

Niagara Transformer Corporation

\$8,000,000

INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **33 Manufacturing**

COMPANY INCENTIVES

- Approximately \$262,000 in sales tax savings
- Approximately \$1,100,000 in property tax savings. This project qualifies for a 10-year PILOT based on the criteria outlined in the tiered incentive policy.
- Up to \$80,000 of mortgage recording tax savings.
- The project will generate approximately \$297,000 of revenue to the local taxing jurisdictions over the abatement period representing \$50,000 of revenue to the County of Erie, \$92,000 to the Town of Cheektowaga and \$155,000 to the Cheektowaga CSD.



Project Title: Niagara Transformer Corporation

Project Address: 1755 Dale Road, Cheektowaga, New York 14225
(Cheektowaga Central School District)

SIC/NAICS: 3312/335311

Agency Request

Sales tax in connection with the construction of a 80 x 30 manufacturing facility.

New Building Construction	\$6,000,000
Manufacturing Equipment	1,500,000
Soft Costs	500,000
Total Project Cost	\$8,000,000

Company Description

Niagara Transformer Corp began in 1929 repairing electrical equipment. In 1938 the company began building new transformers, and was incorporated in 1958. Niagara Transformer is a 3rd generation family owned business that manufactures special application and power transformers up to 69kV and 25MVA. The company has historically sold its products to Industrial / OEM customers with a minority of sales to the utility industry worldwide. The proposed project is being considered to allow the company to manufacture transformers that are larger in physical size and higher in voltage class than can be built in the current facility, focusing primarily on the utility industry. Due to an aging utility infrastructure, federal energy efficiency guidelines, as well as rapidly expanding worldwide energy needs, the energy infrastructure market that will be targeted by the new facility should see robust expansion for the foreseeable future. This new facility will be able to penetrate these markets in ways that are unavailable in the existing facility due to physical constraints. While some of the operations from the current facility will be moved to the new building, the current building at 1747 Dale will continue to be fully utilized. The company expects that all current jobs will be retained, and new jobs will be added as the new facility comes on line.

Niagara Transformer Corporation

Project Description

Project includes the construction of a 24,000 sq. ft. manufacturing facility with capabilities for two 75 ton cranes. The facility would be used for the final assembly, painting and testing of power transformers. The plans will also take into consideration future expansion, with provisions for an additional 24,000 sq. ft. facility to be used for winding operations and warehousing space.

Project Incentives

- Approximately \$262,000 in sales tax savings
- Approximately \$1,100,000 in property tax savings. This project qualifies for a 10-year PILOT based on the criteria outlined in the tiered incentive policy.
- Up to \$80,000 of mortgage recording tax savings.

Project Benefit

- The project will generate approximately \$297,000 of revenue to the local taxing jurisdictions over the abatement period representing \$50,000 of revenue to the County of Erie, \$92,000 to the Town of Cheektowaga and \$155,000 to the Cheektowaga CSD.

Employment

<u>Current:</u>	<u>Projected (2 Years)</u>
66	80

Project History

05/10/11	Public Hearing held. Transcript attached.
05/16/11	Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
05/16/11	Lease/Leaseback Inducement Resolution presented to Board of Directors.

Company History

06/09/08	7,500,000 for facility in West Seneca.
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