

Calspan Corporation
\$13,500,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 541715

COMPANY INCENTIVES

- Approximately \$437,500 in sales tax savings
- Approximately \$64,000 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$97,500

EMPLOYMENT

- Retained Jobs = FT =143
PT =3
- Projected New Jobs = 20
- Annual payroll: \$10,725,933
- Estimated salary of jobs to be created: \$70,000
- Estimated salary of jobs to be retained: \$74,000

PROJECT HISTORY

- 12/30/2020 - Public hearing held.
- No SEQRA review required
- 01/27/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

- 2011 - \$2,000,000 Tax Incentive Project Approved.
- 2013 - \$10,000,000 Tax Incentive Project Approved.
- 2016 - \$7,070,000 Tax Incentive Project Approved.

Project Title: Calspan Corporation
 Project Address: 40 Sonwil Drive
 Cheektowaga, New York 14225
 (Lancaster Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax exemption in connection with the acquisition and renovation of a 65,000 sq. ft. facility

Acquisition	\$3,250,000
Renovation	\$2,000,000
Infrastructure	\$ 1,000,000
Manufacturing Equipment	\$ 4,000,000
Non-Manufacturing Equipment	\$ 3,000,000
Soft Costs	\$ 250,000
Total Project Cost	\$13,500,000
85%	\$11,475,000

Company Description

Calspan is the innovative leader in simulation, testing, training, and technology services which improves safety for the aerospace and transportation communities. Beginning with initial investigations into occupant behavior which gave rise to the crash test dummy to the pioneering work in safety restraints which led to the seatbelt, Calspan has constructed significant transportation safety advances throughout its more than sixty-year history. Calspan provides testing and engineering services to major domestic and international companies that are looking to improve their products. They estimate 70% of sales are to companies located outside New York State and 25% in international sales.

Project Description

With the emergence of new autonomous vehicle technologies and the electrification of vehicles, safety testing is essential. The project consists of the acquisition of a 65,000 sq. ft. existing facility which will house two highly precise and powerful test stands.

These test stands will be utilized to evaluate automotive restraints, seating and interior equipment according to domestic and international safety standards. The Calspan-offered testing services will support the needs of the U.S. Department of Transportation, all global automakers and their suppliers. The customer base include such names as the National Transportation Safety Board, as well as major car manufacturers.

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 PILOT Period	New Yearly Taxes Upon Expiration of Abatement Period
\$68,000	\$250,000	\$3,000	\$14,000	\$8,100
Combined Tax Rate: \$32.51				

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 = \$13,500,000 85% = \$11,475,000
Employment	Coincides with 10-year PILOT	Maintain base = 144 FTE Create 85% of Projected Projected = 20 85% = 17 Recapture Employment = 161
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 and real property 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 is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 144 FTE and created 20 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.