

Ebenezer Railcar Services, Inc.
\$6,000,000
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 336510
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$635,000 in real property tax savings. • Approximately \$262,500 in sales tax savings
PROJECT BENEFITS
<p>The project will generate approximately \$173,000 of revenue to the local taxing jurisdictions over the abatement period representing \$29,000 to the County of Erie, \$46,000 to the Town of West Seneca and \$98,000 to West Seneca Central School District.</p>
EMPLOYMENT
<ul style="list-style-type: none"> • Current: 84 (includes Blasdell & West Seneca) • New Jobs Projected: 13
PROJECT HISTORY
<ul style="list-style-type: none"> • 07/03/2018 - Public hearing held. Transcript attached. • 07/25/2018 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 07/25/2018 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Ebenezer Railcar Services, Inc.
Project Address: 1001 Indian Church Road
West Seneca, New York 14224
(West Seneca Central School District)

Agency Request

A sales tax and real property tax exemption in connection with the construction of a 94,000 sq. ft. manufacturing facility.

New Building Construction	\$4,500,000
Manufacturing Equipment	\$1,300,000
Non-Manufacturing Equipment	\$ 100,000
Soft Costs	\$ 100,000
Total Project Cost	\$6,000,000
85%	\$5,100,000

Company Description

Ebenezer Railcar Services, Inc is owned by ERS Industries, Inc which is 100% owned by ERS Industries, Inc. Employee Stock Ownership Retirement Plan.

Ebenezer manufacturers and repairs freight railcars for various industries. The manufacture of new-build freight railcars comprises the vast majority of current and anticipated future operations. The primary types of railcars manufactured are freight flatcars and box-cars, each of which can be specialized from a base frame. Customers include national and multinational freight-car leasing companies, Class I railroad companies and governmental agencies.

Industry competition is primarily in the United States, however competitors largely utilize manufacturing facilities located in Mexico and Canada. Ebenezer is the only freight rail-car manufacturer in the State of New York.

Project Description

Ebenezer currently owns its main facility in the Town of West Seneca, where they have 150,000 sq. ft. of space. In addition, 84,000 sq. ft. is leased in the Village of Blasdell. With the intention of consolidating operations, they are proposing to construct 94,000 sq. ft. of manufacturing space at the West Seneca location and eventually combine the operations of both West Seneca and Blasdell.

In accordance with our Inter-Municipal Policy, we have notified the Mayor of the Village of Blasdell and Hamburg Supervisor of the company's intention to relocate from leased space within the Village.

The anticipated project completion date of the West Seneca facility should coincide with the lease termination at the Blasdell facility.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 7-Year Abatement Period	Additional Local Revenue over 7-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$1,500,000	\$29,000	\$144,000	\$115,000
Combined Tax Rate: \$77				

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: \$6,000,000 85% : \$5,100,000
Employment	Coincides with 7-Year PILOT	Maintain Base: 84 Create 85% pf Projected Projected: 13 85%: 11 Recapture Employment: 95
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity/Unpaid Tax	Coincides with 7-Year PILOT	Adherence to Policy
Recapture Period	7-Year PILOT Term	Recapture of State and Local Sales Taxes and Real Property Taxes

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 equal to or greater than 85% of the amount proposed; ii) confirm company has maintained 84 employees and created an additional 13 jobs iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.