

Tonawanda Pirson, LLC/Gear Motions
\$4,299,040
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110/333612

COMPANY INCENTIVES

- Approximately \$197,064 in sales tax savings
- Approximately \$873,828 in real property tax savings
- Approximately \$28,474 in mortgage tax savings

EMPLOYMENT

- Retained Jobs - 35
- Projected New Jobs - 2
- Total Jobs After Project Completion - 37
- Annual payroll: \$1,898,825
- Estimated salary of jobs to be created: \$48,392
- Estimated salary of jobs to be retained: \$54,252

PROJECT HISTORY

- 07/13/2009 - No SEQRA review required as project is consistent with the original environmental impact statement approved by the Town.
- 11/02/2020 - Public hearing held.
- 11/18/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Tonawanda Pirson, LLC/Gear Motions

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

Agency Request

A sales tax, real property tax and mortgage tax exemption in connection with the construction of a 56,000 facility to be used by Gear Motions.

Land	\$ 400,040
Building	\$3,075,250
Infrastructure	\$ 721,388
Soft Costs	\$ 102,362

Total Project Cost	\$4,299,040
85%	\$3,654,184

Company Description

Pirson Parkway, LLC was formed by Jim and Greg Zaepfel to undertake the proposed project. This project would represent the third building constructed by the developers in the North Youngmann Industrial Park.

Gear Motions will occupy the facility. Gear Motions is a leading gear manufacturer specializing in applying custom cut and ground gears for original equipment manufacturers throughout the world. They are employee owned with 4 divisions - 3 in the Buffalo area and one in Syracuse. The Buffalo area divisions are located on Niagara Street in the City of Buffalo and Military Road in the Town of Tonawanda.

Project Description

The project consists of the construction of an approximately 56,000 sq. ft. manufacturing facility that will be leased to Gear Motions. The company will be combining both the Niagara Street and Military Road operations into one facility within the industrial park. The combination of the operations will allow the company to capture additional best practices, share resources and reduce costs. The company has worked with Invest Buffalo Niagara over the past year on the project.

The movement from the City of Buffalo results in an Inter-Municipal Move and in accordance with our policy we have informed the Mayor of the company's intention and have provided a list of properties which were reviewed both inside and outside of Erie County.

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	\$1,120,000	\$33,304	\$198,979	\$110,611
Combined Tax Rate: \$98.76				

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 = \$4,299,040 85% = \$3,654,184
Employment	Coincides with 10-year PILOT	Maintain base: 35 Create 85% of Projected Projected = 2 85% = 2 Recapture Employment = 37
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	Coincides with 10-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 35 jobs and created 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.