

**4455 Genesee Street, LLC/Calspan Corporation, LLC
AMENDATORY INDUCEMENT RESOLUTION
\$10,000,000**

HIGHLIGHTS

- Eligibility: NAICS Section - 54 - Research and Development in the Physical, Engineering, and Life Sciences

COMPANY INCENTIVES

- Approximately \$306,250 in sales tax savings for Phase I
- Approximately \$393,750 sales tax savings for Phase II



Project Title: Calspan Corporation, LLC
 Project Address: 4455 Genesee Street, Buffalo, New York 14225
 (Lancaster Central School District)
 (Cheektowaga/Maryvale Central School District)
 NAICS: 541712

Agency Request

Sales tax exemption in connection with the general upgrading of the company’s 80,000 sq. ft. facility.

Renovations:	\$4,000,000
Non-Manufacturing Equipment	6,000,000
Total Project Cost	\$10,000,000

Company Description

Calspan is the innovative leader in simulation, testing, and technology services which improve 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 contributed significant transportation safety advances throughout its more than sixty year history. The company’s vision is to live in a world where every vehicle and aircraft includes capability, knowledge, or safety enhancements directly attributable to the Calspan name. The company is known the world over for its unrivaled tire test capability. Their testing machines handle all types of tires, including truck, passenger, utility, race and even aircraft tires. Calspan’s laboratory features a fixture which allows manufactures to simulate side impact crash events to gather data and improve the safety of their products.

This is a company which is frequently courted by out of state municipalities offering incentives to relocate all or a portion of their operations.

Project Description

The project will be undertaken in two independent phases. Phase one involves the relocation of Harper International, a 36,000 sq. ft. tenant with 75 employees, to the 4455 Genesee Street location. This includes the costs of renovating the space and all facility upgrades related to the move. Harper will maintain their present location in the Town of Lancaster. The move affects only the office and lab portion of their operation. In January, 2013 Harper was approved by the ECIDA Board for an incentive package to relocate operations from Lancaster into the former Quebecor building in Cheektowaga. Negotiations for the project were never finalized and the company withdrew their application.

Phase two is the revitalization of the Calspan Safety Campus including equipment purchases and infrastructure to position Calspan to compete on a national level. Both phases include the installation of new HVAC systems, plumbing, boiler installations, roofing, security systems, window installations, computer and network infrastructure including wiring, hardware & software, structural repairs and aesthetic improvements.

Employment

	At Occupancy Existing Jobs	<u>Year 2 (after completion of Project)</u>	<u>Retained</u>
Calspan	90	95	90
Harper International — Tenant	75	90	

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Project Incentives

- Approximately \$306,250 in sales tax savings for Phase I
- Approximately \$393,750 sales tax savings for Phase II

Material Terms for Phase I: Harper Buildout

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount Total Project Costs =\$5,000,000 85% =\$4,250,000
Employment	Coincides with recapture period	Expansion by tenant (Harper) of five new jobs
Local Labor	Construction/Renovation period	Adherence to Local Labor Policy including quarterly reporting
Recapture Period	The greater of two years or expiration of sales tax benefit	Recapture of state and local sales tax

Recapture (Harper)

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 share of sales 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 has added 5 new full time positions iii) confirm adherence to ECIDA local labor hiring policy.

Material Terms for Phase II: Calspan Safety Campus

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount Total Project Costs =\$5,000,000 85% =\$4,250,000
Employment	Coincides with recapture period	100% of base (90) and 85% of 5 projected (4) = 94
Local Labor	Construction/Renovation period	Adherence to Local Labor Policy including quarterly reporting
Recapture Period	The greater of two years or expiration of sales tax benefit	Recapture of state and local sales tax

Recapture applies to:

- State and local sales taxes

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 share of sales 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 has met 85% of its projected full time employment while maintaining 100% of its base and iii) confirm adherence to ECIDA local labor hiring policy.

Project History

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| 7/31/2013 | Public hearing conducted. Transcript on file at ECIDA |
| 8/19/2013 | Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA. |
| 8/19/2013 | Inducement Resolution presented to Board of Directors. |
| 10/21/2013 | Amendatory Inducement presented to Board of Directors to allow for two separate, independent project phases |