

Anderson Equipment Company (NY), Inc. \$6,671,241 INDUCEMENT RESOLUTION

HIGHLIGHTS

Eligibility: NAICS Section - 42

COMPANY INCENTIVES

- Approximately \$520,000 in property tax savings.
- Approximately \$229,000 in sales tax savings
- Up to \$67,000 in mortgage recording tax savings.



Project Title: Anderson Equipment Company (NY), Inc.

Project Address: 2140 Military Road
Tonawanda, NY 14150
(Kenmore-Tonawanda School District)

SIC/NAICS: 5082/423810

Agency Request

Sales tax, mortgage recording tax and real property tax exemption in connection with the construction and/or renovation, expansion and upgrading of improvements to an existing +/- 44,500 sf building and acquisition and installation of machinery and equipment.

Building Acquisition	\$1,426,000
Existing Building Renovations	<u>5,245,241</u>
Total	\$6,671,241

Company Description

Anderson Equipment Company is a distributor of construction equipment, serving customers from 7 locations in upstate New York. Anderson Equipment Company has 18 branches across Pennsylvania, New York, West Virginia, Vermont, New Hampshire and Maine. Anderson's primary brand is Komatsu. The firm sells and rents equipment, as well as providing spare parts and repair service.

Anderson Equipment Company was founded in 1935 by H.W. Anderson and his partner C.K. Burson. Used and rebuilt construction equipment comprised a large part of the firm's inventory in the late 1930's and new construction and mining equipment lines were steadily added over the years.

In 1996 Anderson acquired Rupp Rental and Sales in upstate New York. This strategic acquisition brought the capabilities of two family-owned companies together to offer increased products and services. The ownership of a rental company has enabled Anderson to become more aggressive in the rental market in Pennsylvania and West Virginia while expanding its sales expertise north into New York.

Project Description

Anderson is currently located in a 100 year old building at 101 Great Arrow Drive in the City of Buffalo. The project involves the company moving from its City location into the newly renovated structure in the Town of Tonawanda. Anderson Equipment will

Anderson Equipment Company (NY), Inc.

fully renovate the former Milton Cat (f/k/a Syracuse Supply) building located at 2140 Military Road which is 44,500 sq. ft. The renovation will consist of removing asbestos from the building, design and rebuild of the site storm and water and discharge infrastructure to meet current code, a comprehensive upgrade of the building's electrical infrastructure and installation of additional stairways and handicap lift for a new second floor.

The move is necessary to maintain the company's competitive position in its industry since customers transporting construction equipment to and from the current facility in the City are forced to navigate congested city streets with flat bed trucks. In addition drivers must take inefficient routes when driving service trucks to customer job sites. The Town of Tonawanda location provides the company with convenient access to a major interstate, and 30 foot high ceilings with overhead cranes.

Representatives of the ECIDA and company officials meet with the City of Buffalo to determine how best to re-use the Great Arrow site.

Project Incentives

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- Approximately \$229,000 in sales tax savings
- Up to \$67,000 in mortgage recording tax savings.

Project Benefits

The project will generate approximately \$142,000 of revenue to the local taxing jurisdictions over the abatement period representing \$20,000 to the County of Erie, \$49,000 to the town of Tonawanda and \$73,000 to the Kenmore-Town of Tonawanda UFSD.

Employment

At Application	48
Year 2	49

An estimated 70 construction jobs will be created as a result of the construction of the project.

Project History

7/06/2010	Public hearing held. Transcript attached.
8/09/2010	Special Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
8/09/2010	\$6,671,241 Lease/leaseback Resolution presented to Board of Directors