

CPI Process Systems
\$3,100,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 423830

COMPANY INCENTIVES

- Approximately \$165,000 in real property tax savings.
- Approximately \$141,750 in sales tax savings
- Approximately 16,500 in mortgage recording tax

EMPLOYMENT

- Current: 12 FT
2 PT
- Projected New Jobs: 2 FT
- Annual payroll: \$1,285,000
- Estimated salary of jobs to be created: \$60,000
- Estimated salary of jobs to be retained: \$75,000

PROJECT HISTORY

- 02/25/2019 - Public hearing held. Transcript attached.
- 05/22/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 05/22/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: CPI Process Systems
 Project Address: 2800 North America Drive
 West Seneca, New York 14224
 (West Seneca Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the construction of an 11,600 sq. ft. warehouse/distribution facility.

Land Acquisition	\$ 120,000
New Building Construction	\$2,600,000
Infrastructure	\$ 100,000
Manufacturing Equipment	\$ 250,000
Non-Manufacturing Equipment	\$ 5,000
Soft Costs/Other	\$ 25,000
Total Project Costs	\$3,100,000
85%	\$2,635,000

Company Description

CPI Process Systems is a distributor of industrial valves, manual valves, pneumatic and electric control valves, safety relief valves as well as lined piping systems. Major industries served include air separation, chemical, pharmaceutical, oil and gas and beverage.

National and international customers account for 45% of the company's sales.

Project Description

CPI Currently leases 5,000 sq. ft. within North America Industrial Park in West Seneca and an additional 3,000 sq. ft. on Ransier Drive. The construction of a new 11,600 sq. ft. facility will allow the company to combine all inventory under one roof and will provide more room to stage project orders in order to be more responsive to its customers. The company will also be purchasing machinery and equipment.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 10-Year Abatement Period	Additional Local Revenue over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$270,000	\$7,360	\$36,656	\$20,960
Combined Tax Rate: \$77.63				

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: \$3,100,000 85% : \$2,635,000
Employment	Coincides with 10-Year PILOT	Maintain Base: 13 FTE Create 85% pf Projected Projected: 2 85%: 2 Recapture Employment: 15 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity/Unpaid Tax	Coincides with 10-Year PILOT	Adherence to Policy
Recapture Period	10-Year PILOT Term	Recapture of State and Local Sales Taxes, Real Property Taxes and mortgage recording tax

Recapture applies to:

- State and Local Sales Taxes
- Real Property Tax
- Mortgage recording 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 completion of the project company must certify i) total investment amount equal to or greater than 85% of the amount proposed; ii) confirm company has maintained 13 FTE employees and created an additional 2 FT jobs iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.