

Harper International Corporation

\$5,500,000

INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **33 manufacturing**

COMPANY INCENTIVES

- Approximately \$148,000 in sales tax savings
- Real Property tax abatement in accordance with ECIDA's standard 10 year PILOT schedule. To be determined after Harper parcel is broken out.



Project Title: Harper International Corporation

Project Address: 2475 George Urban Blvd.
 Depew, New York 14043
 (Lancaster Central School District)

SIC/NAICS: 3567/333994

Agency Request

Sales tax and a real property tax exemption in connection with the acquisition of a portion of the former Quebecor Building for use as a manufacturing facility.

Building Acquisition	\$ 1,500,000
Renovation	3,000,000
Manufacturing Equipment	800,000
Non-Manufacturing Equipment	<u>200,000</u>
 Total Project Cost	 \$ 5,500,000

Company Description

Harper International Corporation ("Harper") builds, installs and services thermal processing systems such as high-tech furnaces and entire carbon fiber production lines. Their products are sold worldwide with recent sales to China, Romania, Korea and Turkey.

Project Description

Harper currently leases 70,000 sq. ft. of space on West Drullard Avenue in the Town of Lancaster. After investigating facilities within the Town they made the decision to relocate to the Village of Depew, Town of Cheektowaga. They will be leasing with an option to purchase a portion of the former Quebecor facility located on George Urban Boulevard. When improvements to the facility are completed the company will be more than doubling their square footage. They will occupy 175,000 sq. ft. of manufacturing, warehouse, R&D and office space.

Improvements include the build out of approximately 10,000 sq. ft. of R&D space, the installation of a bridge crane in the high bay area, remodeling of the office area, reroofing the facility and the installation of HVAC equipment.

In accordance with the Agency's Intermunicipal Move Policy, the supervisors of the affected towns (Lancaster and Cheektowaga) have been notified of the company's desire to relocate. Support letters from Supervisors of Lancaster & Cheektowaga are attached.

Harper International Corporation

Project Benefits

The project is anticipated to create 16 additional jobs, 2 years after project completion.

Impact on Taxes

It is anticipated that once improvements are made to the facility the company will request the Cheektowaga Assessor to break out from the larger parcel Harper's footprint. If necessary, ECIDA will enter into a PILOT agreement for 10 years with the company. The value of the breakout and resulting impact on taxes is unknown at this time. Any PILOT would be applicable only to the increased assessed value.

Project Incentives

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Employment

<u>Current:</u>	<u>2 years after project completion</u>
106	122

Project History

01/04/2013	Public hearing conducted. Transcript on file at ECIDA.
01/14/2013	Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
01/14/2013	Lease/Leaseback Inducement Resolution presented to Board of Directors.