

A&A Union Road LLC
\$ 3,110,729
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 524210

COMPANY INCENTIVES

- Approximately \$ 166,250 in sales tax savings
- Approximately \$ 334,915 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$20,625

JOBS & ANNUAL PAYROLL

- Current Jobs: 12 FT, 1 PT
- Annual Payroll: \$ 775,464
- Projected new jobs: 2 FT
- Est. salary/yr. of jobs created: \$40,000
- Projected retained jobs: 12 FT, 1 PT
- Est. salary/yr. of jobs retained: \$ 61,587
- Total jobs after project completion: 14 FT, 1 PT
- Construction Jobs: 13

PROJECTED COMMUNITY BENEFITS*

- Term: 7 YEARS
 - NET Community Benefits: \$ 16,451,250
 - Spillover Jobs: 33
- Total Payroll: \$ 15,430,020

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$ 498,062
 Community Benefit: \$ 15,329,511
 Cost: Benefit Ratio
 • 1: 31

Project Title: Aebly and Associates Insurance Services
 Project Address: 1471 Union Road, West Seneca, NY 14224
 West Seneca Central School District

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of a 6,160 sq ft 2 story professional office building.

Land / Building Acquisition	\$ 214,000
New Building Construction	\$ 2,594,729
Infrastructure	\$ 42,000
Manufacturing Equipment	\$ 0
Non- Manufacturing Equipment	\$ 150,000
Soft Costs/Other	\$ 110,000
 Total Project Cost	 \$ 3,110,729
 85%	 \$ 2,644,119

Company Description

Aebly and Associates Insurance Services, Inc is a diversified insurance firm that has been serving the insurance needs of their clients since 1913. They cover a wide area of insurance-related back-office operations and policy holder services. Aebly & Assoc clients include policy holders of individual types of insurance such as auto, home and life: business client who have property, liability, worker compensation, employee benefits, payroll services and other employ-based insurances for employees. Aebly & Assoc also provides third party administrative services through the processing of claims and management of healthcare account such as Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs) and Health Savings Accounts (HSAs). Aebly and Associates Insurance Services, Inc., and A&A Union Road, LLC are 100% owned by Julius W. Aebly Jr.

Project Description

Aebly and Associates Insurance Services has outgrown their current facilities located at 3638 and 3640 Seneca Street and plans to construct a 6,000+ sq ft professional office building to improve operating efficiencies and offer an updated office environment. The new building will be state of the art, paperless and highly visible allowing the company to not only retain, but also to attract hard to find educated new employees looking to be part of a growing professional insurance business.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	334,915
	Sales	166,250
	Mortgage Recording	20,625
	Total	521,790
	Discounted at 2%	498,062

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	1,832,207
			Payroll Permanent	13,597,812
		Public	Property Taxes	83,732
			Sales Taxes	128,262
			Local Muni (NFTA)	6,875
	New York State	Public	Income Taxes	694,351
			Sales Taxes	108,010
			Total Benefits to EC + NYS***	16,451,250
			Discounted at 2%	15,329,511

* Cost Benefit Analysis Tool powered by MRB Group ** includes direct & indirect \$ over project period *** may not sum to total due to rounding

Discounted Cost \$ 498,062
 Discounted Benefit \$ 15,329,511
 Ratio 1:31

Conclusion: The Cost Benefit for this project is: 1:31. For every \$1 in costs (incentives), this project provides \$31 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$36 in benefits to the community.**

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
\$5,941	\$ 2,174,118	\$ 13,802	\$ 69,927	\$ 65,648
Combined Tax Rate: \$ 80.91				

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 = \$ 3,110,729 85% = \$2,644,119
Employment	Coincides with 7-year PILOT	Maintain Base = 12FTE Create 85% of Projected Projected = 2 85% = 1 Recapture Employment = 13
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
<u>Recapture Period</u>	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 jobs and created jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 5/31/22 Public hearing held.
- 7/27/22 Inducement Resolution presented to Board of Directors – Type II action and therefore no further action is required under SEQRA
- 7/27/22 Lease/Leaseback Inducement Resolution presented to the Board of Directors