

**Pollock Research & Design  
 d/b/a Simmers Crane Design & Service  
 \$1,710,000  
 INDUCEMENT RESOLUTION**

**HIGHLIGHTS**

- Eligibility: NAICS Section - **42 - manufacturing**

**COMPANY INCENTIVES**

- Approximately \$303,000 in real property tax benefits
- Approximately \$72,000 in sales tax benefits
- 1% of the final mortgage amount estimated up to \$13,000



Project Title: Pollock Research & Design  
 d/b/a Simmers Crane Design & Service

Project Address: 365 Wheeler Street  
 Tonawanda, New York 14150  
 (City of Tonawanda School District)

NAICS: 423810

**Agency Request**

A real property tax, sales tax and mortgage tax exemption in connection with the construction of a 20,000 sq. ft. manufacturing facility.

Land	\$ 200,000
New Building Construction	1,300,000
Non-Manufacturing Equipment	175,000
Soft Costs	35,000
Other	
 Total Project Cost	 \$1,710,000

**Company Description**

Simmers Crane was founded in 1958 and became a division of Pollock Research & Design in 1966. Simmers provides engineering, custom design and build services, inspections, preventative maintenance service and is a parts provider for overhead indoor cranes and hoists. Locally, they are currently working on the Welded Tube project installing cranes in the new facility in Lackawanna.

The company services are provided almost equally between Erie County and New York State customers.

**Project Description**

The company currently occupies 11,480 sq. ft. in a leased facility located at 255 Firetower in the Town of Tonawanda. After review of several sites within and outside of the Town, they have identified a parcel of land on the former Spaulding Fibre site on Wheeler Street in the City of Tonawanda. They are proposing the construction of a 20,000 sq. ft. facility along with machinery and equipment purchases.

The Spaulding Fibre site has been the subject of a massive cleanup effort involving the State of New York, County of Erie and ECIDA. All buildings have been removed and the site remediated.

The facility will be made up of approximately 15,000 sq. ft. of manufacturing space and 5,000 sq. ft. will be devoted to offices.

The existing facility is inadequate for the company's needs as it does not provide an efficient layout for assembly. Because of this the company has had to outsource some of its work which has been made them less competitive.

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**Project Benefits**

This project represents the first development on a former brownfield site.

The project is anticipated to create 5 FTE jobs

**Project Incentives**

- Approximately \$303,000 in real property tax benefits over 10-year PILOT period
- Approximately \$72,000 in sales tax benefits
- 1% of the final mortgage amount estimated up to \$13,000

**Impact on Taxes**

Current Yearly Taxes	Full Yearly Taxes to County and Local after abatement period	New County Revenue over 10-Year abatement period	New Local Revenue over 10-Year abatement period
\$0	\$38,435	\$12,000	\$68,000
Combined Tax Rate: \$40			

**Employment**

<u>Current:</u> 30	<u>Year 2 (after completion of Project)</u> 35
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**Material Terms**

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount = \$1,453,500
Employment	To coincide with PILOT term	100% of base and 85% of projected = 34 jobs
Local Labor	Construction Period	Adherence to policy including quarterly reporting
PILOT	PILOT Term - 10 Years	Up to 100% recapture at Agency discretion
Recapture Period	To coincide with PILOT term	Recapture of state and local sales taxes and mortgage recording tax

Recapture applies to:

- State and local sales taxes
- Mortgage recording taxes
- PILOT

**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 share of sales tax, mortgage tax and PILOT.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) for the 10-year PILOT term confirm that company has met 85% of its projected FTE employment while maintaining 100% of its base and iii) confirm adherence to ECIDA local labor hiring policy.

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**Project History**

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| 5/30/2013 | Public hearing conducted. Transcript attached.  |
| 6/17/2013 | Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA. |
| 6/17/2013 | Inducement Resolution presented to Board of Directors.  |