2017. The existing owner has failed to pay property taxes since such timeframe. To date, outstanding real property taxes amount to \$109,144.46. Proceeds from the purchase of the property will be used to pay off the delinquent taxes at the time of acquisition.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

No

If No, indicate name of present owner of the Project Site

Applicant's holding company, DMG Investments, entered PSA with existing owner on July 31st 2020, targeting to close on June 1st 2021.

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Uncompleted construction site intended for hospitality use. Please find detailed information in Exhibit 1.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

Adaptive reuse for multifamily development with 154 units. Proposed development will complete the construction of the 88,146 square feet existing building and add a 17,592 square feet annex. Please find detailed information in Exhibit 1.

Municipality or Municipalities of current operations

Town of Amherst

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

If yes, please indicate the Agency and nature of inquiry below

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The Applicant seeks financial assistance from the Amherst IDA in the form of the following: (i) real property tax exemption, (ii) mortgage tax exemption, and (iii) sales tax exemption. But for the IDA's undertaking of the project and grant of financial assistance, the project would not be economically feasible. The Agency's financial assistance will help make the project commercially reasonable. Without real property tax certainty, the project cannot be financed. Please find detailed information in Exhibit 1.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

Without financial assistance, it's with great possibility that the site will remain vacant with accumulated overdue property tax payment. Current structure will likely deteriorate and pose safety risks, further decreasing the property value. The project will be a benefit to the community by providing an adaptive reuse of the abandoned site and offering market rate housing. Please find detailed information in Exhibit 1.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

0.6 miles from Maple Rd & Sweet Home Rd Bus Station for bus route #35 - Sheridan which operates between Vulcan Loop and University at Buffalo North Campus.

Has a project related site plan approval application been submitted to the appropriate planning department?

Yes

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

CTR-8. Please find detailed information in Exhibit 3.

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

The applicant has obtained rezoning approval during Town Board's meeting on March 22, 2021. Please find detailed information in Exhibit 3.

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

No

If yes, describe the efficiencies achieved

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

No

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

Select Project Type for all end users at project site (you may check more than one).

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
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Please check any and all end uses as identified below.

- | | | |
|-------------------------------------|--------------------|------------------------------|
| No Acquisition of Existing Facility | No Assisted Living | No Back Office |
| No Civic Facility (not for profit) | Yes Commercial | No Equipment Purchase |
| No Facility for the Aging | No Industrial | No Life Care Facility (CCRC) |
| Yes Market Rate Housing | No Mixed Use | No Multi-Tenant |
| No Retail | No Senior Housing | No Manufacturing |
| No Other | | |

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

Cost	% of Total Cost
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Manufacturing/Processing	square feet	\$	0	0%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	square feet	\$	0	0%
Specify Other	105,738 square feet	\$	11,000,000	100%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

9/1/2021

End date : Estimated completion date of project

8/31/2022

Project occupancy : estimated starting date of occupancy

9/1/2022

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 5,750,000 88,146 square feet 2 acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 2,600,000 17,592 square feet

4.) Reconstruction/Renovation

\$ 8,400,000 88,146 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 442,500

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 4,146,306

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 21,338,806

Construction Cost Breakdown:

Total Cost of Construction	\$ 11,000,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 5,500,000
% sourced in Erie County	45%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 5,500,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 481,250

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 12

Have any of the above costs been paid or incurred as of the date of this Application? Yes

If Yes, describe particulars: The \$324,338.50 spent as of 04/08/21 by the applicant covers legal fees, consulting fees, surveys and purchase price deposit.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 8,390,978
Bank Financing:	\$ 12,947,828
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	0
Total Sources of Funds for Project Costs:	\$21,338,806
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing).	19,121,858
Lender Name, if Known	

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$143,413

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other): None

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

You must include a copy of the most recent NYS-45 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return. The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	0	0	0
Part time	0	0	4	4
Total	0	0	4	

If you estimated new job growth over the next 2 years, please provide a short description of how those estimates were calculated (i.e. jobs per square foot, new contracts/increased revenues, etc.)

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
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Management	0	\$ 0	\$ 0	\$ 0	\$ 0
Professional	4	\$ 0	\$ 0	\$ 20,300	\$ 3,582
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

95,529

Estimated average annual salary of jobs to be retained (Full Time)

0

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

0

Estimated average annual salary of jobs to be created (Part Time)

23,882

Estimated salary range of jobs to be created

From (Full Time)	0	To (Full Time)	0
From (Part Time)	15,600	To (Part Time)	30,000

Section III: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

<BLANK>

Section V: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below.

Section VI: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

Yes

What is the age of the structure (in years)? 4

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)

Yes

If vacant, number of years vacant.

4

If underutilized, number of years underutilized.

0

Describe the use of the building during the time it has been underutilized:

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)

No

If yes, please provide dollar amount of income being generated, if any

If apartments are planned in the facility, please indicate the following:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	87	450 - 570	\$1,175 - \$1,225
2 Bedroom	23	720 - 1,180	\$1,750 - \$2,000
3 Bedroom		-	\$ - \$
Other	44	347 - 370	\$1,000 - \$1,050

Does the site have historical significance?

No

If yes, please indicate historical designation

Are you applying for either State/Federal Historical Tax Credit Programs?

No

If yes, provide estimated value of tax credits

Briefly summarize the financial obstacles to development that this project faces without Amherst IDA or other public assistance. Please provide the Amherst IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

But for the AIDA's grant of financial assistance, the developer will not be able to obtain financing and the property will continue to sit vacant. In particular, the proposed development faces financial challenges because: 1) the proposed development has 85% of studios and 1-bedroom units which limits the potential rental income; and 2) the renovation for multifamily development from an uncompleted structure intended for hospitality use requires significantly higher construction cost. If the project return is substantially below market return because of the facts stated above, the Applicant will be unable to secure debt and equity financing for the adaptive reuse project.

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

The project has obtained rezone approval. Please find detailed information in Exhibit 1.

Indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, structure presents significant costs associated with building code compliance

The existing structure has been sitting dormant for approximately four years. The roof was never completed and is now needs to be replaced. The lower roofs were never installed which caused water to infiltrate into the ground floor level. Due to the conditions of the roofs and infiltration of water, there has been algae building up on the concrete masonry units (CMU) which must be removed. In addition, part of the existing exterior sheathing and all mechanical ducts need to be replaced because those have been left exposed without any maintenance. All these issues not only cause public safety concerns but also add a significant amount to the project cost. The current structure will continue to deteriorate and further decrease the property value if the proposed adaptive reuse is delayed or canceled. Furthermore, to convert the existing structure into multifamily housing from a hotel, additional work such as installing PTACs and VTACs in all the units, adding apartment panels, relocating the transformer pad and other necessary renovations, aggregate in higher than standard construction cost which makes the financial assistance from IDA crucial for this project to be feasible.

Indicate census tract of project location

91

Indicate how project will eliminate slum and blight

The uncompleted building has laid vacant, unoccupied and property taxes have not been paid for the past four years. The existing owner has ceased paying property taxes. The longer the structure is left undeveloped, the more the property value will decrease. In addition, a vacant building poses public safety risks such as attracting rodents, squatters and the lack of maintenance may cause falling debris and other dangerous conditions. There are also outstanding mechanic liens on the property. Proceeds from the purchase of the property will be used to pay off the delinquent taxes and liens at the time of acquisition. The proposed development will revitalize the abandoned building and convert it into an income producing property.

If project will be constructed to LEED standards indicate renewable resources utilized

Section VII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

1265 Sweet Home Road

City/Town

Town of Amherst

State

New York

Zip Code

14228

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section VIII: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No