

Calspan Corporation
\$7,070,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 541712

COMPANY INCENTIVES

- Approximately \$622,000 in real property tax savings
- Approximately \$389,375 in sales tax savings
- Approximately \$50,000 in mortgage recording tax savings

PROJECT BENEFITS

- The project will generate approximately \$165,000 of revenue to the local taxing jurisdictions over the abatement period representing \$28,000 to the County of Erie, \$50,000 to the Town of Cheektowaga and \$87,000 to the Lancaster Central School District.

EMPLOYMENT

- Current - 113
- New Jobs Projected - 11

PROJECT HISTORY

- 7/29/2016—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.

COMPANY HISTORY

- 2011 - \$2,000,000 Tax Incentive Project Approved.
- 2013 - \$10,000,000 Tax Incentive Project Approved.

Project Title: Calspan Corporation.
 Project Address: 4455 Genesee Street
 Cheektowaga, New York 14225
 (Lancaster Central)

Agency Request

A sales tax , mortgage recording tax and real property tax abatement in connection with the construction of a 50,000 sq. ft. expansion.

New Building Construction	\$5,000,000
Infrastructure	\$ 800,000
Manufacturing Equipment	\$ 300,000
Non-Manufacturing Equipment	\$ 970,000
Total Project Cost	\$7,070,000
85%	\$6,009,500

Company Description

Calspan is the innovative leader in simulation, testing, training, and technology services which improves safety for the aerospace and transportation communities. Beginning with initial investigations into occupant behavior which gave rise to the crash test dummy to the pioneering work in safety restraints which led to the seatbelt,. Calspan has constructed significant transportation safety advances throughout its more than sixty year history. Calspan provides testing and engineering services to major domestic and international companies who are looking to improve their products. They estimate 70% of sales are to companies located outside New York State and 25% in international sales.

Project Description

The project consists of the construction of a 50,000 +/- sq. ft. world-class vehicle crash testing facility at the present site in the Town of Cheektowaga. The project is expected to accelerate the research and development of life-safety systems and create a new standard in vehicle and pedestrian safety. The facility will allow Calspan to be a leader in new and emerging technologies in vehicle crash testing. Calspan’s global customers include the following companies: Mercedes-Benz, Audi, Volkswagen, US Department of Transportation, US Department of State, Volvo, General Motors, Ford, Honda, Kia, Hyndai, Toyota, Subaru to name a few.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value (Actual)	Additional County Revenue over 10-year abatement period	Additional Local Revenue over 10-year abatement period	New Yearly Taxes Upon Expiration of Abatement
\$0	\$2,500,000	\$28,000	\$137,000	\$78,000
Combined Tax Rate: \$32				

PILOT Table

The project will generate approximately \$165,000 of revenue to the local taxing jurisdictions over the abatement period representing \$28,000 to the County of Erie, \$50,000 to the Town of Cheektowaga and \$87,000 to the Lancaster 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%	\$1,318	\$2,375	\$4,190	\$7,883	\$78,825	\$70,943
2	10%	\$1,318	\$2,375	\$4,190	\$7,883	\$78,825	\$70,943
3	10%	\$1,318	\$2,375	\$4,190	\$7,883	\$78,825	\$70,943
4	20%	\$2,635	\$4,750	\$8,380	\$15,765	\$78,825	\$63,060
5	20%	\$2,635	\$4,750	\$8,380	\$15,765	\$78,825	\$63,060
6	20%	\$2,635	\$4,750	\$8,380	\$15,765	\$78,825	\$63,060
7	30%	\$3,953	\$7,125	\$12,570	\$23,648	\$78,825	\$55,178
8	30%	\$3,953	\$7,125	\$12,570	\$23,648	\$78,825	\$55,178
9	30%	\$3,953	\$7,125	\$12,570	\$23,648	\$78,825	\$55,178
10	30%	\$3,953	\$7,125	\$12,570	\$23,648	\$78,825	\$55,178
TOTAL PAYMENTS		\$27,668	\$49,875	\$87,990	\$165,533	\$788,250	\$622,718

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 = \$7,070,000 85% of total project amount = \$6,009,500
Employment	Coincides with 10-Year PI-LOT term	Maintain base: 113 Create 85% of projected: Projected Jobs: 11 85% of projected jobs = 9 Recapture Employment: 122
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-Year PI-LOT term	Adherence to Policy
Unpaid Taxes	Coincides with 10-Year PI-LOT term	Adherence to Policy
Recapture Period	Coincides with 10 Year PI-LOT 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 9 additional jobs iii) adherence to local labor policy, iv) adherence to unpaid tax policy and v) adherence to pay equity policy.