

Niagara Label/12715 Lewis Road, LLC
\$1,915,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 323111

COMPANY INCENTIVES

- Approximately \$165,000 in real property tax savings
- Approximately \$105,000 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount. Estimated savings are \$14,036.

PROJECT BENEFITS

- The project will generate approximately \$44,000 of revenue to the local taxing jurisdictions over the abatement period representing \$11,000 to the County of Erie, \$ 3,000 to the Town of Newstead, \$30,000 to the Akron Central School District

EMPLOYMENT

- Current Jobs = 49
- Projected Jobs = 5
- Total jobs two years after project completion = 54

PROJECT HISTORY

- 04/26/2018 - Public hearing held. Transcript attached.
- 05/23/2018 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 05/23/2018 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Niagara Label/12715 Lewis Road, LLC

Project Address: 12715 Lewis Road
 Newstead, New York 14001
 (Akron CSD)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the expansion of the company's printing operations.

New Building Construction	\$1,800,000
Non-Manufacturing Equipment	\$ 100,000
Soft Costs	\$ 15,000
Total Project Cost	\$1,915,000
85%	\$1,627,750

Company Description

Niagara Label was established in 1985 and is a mid-sized, family owned and operated label manufacturer specializing in the food and beverage markets. National sales represent approximately 40% of the company's business with the remaining sales in New York State.

Project Description

The project consists of the construction and equipping of a 16,000 sq. ft. warehouse/office expansion. The additional space will allow for improved workflow by reconfiguring space to allow for a new printing press. This expansion represents a doubling of the company's operations.

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 Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$900,000	\$10,600	\$33,000	\$21,600
Combined Tax Rate: \$23				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Total project Amount = \$1,915,000 85% = \$1,627,750
Employment	Coincides with 10-Year PILOT	Maintain Base = 49 Create 85% of Projected Projected = 5 85% = 4 Recapture Employment: 53
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 State and Local Sales Taxes and Real Property Taxes

Recapture applies to:

- State and Local Sales Taxes
- Real Property Taxes
- 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 project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has maintained 49 employees and created 4 new jobs at the facility iii) adhere to local labor policy during construction period and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.