

Galvstar, LLC

\$23,800,000

INDUCEMENT RESOLUTION

HIGHLIGHTS

Eligibility: NAICS Section - **33** - manufacturing

COMPANY INCENTIVES

- Approximately \$43,750 sales tax savings
- Up to \$238,000 in mortgage recording tax savings
- Tax exempt financing
- Anticipated Recovery Zone Bond Allocation



Project Title: Galvstar, LLC

Project Address: 1001 East Delevan Avenue
Buffalo, New York 14215
(Buffalo City School District)

SIC/NAICS: 3312/331111

Agency Request

Sales tax, mortgage recording tax in connection with the acquisition and renovation of a 120,000 sq. ft. facility.

Building Renovation	\$ 1,000,000
Manufacturing Equipment	13,800,000
Soft Costs	9,000,000
 Total Projects Costs	 \$23,800,000

Company Description

Galvstar, LLC is a start-up entity which will operate a 180,000 ton per year continuous steel processing facility to supply Galfan coated steel to the construction products market in the U.S. and Canada. Galvanizing involves coating steel with zinc or other coatings in order to protect the steel from corrosion. These coated steels are used in a wide range of construction projects and , commercial and consumer products including automotive, appliances, buildings and housing. The company expects 99% of its market to be outside New York State and approximately 50% international sales.

Project Description

The proposed project entails the acquisition and renovation of a 120,000 sq. ft. facility (former American Axle plant) and purchases of equipment to establish a continuous steel processing facility.

Project Incentives

- Approximately \$43,750 sales tax savings
- Up to \$238,000 in mortgage recording tax savings.
- Tax exempt financing
- Anticipated Recovery Zone Bond Allocation

Project Benefit

- Re-use of a portion of the vacant American Axle Plant.
- 50 manufacturing jobs in the City of Buffalo.
- The facility will provide galvanized steel products in the U.S. and Canada. Management indicates that there currently is a shortage of galvanized product which the new line will satisfy.

Employment

<u>Current</u>	<u>At Occupancy</u>	<u>Projected (2 Years)</u>
0	50	50

Project History

- 5/6/2010 Public hearing held. No oral or written comments. Transcript on file at ECIDA.
- 5/10/2010 Special Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 5/10/2010 \$23,800,000 Lease/Leaseback Inducement Resolution presented to Board of Directors.