

**Derby Warehousing, LLC/KPM Exceptional
\$1,332,000
INDUCEMENT RESOLUTION**

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 423120
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$57,641 in sales tax savings • Approximately \$87,000 in real property tax savings
EMPLOYMENT
<ul style="list-style-type: none"> • Current Jobs - 6 FT • Projected New Jobs - 1 FT 1 PT • Annual payroll: \$430,000 • Estimated salary of jobs to be created: \$35,000 • Estimated salary of jobs to be retained: \$63,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 06/27/2019 - Public hearing held. Transcript attached. • 07/24/2019 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 07/24/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Derby Warehousing, LLC/KPM Exceptional

Project Address: 1393 Wisconsin Road
Derby, New York 14047
(Lakeshore Central School District)

Agency Request

A sales tax and real property tax exemption in connection with the construction of a 27,700 sq. ft. warehouse/distribution facility.

New Building Construction	\$1,250,000
Infrastructure	\$ 18,000
Non-Manufacturing Equipment	\$ 49,500
Soft Costs/Other	\$ 14,500

Total Project Cost	\$1,332,000
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85%	\$1,132,200
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Company Description

Derby Warehousing, LLC is 100% owned by Jeff Fierle and a distributor for KPM Exceptional. KPM is a wholesale/distributor of outdoor power lawn and garden, snow and ice removal equipment which is sold throughout the northeastern United States.

KPM has two distribution centers - one in Landing, New Jersey and the second in Derby. KPM supplies equipment to an established dealer network in excess of 600 active accounts. 74% of sales are to companies located outside of New York State.

Project Description

Faced with the decision to expand in New Jersey or Derby, KPM has decided to expand the Derby facility by constructing a 27,700 sq. ft. addition. There is currently an existing 28,000 sq. ft. building occupied by KPM and the expansion will represent a doubling of the company's footprint in the Town of Evans.

Compared to expanding in New Jersey, the Derby facility offers an experienced workforce, close proximity to suppliers, less traffic congestion and proximity to Canada for planned future territory expansion.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$450,000	\$3,900	\$19,800	\$15,800
Combined Tax Rate: \$35.15				

Draft Recapture 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 = \$1,332,000 85% = \$1,132,200
Employment	Coincides with 7-year PILOT	Maintain base: 6 Create 85% of Projected Projected: 1 85%: 1 Recapture Employment: 7
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	Recapture of state and local sales taxes and real property tax.

Recapture applies to:
State and Local Sales Taxes
Real Property Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 6 FTE and created 1FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.