

## American Douglas Metals, Inc. \$2,946,725 INDUCEMENT RESOLUTION

### HIGHLIGHTS

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

### COMPANY INCENTIVES

- 1% of the final mortgage amount which is anticipated to be \$1,600,000 or \$16,000 savings.
- Approximately \$33,000 in sales tax savings
- Real property tax savings in the event the existing assessment is increased.



Project Title: American Douglas Metals, Inc.  
 Project Address: 99 Bud Mill Drive  
 Buffalo, New York 14206  
 (Buffalo City School District)  
 SIC/NAICS: 5051/331310

### Agency Request

Real property tax, sales tax and mortgage recording tax savings in connection with the expansion of the company's operations.

Acquisition	\$2,040,000
Renovation	378,900
Manufacturing Equipment	353,619
Non-Manufacturing Equipment	174,206
 Total Project Cost	 \$2,946,725

### Company Description

American Douglas Metals ("ADM") is a premier manufacturer and processor of aluminum and steel products with three locations throughout the U.S. – Orlando, Florida, Buffalo, NY and Atlanta, Georgia. The company was established in 1976 in Buffalo and began offering aluminum products to companies, large and small, that were neglected by the diminishing distribution markets in the Western New York area. In 1977, a second location in Orlando was opened doubling in size in 1993. In 1994, the Atlanta facility was opened.

The company today is a third generation, family owned and operated organization.

ADM currently has sales offices, metal processing facilities and metal warehousing facilities in more than 11 cities throughout the East Coast and Canada.

Industries served by ADM include lighting and window and door manufacturers, transformer winding, truck trailer, walk in cooler, screen frame, above ground pool, and ceiling grid manufacturers.

Approximately 45% of the company's sales are to customers located outside of New York State – 30% of those to companies located outside of the U.S.

### Project Description

The company is currently located on Henderson Avenue in the Town of Tonawanda in a facility they have owned for the past 14 years. The facility consists of 30,000 sq. ft.

The organization continues to experience rapid growth and must expand its operations and the Tonawanda location does not provide room for expansion.

## American Douglas Metals, Inc.

They have located a facility in the City of Buffalo on Bud Mill Drive. The building is 87,000 sq. ft. and represents almost a tripling of the company's space needs. The facility is currently empty after being vacated by Millcraft, the owner.

Prior to making the decision to move to Buffalo the company met with officials in the Town of Tonawanda and discussed their building needs. In accordance with the Agency's Intermunicipal Move Policy, the Supervisor and Mayor of the affected locales have been notified of the company's desire to relocate.

Renovations to the Buffalo facility will include a new roof over the office area, refurbished locker rooms, concrete work within the plant, installation of an overhead crane, upgrading of the lighting and heating systems and the purchase of racking and storage systems.

### Impact on Taxes

Current Assessment per County records	Current County Taxes	New Revenue Over Abatement Period	Current City Taxes	New Revenue Over Abatement Period
\$1,600,000	\$8,715	*\$	\$46,336	*
Combined Tax Rate: \$34.414	\$5.447/1000		\$28.967/1000	

\* A real property tax savings will be realized in the event the existing assessment is increased. At this point in time we cannot estimate the impact of a PILOT.

### Project Incentives

- 1% of the final mortgage amount which is anticipated to be \$1,600,000 or \$16,000 savings.
- Approximately \$33,000 in sales tax savings
- Real property tax savings in the event the existing assessment is increased.

### Project Benefits

Increase to employment by 11 people

### Employment

Jobs at App  
21

Jobs Retained  
21

Jobs at Year 2 after Project Completion  
32

### Project History

No public hearing was required since project benefits are below the \$100,000 level.

3/25/2013      Lease/Leaseback Inducement Resolution presented to Board of Directors.