

Aakron Rule
\$2,670,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 321999

COMPANY INCENTIVES

- Approximately \$234,000 in real property tax savings
- Approximately \$96,260 in sales tax savings
- Up to 1% of the final mortgage amount. It is estimated the mortgage will be \$2,620,000 for a savings of \$26,200.

PROJECT BENEFITS

- The project will generate approximately \$62,000 of revenue to the local taxing jurisdictions over the abatement period representing \$11,000 to the County of Erie, \$3,000 to the Town of Akron, \$14,000 to the Village of Akron, \$34,000 to the Akron Central School District

EMPLOYMENT

- Current Jobs = FT 142 / PT 6
- Projected Jobs = FT 155 / PT 6
- The project is anticipated to create 13 new jobs two years after project completion

PROJECT HISTORY

- 02/21/2017 - Public hearing held. Transcript attached.
- 04/26/2017 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 04/26/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title: Aakron Rule
 Project Address: 8 Indianola Avenue
 Akron, New York 14001
 (Akron CSD)

Agency Request

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

New Building Construction	\$1,450,000
Renovation	\$ 265,000
Manufacturing Equipment	\$ 500,000
Non-Manufacturing Equipment	\$ 100,000
Soft Costs/Other Costs	\$ 355,000
Total Project Cost	\$2,670,000
85%	\$2,269,500

Company Description

Aakron Rule was incorporated in New York State in January of 1967. Its first products included school rulers, office rulers, and yardsticks. In 1968, they entered the promotion products industry. Today Aakron Rule is the largest manufacturer of wooden rulers and yardsticks in the world and offer over 130 different items. The majority of the company's products are distributed within the U.S. with limited sales to international customers. 96% of the company's sales are to customers located outside of New York State.

Project Description

Aakron Rule currently occupies 77,000 sq. ft. within the Village of Akron. The proposed project involves the re-configuration of operations which will allow the company to become more energy efficient and also improve production capabilities. The company will be adding an additional 25,000 sq. ft. which will expand its existing warehouse and molding operations. The company will also be acquiring additional machinery and equipment.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-Year Abatement Period	Additional City Revenue over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$1,015,000	\$11,000	\$50,000	\$29,600
Combined Tax Rate: \$29				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Total project Amount = \$2,670,000 85% = \$2,269,500
Employment	Coincides with 10-Year PILOT	Maintain Base = 145 Create 85% of Projected Projected = 13 85% = 11 Recapture Employment: 156
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
Recapture Period	Coincides with 10-Year PILOT	Recapture of State and Local Sales Taxes and Real Property 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 the anticipated project amount proposed ii) confirm that company has maintained 145 employees and created 11 new jobs at the facility iii) adhere to local labor policy during construction period and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.

