

2855 Clinton Street / Shell Fab
\$3,018,000
AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 327991
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$240,000 in real property tax savings • Approximately \$162,469 in sales tax savings • Up to \$22,000 in mortgage recording tax savings
PROJECT BENEFITS
<ul style="list-style-type: none"> • The project will generate approximately \$65,000 of revenue to the local taxing jurisdictions over the abatement period representing \$11,000 to the County of Erie, \$17,000 to the Town of West Seneca and \$38,000 to the West Seneca Central School District.
EMPLOYMENT
<ul style="list-style-type: none"> • Current - 45 • New Jobs Projected - 10
PROJECT HISTORY
<ul style="list-style-type: none"> • 7/26/2016 - Public hearing held Transcript attached. • 8/24/16 - ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA. • 8/24/16 - Lease/Leaseback Inducement Resolution presented to the Board of Directors. • 1/24/2018 - Amendatory Inducement Resolution presented to Board of Directors to increase project amount.

Project Title:	2855 Clinton Street / Shell Fab	
Project Address:	3254 Clinton Street West Seneca, New York 14224 (West Seneca Central)	
Agency Request		
A sales tax , mortgage recording tax and real property tax abatement in connection with the construction of a 55,000 +/- sq. ft. manufacturing facility.		
	Prior	Current
Land Acquisition	\$ 185,000	\$ 185,000
New Building Construction	\$2,050,000	\$2,300,000
Manufacturing Equipment	\$ 400,000	\$ 0
Non-Manufacturing Equipment	\$ 100,000	\$ 533,000
Total Project Costs	\$2,735,000	\$3,018,000
85%	\$2,324,750	\$2,565,300

Company Description

Shell Fab & Design, Inc. is a woman-owned business and has been in operation since 1988. They are a manufacturer of laminate, solid surface, quartz and granite countertops for both residential and commercial customers.

When originally established the company operated out of a 750 sq. ft. garage in the City of Lackawanna. In 2001 they relocated from 2,500 sq. ft. to the current location which consists of a 25,000 manufacturing facility on Clinton Street in the Town of West Seneca.

Amended Project Description

The project description is being modified to increase both the construction budget along with a request for a sales tax exemption in connection with the fabrication equipment budget. When complete the total project investment will increase from \$2,735,000 to \$3,018,000; an increase of just over 10%.

The increased benefit to the developer will be in the form of additional sales tax savings in the estimated amount of \$80,000.

The estimated sales tax benefit is changed as follows:

Original estimate of sales tax savings:	\$ 82,469
Revised estimate of sales tax savings	\$162,469
Net increase	\$ 80,000
Original jobs:	45
Projected jobs after 2 years	55
Jobs at 9/30/2017	49 FT/2PT
Estimated Project Completion Date	July, 2018

Prior Project Description

With no room to expand at its existing location, and in order to meet customer demand, Shell Fab has/is purchasing a vacant parcel and will be constructing a 55,000 +/- sq. ft. manufacturing facility. The company is also purchasing \$400,000 of additional manufacturing equipment.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value (Actual)	Additional County Revenue over 7-year abatement period	Additional Local Revenue over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement
\$0	\$602,700	\$11,000	\$54,000	\$44,000
Combined Tax Rate: \$73				

PILOT Table

The project will generate approximately \$65,000 of revenue to the local taxing jurisdictions over the abatement period representing \$11,000 to the County of Erie, \$17,000 to the Town of West Seneca and \$38,000 to the West Seneca Central School District.

Year	% payment under PILOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$750	\$1,104	\$2,529	\$4,383	\$43,828	\$39,446
2	10%	\$750	\$1,104	\$2,529	\$4,383	\$43,828	\$39,446
3	20%	\$1,500	\$2,208	\$5,058	\$8,766	\$43,828	\$35,063
4	20%	\$1,500	\$2,208	\$5,058	\$8,766	\$43,828	\$35,063
5	30%	\$2,249	\$3,312	\$7,587	\$13,149	\$43,828	\$30,680
6	30%	\$2,249	\$3,312	\$7,587	\$13,149	\$43,828	\$30,680
7	30%	\$2,249	\$3,312	\$7,587	\$13,149	\$43,838	\$30,680
TOTAL PAYMENTS		\$11,246	\$16,562	\$37,934	\$65,743	\$306,798	\$241,056

Draft Recapture Material Terms

	Term	Recapture Provision
	At project completion	Investment amount equal to or greater than 85% of project amount Total Project Amount = \$3,018,000 85% of total project amount = \$2,565,300
	Coincides with 7-Year PILOT term	Maintain base:45 Create 85% of projected: Projected Jobs: 10 85% of projected jobs = 8 Recapture Employment: 53
	Construction Period	Adherence to policy including quarterly reporting
	Coincides with 7-Year PILOT term	Adherence to Policy
	Coincides with 7-Year PILOT term	Adherence to Policy
	Coincides with 7- Year PILOT term	Real Property Taxes, State and Local Taxes, Mortgage Tax

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Tax

Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA's Policy Committee to recapture the local portion of the sales tax, real property taxes and mortgage tax.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create 8 additional jobs iii) adherence to local labor policy, iv) adherence to unpaid tax policy and v) adherence to pay equity policy.