

Buffalo Material Handling
\$1,315,000
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 423830
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$61,250 in sales tax savings • Approximately \$123,000 in real property tax savings • Up to 3/4 of 1% of the final mortgage amount estimated at \$6,750
EMPLOYMENT
<ul style="list-style-type: none"> • Current Jobs - 30 • Projected New Jobs - 3 • Total Jobs 2 Years After Project Completion: 33 • Annual payroll: \$1,340,000 • Estimated salary of jobs to be created: \$30,000 • Estimated salary of jobs to be retained: \$40,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 05/20/2019 - Public hearing held. Transcript attached. • 6/26/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 6/26/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Buffalo Material Handling

Project Address: 125 Taylor Drive
 Depew, New York 14043
 (Lancaster Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the construction of a 10,000 sq. ft. expansion.

Building Addition	\$ 950,000
Renovation	\$ 250,000
Non-Manufacturing Equipment	\$ 65,000
Soft Costs	\$ 50,000

Total Project Cost	\$1,315,000
85%	\$1,117,750

Company Description

Buffalo Material Handling is owned 100% by Peter Tunkey who purchased the company in 2010. The company is a distributor of all types of material handling equipment such as forklifts, scissor lifts and industrial scrubbers. In addition, they also perform OSHA training and install pallet racking systems and docks. Company sales are predominantly to Erie County customers and include Rich Products, Tops Markets and Sonwil.

Project Description

The company currently occupies 12,000 sq. ft. of space on Taylor Drive in the Village of Depew in the Town of Cheektowaga. In need of additional capacity to increase productivity and ease workflow, the company is proposing to construct a 10,000 sq. ft. addition. In 2019 Buffalo Material Handling was awarded a 3-year contract with GM Tonawanda to service all of their mobile equipment.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$540,000	\$4,415	\$29,267	\$22,455
Combined Tax Rate: \$41.58				

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 = \$1,315,000 85% = \$1,117,750
Employment	Coincides with 7-year PILOT	Maintain base: 30 Create 85% of Projected Projected = 3 85% = 2 Recapture Employment = 32
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

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 is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained 30 FTE and created 3 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.