

Niagara Lubricant Company, Inc./Lasko, Inc. \$2,240,000 INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **32 Manufacturing**

COMPANY INCENTIVES

- Approximately \$150,000 in property tax savings.
- Approximately \$52,000 in sales tax savings
- Up to \$25,000 in mortgage recording tax savings.



Project Title: Niagara Lubricant Company, Inc./Lasko, Inc.
 Project Address: 140-164 Chandler Street
 Buffalo, New York
 (Buffalo School District)
 SIC/NAICS: 2992/324191

Agency Request

A real property tax abatement, sales tax and mortgage tax savings in connection with the rebuilding of the company's manufacturing facility.

Land/Building Acquisition	\$ 40,000
New Building Construction	1,000,000
Manufacturing Equipment	1,000,000
Non-Manufacturing Equipment	100,000
Soft Costs	100,000

Total Project Cost \$2,240,000

(Project Refinancing: \$2,500,000)

Company Description

Niagara Lubricant Company, Inc. was established in 1923 and is solely owned by Leon H. Smith III. The company is a manufacturer of automotive aftermarket products and private labeling/packing for regional and major recognized brands. The company manufactures and packages lubricating oils, greases, industrial oils and tire care products. Products range in size from one ounce tubes to large scale production totes. Over 50% of the company's sales are to companies located outside of New York State and almost 13% to companies outside of the United States.

Project Description

On July 13, 2011 a devastating fire destroyed the company's manufacturing and headquarters facility located on Chandler Street. The company would like to rebuild at the original site and will be constructing a 60,000 sq. ft. manufacturing/warehouse/headquarters facility.

The building which was destroyed by the fire had been occupied by the company since 1989 when they purchased it from Quaker State Oil. The new facility will contain a more efficient layout, will be constructed with energy efficiency in mind. The new facility and layout will ensure the company's continued success in the Buffalo area and allow them to remain competitive.

Niagara Lubricant Company, Inc./Lasko, Inc.

Project Incentives

Current Assessment per County records	Current Yearly Taxes	New revenue upon project completion under PILOT—Yrs 1—7 based on est. value of \$750,000
\$50,000	\$1,727	\$39,000
County Rate: \$5.586 City Rate: \$28.967		

The project will generate approximately \$39,000 of revenue to the local taxing jurisdictions over the abatement period representing \$6,000 to the County of Erie and \$33,000 to the City of Buffalo. In the first year following the abatement period full taxes are estimated to be \$26,000.

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Project Benefit

The project is anticipated to create 9 additional full time jobs.

Employment

<u>Current:</u>	<u>Projected (2 Years)</u>
31	40

Project History

7/31/2012	Public Hearing held. Transcript attached.
8/20/2012	Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
8/20/2012	Lease/Leaseback Inducement Resolution presented to Board of Directors.