

New Building / Great Lakes Pressed Steel Corporation
\$ 2,555,500
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 332119

COMPANY INCENTIVES

- Approximately \$97,001 in real property tax savings.
- Up to \$115,937 in sales tax savings
- Up to \$12,000 in mortgage recording tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 15 FT
- Est. salary/yr. of jobs retained: \$ 55,000
- Projected new jobs: 2 FT
- Est. salary/yr. of jobs created: \$ 50,000
- Annual Payroll: \$ 900,000
- Total jobs after project completion: 17
- Construction Jobs: 9

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$18,828,465
 - Spillover Jobs: 21
- Total Payroll: \$17,730,825

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$215,597

Net Present Value of Property Tax Exemption: \$87,660

Community Benefit: \$17,011,832

Cost: Benefit Ratio

- 1:79

Project Title: New Building – GLPS Corp

Project Address 1382 Niagara Street, Buffalo, NY 14213
 (Buffalo City School District)

Agency Request

A sales, real property and mortgage recording tax abatement in connection with the construction of a 13,000 SF building that is adjacent to the applicant’s current location at 1400 Niagara Street. The new building will be used as production space associated with the company’s purchase of equipment.

Land / Building Acquisition	\$ 175,000
New Building Construction	\$ 1,600,000
Manufacturing Equipment	\$ 650,000
Non-Manufacturing Equipment	\$ 120,500
Soft Costs/Other	<u>\$ 10,000</u>
Total Project Cost	\$ 2,555,500
85%	\$ 2,172,175

Company Description

Great Lakes Pressed Steel (GLPS) Corporation was founded in 1909 by Gottfried Adolphson (and 4 other partners) under the name – Eagle Stamping and Tooling. By 1919 Gottfried was able to secure the entire company and he then changed the company’s name to Great Lakes Pressed Steel. In 1960, Robert Nichols, Gottfried’s son-in-law, took over responsibility for the company and in 1971 Robert’s son, Robert Jr, became President and CEO. Tim Nichols, Robert Jr’s son, has presided over the company since 1998 promising the same values his great, great grandfather promised in 1919. Timothy’s sons Jason and Andrew – both RIT graduates hope to one day follow in their father’s steps and continue the tradition of keeping the family business running on the same values Gottfried created. Timothy Nichols is the sole shareholder of GLPS. Great Lakes Pressed Steel Corporation provides precision stamped products and metal forming services to customer in a wide range of industries – specializing in quality products produced on time and under budget.

Project Description

Great Lakes Pressed Steel Corporation is planning to build a 13,000 SF building next to their current facility at 1400 Niagara St, Buffalo NY. This stand-alone building will allow GLPS to increase their manufacturing capabilities. They will be installing a new laser along with shears press breaks and punch presses. This additional space will lead to full use of the new laser and all of its functions. As a result, the company will be much more efficient and competitive, allowing for growth through new business opportunities.

* 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	\$ 97,001
	Sales	\$ 115,937
	Mortgage Recording	\$ 12,000
	Total	\$224,938
	Discounted at 2%	\$215,597

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 1,453,860
			Payroll Permanent	\$16,276,965
		Public	Property Taxes	\$ 24,249
			Sales Taxes	\$ 147,387
			Other Muni Revenue (NFTA)	\$ 4,000
	New York State	Public	Income Taxes	\$ 797,887
			Sales Taxes	\$ 124,116
			Total Benefits to EC + NYS***	\$18,828,465
			Discounted at 2%	\$17,011,832

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

Discounted Cost \$ 215,597
 Discounted Benefit \$17,011,832
 Ratio 1:79

Conclusion: The Cost Benefit for this project is: 79:1. For every \$1 in costs (incentives), this project provides \$79 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$105 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 7,129	\$ 420,000	\$ 20,092	\$ 75,446	\$ 19,254
Combined Tax Rate: \$ 26.649555				

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 = \$ 2,555,500 85% = \$ 2,172,175
Employment	Coincides with 10-year PILOT	Maintain Base = 15 FTE Create 85% of Projected Projected = 2 FTE 85% = 1 FTE Recapture Employment = 16 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Mortgage Recording Tax
Real Property 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 15 FTE jobs and created 1 FTE jobs (85% of projected), 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

- 7/3/25: Public hearing held.
- 7/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 7/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors