

Kohler Awning, Inc.
\$850,000
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 324191
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$70,000 in real property tax savings • Approximately \$29,000 in sales tax savings • Approximately \$8,500 in mortgage recording tax savings
PROJECT BENEFITS
<ul style="list-style-type: none"> • The project will generate approximately \$19,000 of revenue to the local taxing jurisdictions over the abatement period representing \$3,000 to the County of Erie, \$6,000 to the Town of Cheektowaga and \$10,000 to the Cheektowaga Central School District.
EMPLOYMENT
<ul style="list-style-type: none"> • Current - 50 • New Jobs Projected - 1
PROJECT HISTORY
<ul style="list-style-type: none"> • Public hearing held 5/24/16. Transcript attached. • 6/22/16-ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA. • 6/22/16- Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Kohler Awning, Inc.

Project Address: 2600 Walden Avenue
 Cheektowaga, New York 14225
 (Cheektowaga Central)

Agency Request

A sales tax , mortgage recording tax and real property tax abatement in connection with the construction of a 12,000 sq. ft. addition to an existing building

New Construction	\$800,000
Non-Manufacturing Equipment	\$40,000
Soft Costs	\$10,000

Total Project Cost	\$850,000
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85%	\$722,500
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Company Description

Kohler Awning has been in business since 1925 and operates a manufacturing plant which produces fabric awnings for both the residential and commercial markets. The company is family owned and operated.

Project Description

Kohler Awning’s current manufacturing plant is 38,000 sq. ft. The proposed project includes the construction of a 12,000 sq. ft. expansion to the existing facility. The company undertook an expansion in 2006 which consisted of a 10,000 sq. ft. addition and was assisted with an ECIDA PILOT at that time; which PILOT expires in 2023. At that time, the company had 45 full time employees.

The additional space will be utilized for additional manufacturing capacity as well as expanded materials storage.

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	\$400,000	\$3,000	\$16,000	\$12,600
Combined Tax Rate: \$31.66				

PILOT Table

The project will generate approximately \$19,000 of revenue to the local taxing jurisdictions over the abatement period representing \$3,000 to the County of Erie, \$6,000 to the Town of Cheektowaga and \$10,000 to the Cheektowaga Central School District.

Year	% payment under PI-LOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$211	\$380	\$676	\$1,267	\$12,665	\$11,399
2	10%	\$211	\$380	\$676	\$1,267	\$12,665	\$11,399
3	20%	\$422	\$759	\$1,352	\$2,533	\$12,665	\$10,132
4	20%	\$422	\$759	\$1,352	\$2,533	\$12,665	\$10,132
5	30%	\$633	\$1,139	\$2,028	\$3,800	\$12,665	\$8,866
6	30%	\$633	\$1,139	\$2,028	\$3,800	\$12,665	\$8,866
7	30%	\$633	\$1,139	\$2,028	\$3,800	\$12,665	\$8,866
TOTAL PAYMENTS		\$3,166	\$5,694	\$10,138	\$18,998	\$88,656	\$69,659

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 = \$850,000 85% of total project amount = \$722,500
Employment	Coincides with 7-Year PILOT term	Maintain base 50 Create 85% of projected: Projected Jobs: 1 85% of projected jobs = 1 Recapture Employment: 51
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-Year PILOT term	Adherence to Policy
Unpaid Taxes	Coincides with 7-Year PILOT term	Adherence to Policy
Recapture Period	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 taxes
- 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 1 additional job iii) adherence to local labor policy, iv) adherence to unpaid tax policy and v) adherence to pay equity policy.