

Derrick Corporation \$19,500,000 INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - 32 **manufacturing**

COMPANY INCENTIVES

- Approximately \$2,240,000 in property tax savings over a 10-year period.
- Approximately \$547,000 in sales tax savings
- Up to \$120,000 in mortgage recording tax savings.
- The project will generate approximately \$595,000 of revenue to the local taxing jurisdictions over the abatement period representing \$100,000 to the County of Erie, \$185,000 to the Town of Cheektowaga and \$310,000 to the Cheektowaga CSD.



Project Title: Derrick Corporation

Project Address: 2185 Walden Avenue, Cheektowaga, New York 14225
(Cheektowaga Central School District)

SIC/NAICS: 3533/333132

Agency Request

Real property tax abatement, sales tax savings and a mortgage recording tax savings in connection with the proposed project.

Building Construction:	\$12,000,000
Manufacturing Equipment:	7,000,000
Non-Manufacturing Equipment	250,000
Soft Costs	250,000
 Total Project Cost:	 \$19,500,000

Company Description

Derrick Corporation was founded in 1951 and has been at its current location since 1954. They are considered the world leader in the design & manufacture of high frequency vibrating machines and screen surfaces. Customers are oil and gas drilling companies and various mining operations. Most customers are multi-national companies located around the world.

Project Description

This project contemplates the construction of a 124,000 sq. ft. addition to the company's existing 230,000 sq. ft. manufacturing plant. The facility will be used to expand the company's manufacturing capacity. In addition, the company is purchasing approximately \$7M in manufacturing equipment which will include cranes, paint booths & a metal shot blaster used to clean metal.

Project Incentives

- Approximately \$2,240,000 in property tax savings over a 10-year period.
- Approximately \$547,000 in sales tax savings
- Up to \$120,000 in mortgage recording tax savings.

Derrick Corporation

Project Benefit

- The project is anticipated to create an additional 36 jobs over a 2-year period.
- The project will generate approximately \$595,000 of revenue to the local taxing jurisdictions over the abatement period representing \$100,000 to the County of Erie, \$185,000 to the Town of Cheektowaga and \$310,000 to the Cheektowaga CSD.

Employment

Current:

363

Projected (2 Years)

399

- In addition the company employs approximately 76 part timers

Project History

03/15/11 Public hearing held. No oral or written comments. Transcript on file at ECIDA.

1/18/11 Town of Cheektowaga, acting as lead agency issues a Negative Declaration in accordance with SEQRA.

3/21/11 \$19,500,000 Lease/Leaseback resolution presented to Board of Directors.

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Company History

1/1/1981 \$2,500,000 Lease Closed

5/25/91 \$1,650,000 Lease Closed

4/26/02 \$1,835,628 Lease Closed

4/13/06 \$1,104,014 Lease Closed