

US itek, Incorporated \$935,000 INDUCEMENT RESOLUTION

HIGHLIGHTS

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

COMPANY INCENTIVES

- Approximately \$29,000 in sales tax savings
- Approximately \$3,500 in mortgage recording tax savings.



Project Title: US itek, Incorporated
 Project Address: 1016 Niagara Falls Boulevard
 Tonawanda, NY 14150
 (Kenmore-Town of Tonawanda Union Free School District)
 SIC/NAICS: 2620/334111

Agency Request

Sales tax and mortgage recording tax savings in connection with the expansion of company operations.

Land/Building Acquisition:	\$460,000
Renovations	250,000
Equipment	200,000
Soft Costs	<u>25,000</u>
 Total Project Cost	 \$935,000

Company Description

The company was recently named in Business First's 2012 Fastest Growing Companies at #13 based on sales growth.

US itek was incorporated in 1999. The company is a PC and server manufacturer serving small and medium sized businesses, as well as industrial embedded customers who use US itek's computers as part of a larger manufactured goods. US itek's also provides IT services, helpdesk, network operations center monitoring and data center cloud solutions to clients internationally.

Project Description

The company is currently leasing space on a month to month basis at 1720 Military Road. The building is a 90-year old facility with an outdated floor plan and is under contract to be sold. Their plan is to move operations to a newly acquired building at 1016 Niagara Falls Boulevard which once housed a plumbing supply store and photography studio. They plan on renovating the building into a state of art network operations center where most of the technicians will work and monitor the health and status of their client's networks across the US and Canada. This 1940's building will be completely remodeled with new electrical systems, new plumbing, new HVAC, a generator backup and possibly solar electric panels on the roof to provide reliable grid backup and amenities such as a game room and coffee bar which will attract Gen Y talent.

With location in a retail corridor, there will be a showroom highlighting the technology not normally seen in retail big box stores, such as servers which run a small business or the latest electronic health records software a medical office could use. A center which offers public technology training for small business owners and entrepreneurs in the areas of increasing productivity and the importance of computer security will also be housed at the facility.

Embedded PC servers, all in one desktop computers, notebook computers and storages devices will be assembled on site.

US itek, Incorporated

Project Benefit

The project is anticipated to create 8 additional full-time and 3 additional part-time jobs.

Project Incentives

- Approximately \$29,000 in sales tax savings
- Approximately \$3,500 in mortgage recording tax savings.

Employment

At Occupancy
10

2 Years)
18

Project History

No Public Hearing was required since project benefits are below \$100,000.

- 8/20/2012 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
- 8/20/2012 Lease/Leaseback Inducement Resolution presented to Board of Directors.