

North American Salt Company

\$7,300,000

INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - 21

COMPANY INCENTIVES

- Approximately \$ 1,153,000 in real property tax benefits
- Approximately \$205,000 in sales tax benefits



Project Title: North American Salt Company

Project Address: 1951 Hamburg Turnpike
Lackawanna, New York 14218
(Lackawanna City School District)

SIC/NAICS: 212391

Agency Request

An exemption from sales tax and real property tax in connection with the construction and equipping of two structures for import, packaging and distribution of bulk salt.

New Building Construction	\$4,670,000
Manufacturing Equipment	1,120,000
Non-Manufacturing Equipment	10,000
Soft Costs	1,500,000
 Total Project Cost	 \$7,300,000

Company Description

North American Salt Company ("NASC") provides salt and other minerals to customers throughout the United States. Products include mined rock salt for highway and consumer deicing and high-grade branded and private label mineral products for home and business uses.

NASC is owned by NAMSCO, Inc. which is 100% owned by Compass Minerals International, the largest salt producer in North America and the United Kingdom, and is a world-wide leader in the minerals and specialty fertilizer business.

NASC is headquartered in Overland Park, Kansas.

Project Description

The proposed project will consist of a land lease with Gateway Trade Center and the construction and equipping of two structures for import, packaging and distribution of bulk salt from the North American Salt Mine Company mine located in Goderich, Ontario via ship vessel.

Off loaded bulk salt material will be housed in a 20,000 ton storage dome to be constructed on the site. The bulk material will be transferred into a 28,000 sq. ft. adjacent packaging/warehousing/distribution facility.

North American Salt Company

Project Benefits

- The project is anticipated to create 8 new jobs.
- The project will generate approximately \$304,000 of revenue to the local taxing jurisdictions over the abatement period representing \$24,000 to the County of Erie, \$142,00 to the City of Lackawanna and \$138,000 to the City of Lackawanna School District.

Project Incentives

- Real property tax savings of approximately \$1,153,000
- Sales tax savings of approximately \$205,000.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional Revenue to taxing jurisdictions over 7 year PILOT period.	Full taxes in first year after abatement period expires
N/A	\$3,269,000	\$304,000	\$230,000
Combined Tax Rate: \$70.46			

*New assessment is determined by taking 70% of construction budget and applying equalization rate

Employment

Current:
0

Year 2 (after completion of Project)
8

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 = \$7,300,000 85% = \$6,205,000
Employment	To coincide with PILOT term	85% of projected employment (8) = 6
Local Labor	Construction period	Adherence to policy including quarterly reporting
PILOT	PILOT Term-7 Years	Up to 100% recapture at Agency discretion
Recapture Period	Coincides with term of PILOT	Recapture of state and local sales taxes and real property taxes

Recapture applies to:

State and Local Sales Taxes
Payment in Lieu of Taxes

North American Salt Company

Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales tax 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 and real property taxes.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company has met 85% of its projected full time employment and iii) confirm adherence to ECIDA local labor hiring policy.

Project History

1/21/2014	Public Hearing held. Transcript attached.
1/29/2014	Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
1/29/2014	Lease/Leaseback Inducement Resolution presented to Board.