

Iroquois Bar Corp.
\$920,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 332312

COMPANY INCENTIVES

- Approximately \$52,500 in sales tax savings
- Approximately \$120,000 in real property tax savings
- Up to \$6,900 in mortgage recording tax savings

PROJECT BENEFITS

- The project will generate approximately \$33,000 of revenue to the local taxing jurisdictions over the abatement period representing \$3,000 to the County of Erie, \$15,000 to the City of Lackawanna and \$15,000 to the Lackawanna Central School District

EMPLOYMENT

- Retained Jobs = 65
- Projected New Jobs = 2
- Total Jobs after Project Completion = 67

PROJECT HISTORY

- 09/27/2016- Public hearing held. Transcript attached.
- 10/26/2016 - ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA.
- 10/26/2016- Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Iroquois Bar Corp.
 Project Address: 155 Commerce Drive
 Lackawanna, New York 14218
 (Lackawanna Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the expansion of the company's existing facility.

Building Addition	\$800,000
Renovation	\$ 70,000
Equipment	\$ 25,000
Soft Costs	\$ 25,000
 Total Project Cost	 \$920,000
 85%	 \$782,000

Company Description

Iroquois Bar Corp. is a minority owned business and has been in operation since 1999. The company provides rebar fabrication and installation services. The parent company also operates a general construction division that primarily performs select demolition and concrete placement. Customers include LP Ciminelli, JW Danforth, LeChase, Union Concrete, UB and the Army Corps. A majority of the company's sales are to Erie County companies with 15% of services being provided to companies outside the county but within New York State.

Project Description

The proposed project consists of the expansion of the company's fabrication, warehouse and maintenance areas. The company will be constructing a 13,600 sq. ft. addition. Existing shop space will be converted into offices and the new addition will serve to improve efficiency and productivity.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-year abatement period	Additional Local Revenue over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement
N/A	\$320,000	\$2,900	\$30,000	\$22,000
Combined Tax Rate: \$69.00				

PILOT Table

- The project will generate approximately \$33,000 of revenue to the local taxing jurisdictions over the abatement period representing \$3,000 to the County of Erie, \$15,000 to the City of Lackawanna and \$15,000 to the Lackawanna Central School District

Year	% payment under PILOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$196	\$1,028	\$980	\$2,204	\$22,042	\$19,837
2	10%	\$196	\$1,028	\$980	\$2,204	\$22,042	\$19,837
3	20%	\$391	\$2,057	\$1,960	\$4,408	\$22,042	\$17,633
4	20%	\$391	\$2,057	\$1,960	\$4,408	\$22,042	\$17,633
5	30%	\$587	\$3,085	\$2,940	\$6,612	\$22,042	\$15,429
6	30%	\$587	\$3,085	\$2,940	\$6,612	\$22,042	\$15,429
7	30%	\$587	\$3,085	\$2,940	\$6,612	\$22,042	\$15,429
		\$2,933	\$15,427	\$14,702	\$33,062	\$154,291	\$121,229

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 = \$920,000 85% of total project amount = \$782,000
Employment	Coincides with 7-Year PILOT term	Maintain base = 65 Create 85% of projected: Projected Jobs: 2 85% of projected jobs = 2 Recapture Employment: 67
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-Year PILOT term	Adherence to Policy
Unpaid Taxes	Coincides with 7-Year PILOT term	Adherence to Policy
Recapture Period	Coincides with 7 Year PILOT term	Real Property Taxes. State and Local Taxes

Recapture applies to:

- State and local sales taxes
- Real property taxes
- Mortgage Recording 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 project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create an additional 2 jobs iii) adherence to local labor policy, iv) adherence to unpaid tax policy and v) adherence to pay equity policy.