

95 Pirson Parkway, LLC
\$ 3,304,500
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 53/33

COMPANY INCENTIVES

- Approximately \$131,250 in sales tax savings
- A mortgage tax savings in the estimated amount of \$19,000
- Approximately \$710,000 in real property tax savings

PROJECT BENEFITS

- The project will generate approximately \$188,000 of new revenue to the local taxing jurisdictions over the abatement period representing \$24,000 to the County of Erie, \$68,000 to the Town of Tonawanda and \$96,000 to the School District

EMPLOYMENT

<u>Current</u>	<u>Projected</u>
FT = 141	FT = 170
PT = 2	PT = 5

PROJECT HISTORY

- 7/29/2015 - Public hearing held. Transcript attached
- 8/18/2015 - No SRQRA review required as the project is consistent with the original environmental impact statement approved by the Town
- 8/18/2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 95 Pirson Parkway, LLC

Project Address: 95 Pirson Parkway
 Tonawanda, New York 14150
 (Kenmore-Town of Tonawanda Union Free School District)

Agency Request

A sales tax, mortgage tax and real property tax exemption in connection with the construction of a 40,000 sq. ft. facility for MJ Mechanical.

Land Acquisition	\$229,500
Building Construction	3,000,000
Soft Costs	75,000
Total Project Cost	\$3,304,500
85%	\$2,808,825

Company Description

95 Pirson Parkway, LLC was formed by Zeapfel Development to undertake the construction of a facility for lease to MJ Mechanical. Zeapfel has developed, owned, managed, built or sold nearly five million square feet of office, warehouse, industrial and flex space in Western New York, Pennsylvania and the Southeast.

Project Description

Zaepfel is proposing to construct a 40,000 sq. ft. facility in the Town of Tonawanda for MJ Mechanical ("MJ"). MJ is a full service commercial and industrial heating, ventilation, air conditioning and refrigeration contractor servicing Western and Central New York and Northern Pennsylvania. 50% of the company's sales are to companies located outside Erie County. Of that 50%, 5% are to businesses located outside New York State. MJ offers design/build, installation, repair, replacement and service assistance with in-house sheet metal fabrication, mechanical and duct system installation, control, automation and piping capabilities. This project will allow MJ to expand their metal fabrication business and to start a new plumbing division. In addition, fabrication services will be provided for the company's other locations in Syracuse, Rochester and Albany.

PILOT Table

The project will generate approximately \$188,000 of new revenue to the local taxing jurisdictions over the abatement period representing \$24,000 to the County of Erie, \$68,000 to the Town of Tonawanda and \$96,000 to the School District

Year	% payment under PILOT	Est. County PI-LOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	As if Owned	Net Exemption
1	0.1%	\$1,170	\$3,252	\$4,567	\$8,989	\$89,894	\$80,905
2	0.1%	\$1,170	\$3,252	\$4,567	\$8,989	\$89,894	\$80,905
3	0.1%	\$1,170	\$3,252	\$4,567	\$8,989	\$89,894	\$80,905
4	0.2%	\$2,341	\$6,504	\$9,134	\$17,979	\$89,894	\$71,915
5	0.2%	\$2,341	\$6,504	\$9,134	\$17,979	\$89,894	\$71,915
6	0.2%	\$2,341	\$6,504	\$9,134	\$17,979	\$89,894	\$71,915
7	0.3%	\$3,511	\$9,756	\$13,701	\$26,968	\$89,894	\$62,926
8	0.3%	\$3,511	\$9,756	\$13,701	\$26,968	\$89,894	\$62,926
9	0.3%	\$3,511	\$9,756	\$13,701	\$26,968	\$89,894	\$62,926
10	0.3%	\$3,511	\$9,756	\$13,701	\$26,968	\$89,894	\$62,926
TOTAL PAYMENTS		\$24,578	\$68,295	\$95,904	\$188,777	\$898,940	\$710,162

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 = \$3,304,500 85% = \$2,808,825
Employment (Tenant)	To coincide with PILOT period	Maintain base: 142 Create 85% of projected: 31 Projected = 31 85% = 26 Recapture employment = 168
Local Labor	Construction Period	Adherence to policy including quarterly reporting
PILOT	PILOT Term 10-years	Up to 100% recapture at Agency discretion
Recapture Period	Coincides with 10-year PILOT term	Recapture of state and local sales taxes and real property taxes

Recapture applies to:

State and Local Sales Taxes
 Payment in Lieu of Taxes
 Mortgage Recording Tax

Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales tax 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 share of 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 has maintained base employment and reached 85% of projected and iii) adheres to local labor policy.