

Spaulding Business Park, LLC \$ 2,055,000 PRIVATE INVESTMENT INDUCEMENT RESOLUTION		
ELIGIBILITY <ul style="list-style-type: none"> • NAICS Section – 236220 	Project Title:	Spaulding Business Park
	Project Address	Gibson St (corner of Gibson & Hackett Dr) Tonawanda, NY 14150 Tonawanda City District School System
COMPANY INCENTIVES <ul style="list-style-type: none"> • Approximately \$ 94,062 in sales tax savings • Approximately \$ 293,429 in real property tax savings • Up to 3/4 of 1% of the final mortgage amt estimated at \$15,750 	Agency Request <p>A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of a business park in the City of Tonawanda consisting of five approx. 9,000 sq ft buildings for light manufacturing and/or warehouse use.</p>	
JOBS & ANNUAL PAYROLL <ul style="list-style-type: none"> • Current Jobs: 0 • Annual Payroll: \$ 0 • Projected new jobs: 20 • Est. salary/yr. of jobs created: \$ 48,750 • Total jobs after project completion: 20 • Construction Jobs: 8 	Land/Building Acquisition \$ 120,000 New Building Construction \$ 1,800,000 Infrastructure \$ 100,000 Non- Manufacturing Equipment \$ 0 Soft Costs/Other \$ 35,000 Total Project Cost \$2,055,000 85% \$1,746,750	
PROJECTED COMMUNITY BENEFITS* <ul style="list-style-type: none"> • Term: 7 YEARS • NET Community Benefits: \$ 11,239,653 • Spillover Jobs: 24 Total Payroll: \$ 10,526,239	Company Description <p>Paolini Enterprises is a full-service General Contracting Company as well as an interior & exterior maintenance company. Started in 1994 by business owner Joseph Paolini, the business has evolved into a real estate development and management company overseeing large commercial properties. Two business parks are owned by the company: Niagara Business Park in Wheatfield, NY and Bulldog Business Park in Sanborn, NY. Both of these parks were developed from vacant land and are currently 100% leased. Several addition real estate sites are managed by Paolini Enterprises including multiple Dunkin Donut locations in Erie and Niagara Counties, and Mid-City Plaza in North Tonawanda.</p>	
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)* Incentives: \$ 382,448 Community Benefit: \$ 10,383,498 Cost: Benefit Ratio <ul style="list-style-type: none"> • 1: 27 	Project Description <p>The applicant has purchased 4 acres of land from the City of Tonawanda located within the Spaulding Commerce Park – a super fund site / former home of Spaulding Fibre. Paolini Enterprises is developing a Business Park that will rent light manufacturing and warehouse distribution space to businesses. Five buildings of approximately 9,000+ sq ft each are anticipated for the site for a total of 45,760 sq ft of available rental space. The project will be completed in phases – over a two to three year period.</p>	

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	293,429
	Sales	94,062
	Mortgage Recording	15,750
	Total	403,241
	Discounted at 2%	382,448

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	1,173,651
			Payroll Permanent	9,352,588
		Public	Property Taxes	73,360
			Sales Taxes,	87,499
			Local Muni (NFTA)	5,190
	New York State	Public	Income Taxes	473,680
			Sales Taxes	73,684
			Total Benefits to EC + NYS***	11,239,653
			Discounted at 2%	10,383,498

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period ***may not sum to total due to rounding

Discounted Cost \$ 382,448
Discounted Benefit \$ 10,383,498
Ratio 1:27

Conclusion: The Cost Benefit for this project is: 1:27. For every \$1 in costs (incentives), this project provides \$27 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$30 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value (improved value)	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	Additional School Revenue over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$4,990	\$1,260,000	\$9,221	\$34,653	\$29,484	\$52,398
Combined Tax Rate: \$41.586					

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 = \$2,055,000 85% = \$1,746,750
Employment	Coincides with 10-year PILOT	Maintain Base = 0 Create 85% of Projected Jobs Projected = 20 85% = 17 Recapture Employment = 17
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
<u>Recapture Period</u>	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Recording 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 0 jobs and created 17 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- May 31, 2022 Public hearing held.
- July 27, 2022 Inducement Resolution presented to Board of Directors authorizing adoption of consistency determination with Environmental Impact Study as required by SEQRA
- July 27, 2022 Lease/Leaseback Inducement Resolution presented to the Board of Directors