

## Frey The Wheelman, Inc. \$1,050,000 INDUCEMENT RESOLUTION

### HIGHLIGHTS

- Eligibility: NAICS Section - 44 - distribution & repair center



### COMPANY INCENTIVES

- Approximately \$189,000 in real property tax benefits
- Approximately \$42,600 in sales tax benefits
- 1% of the final mortgage amount estimated up to \$10,000
- Project is estimated to generate \$110,870 in new tax revenues for local taxing jurisdictions over the abatement period.

Project Title: Frey The Wheelman, Inc.

Project Address: 380 Dick Road  
Cheektowaga, New York 14225  
(Cheektowaga/Maryvale School District)

NAICS: 441310

### Agency Request

A real property tax, sales tax and mortgage tax exemption in connection with the construction of a 15,000 sq. ft. wholesale/distribution and repair center.

Land Acquisition	\$ 100,000
New Building Construction	925,000
Machinery & Equipment	25,000
<b>Total Project Cost</b>	<b>\$1,050,000</b>

### Company Description

Frey the Wheelman was founded in 1907 and currently has locations in Syracuse, Rochester, Elmira, Watertown and the Buffalo location which is located at 41 East Tupper. The company is a wholesale/distributor of heavy duty truck parts and provides repair services primarily for business fleet customers.

The company services brakes, brake systems, wheels, rims, springs, suspensions, lighting, electrical systems, seals, bearings, trailer axles, fifth wheels, landing gear, exhaust systems and many other heavy duty truck related parts.

### Project Description

The company's Buffalo operation has been located at the East Tupper location for the past 75 years. They feel that in order to increase their business and employment, they would be better suited in a location which is more easily accessible to their customer base, a majority of which are within a two-mile radius of the Dick Road location. This location is in proximity to the NYS thruway trucking corridor.

Frey's current location sits directly adjacent to the Buffalo Niagara Medical Campus. From an aesthetic standpoint, the purchase and renovation of the Frey building only enhances the existing development occurring in the area. At the present time, Uniland Development has a contract to purchase the facility as well as an adjoining surface parking lot. The ultimate plans, although preliminary, include transforming this property into an office building targeted to high-tech firms and others connected to the nearby Buffalo Niagara Medical Campus.

The company has a contract to purchase a site near 380 Dick Road in the Town of Cheektowaga and plan to construct a 15,000 sq. ft. building

### The new facility will consist of the following:

	Square Foot	Costs	% of Total Cost
Warehouse	8,500	\$566,670	55.3%
Office Area	2,050	\$153,750	15.0%
Repair Shop/Retail Shop	4,450	\$304,580	29.7%

## Frey The Wheelman, Inc.

### Project Incentives

- Approximately \$189,000 in real property tax benefits over 7-year PILOT period
- Approximately \$42,600 in sales tax benefits
- 1% of the final mortgage amount estimated up to \$10,000

### Impact on Taxes

Current Yearly Taxes	Full Yearly Taxes to County and Local after abatement period	New County Revenue over 7-Year abatement period	New Local Revenue over 7-Year abatement period
\$0	\$34,000	\$17,600	\$93,270
Combined Tax Rate: \$54.21			

### Employment

#### Current:

FT 7  
PT 2

#### Year 2 (after completion of Project)

FT 10  
PT 2

### Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Costs = \$1,050,000 85% = \$892,500
Employment	To coincide with PILOT term	100% of base and 85% of projected = 9
Local Labor	Construction Period	Adherence to policy including quarterly reporting
PILOT	PILOT Term - 7 Years	Up to 100% recapture at Agency discretion
Recapture Period	To coincide with PILOT term	Recapture of state and local sales taxes and mortgage recording tax

Recapture applies to:

- State and local sales taxes
- Mortgage recording taxes
- PILOT

### Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition it is the recommendation of the ECIDA's Policy Committee to recapture the local share of sales tax, mortgage tax and PILOT.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) for the 7-year PILOT term confirm that company has met 85% of its projected FTE employment while maintaining 100% of its base and iii) confirm adherence to ECIDA local labor hiring policy.

## **Frey The Wheelman, Inc.**

### **Intermunicipal Move**

In accordance with the Agency's Intermunicipal Move Policy, both Mayor Brown and Supervisor Mary Holtz have been notified of the company's desire to relocate. The company has met with representatives of the City of Buffalo and provided a list of properties reviewed.

### **Project History**

7/09/2013	Public hearing conducted. Transcript attached.
7/15/2013	Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
7/15/2013	Inducement Resolution presented to Board of Directors.