

TexWeb, Inc.(Petrolift)
\$1,582,250
INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **31**

COMPANY INCENTIVES

- Approximately \$24,500 in sales tax benefits



Project Title: TexWeb, Inc. (Petrolift)
Project Address: 8698 South Main Street
Eden, New York 14057
(Eden Central School District)
NAICS: 313220

Agency Request

A sales tax exemption in connection with the acquisition and renovation of an existing facility.

Land and Building Acquisition	\$175,000
Building Renovation	\$361,000
Manufacturing Equipment	\$940,000
Non-Manufacturing Equipment	\$100,000
Soft Costs	\$ 6,250
 Total Project Cost	 \$1,582,250
 85% of Project Cost	 \$1,344,912

Company Description

TexWeb, Inc. is a subsidiary of Petrolift, Inc. based in Cairo Egypt. Petrolift was established in 1999 to serve the growing need for specialist lifting equipment. They are a leading manufacturer of web slings and lifts for industrial applications in the oil and gas industry.

Project Description

The company is looking to start up operations in the Western New York region and has acquired a 36,000 sq. ft. building in the Town of Eden. The expansion into the U.S. is the result of increased domestic oil and natural gas production in North America. The facility in Eden is in need of considerable rehabilitation. Except for a small fabrication shop which occupies 5,000 sq. ft. of space, the remainder of the building is vacant and in need of substantial repairs. In addition to internal renovations the company plans on installing a new roof and windows.

Project Incentives

- Approximately \$24,500 in sales tax benefits

Employment

Jobs at Application
0

Projected Jobs Year 2
10

Real Estate Tax Impact

Current Assessment	Current Yearly Taxes
\$159,000	\$6,700
Combined Tax Rate: \$42.69	

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount Project Amount = \$1,582,250 85% = \$1,344,912
Employment	See recapture period	Creation of 85% of project employment: Projected Jobs = 10 85% of Projected Jobs = 8
Local Labor	Construction period	Adherence to policy including quarterly reporting
Recapture Period	The latter of two years after project completion or the termination of the Agent or Financial Assistance Agreement	Recapture of state and local sales taxes

Recapture applies to:

State and local sales taxes

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 taxes.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company has met 85% of its projected full time employment and iii) confirm adherence to ECIDA local labor hiring policy.

Project History

No Public Hearing was required since project benefits are below \$100,000.

06/18/2014 Lease/Leaseback Inducement Resolution presented to Board of Directors.