

**Customer Information**

<b>Potential Customer:</b>	Graham Corporation	<b>Opportunity Type:</b>	Tax Incentive Lease
<b>Proj. St. Address:</b>	Howard St and Florence Ave.	<b>Opportunity Product:</b>	Property & Sales Taxes Only
<b>City/Town/Village:</b>	City of Batavia//	<b>Type of Project:</b>	Expansion
<b>Proj. Description:</b>	2013- Expansion	<b>New Jobs:</b>	30
<b>Total Capital Investment:</b>	\$5,500,000.00	<b>Retained Jobs:</b>	311
<b>Incentive Amount:</b>	\$577,658.00	<b>School District:</b>	Batavia
<b>Benefited Amount:</b>	\$5,500,000.00	<b>PILOT Applicable:</b>	

**Project Information**

<b>Organization:</b>	GCEDC		
<b>Opportunity Source:</b>	Direct/Personal Contact	<b>Date of Public Hearing:</b>	8/21/13

**Opportunity Summary:** Graham Corporation Expansion  
 Discussion: Proposed sales tax and property tax abatement  
 At the August 1, 2013 board meeting an initial resolution was approved by the GCEDC board to schedule a public hearing for the Graham Corporation expansion request for incentives. A public hearing was held on August 21, 2013 to solicit public comments on the project as the total incentive amount is over \$100,000. No members of the public attended the hearing. The GCEDC board approved a final resolution for incentives for the Graham project on September 5, 2013. After the approval of the final resolution the scope of the project changed and the GCEDC held another public hearing on October 22, 2013 to solicit public comment on the project. No members of the public attended the hearing.

I. Original Project Scope:  
 This project included the renovation of the "old" plant area, located at the corner of Harvester Ave. and Howard St. in the City of Batavia. A new bay will be constructed (12,439 sq. ft.) that will enclose the area between two manufacturing bays located facing Harvester Ave. along with renovations of office and manufacturing areas. In addition, a new building (3,800 sq. ft.) will be constructed on the 20 Florence St. campus. This new building will be used for X-Ray inspections of welds done during the fabrication process. Graham currently has 311 full time equivalent (FTE) employees and expects to add 30 more over three years after the certificate of occupancy is obtained for these renovations.

- 1) Capital Investment \$5,500,000
- 2) Proposed sales tax (\$240,000) savings
- 3) Proposed property tax (\$243,396) abatement on the incremental increase in assessed value

II. Updated Project Scope:  
 Graham Corporation has decided to add a Material Handling building to the original campus upgrade project. The material handling building will be a 60 foot wide building by 150 foot long for a total of 9,000 square feet. This building will be used to cut plate steel into shapes for product fabrication. It will also be used for bending and cutting of material prior to fabrication. This additional square footage was added to help streamline operations and to provide more area in the fabrication area for additional work. According to Graham as the project developed they found that we could add this building, and yet keep the total capital investment the same.

- 1) Capital Investment \$5,500,000
- 2) Proposed sales tax (\$240,000) savings
- 3) Proposed property tax (\$337,658) abatement on the incremental increase in assessed value

Board Action Request: Approval of final resolution to approve the incentives for the project. The application for the expansion project includes an estimated sales tax exemption of \$240,000 and estimated property tax abatement on the incremental increase in assessed value of \$337,658.  
 Historical Look: The last expansion project that Graham undertook and the GCEDC assisted was in 2011. At the time Graham had 278 FTE's and pledged 30 new jobs in 3 years for a total of 308 FTEs. According to their 2013 application they have exceeded their employment goals and have plans to keep growing.

**Economic Impact:** For every \$1 of public benefit, the company is investing \$14.30 into the local economy.

**Project Detail (Total Capital Investment)**

<b>Building Cost:</b>	\$3,250,000.00	<b>Capital Improvements:</b>	\$0.00
<b>Equipment:</b>	\$900,000.00	<b>Other Proj Investment:</b>	1350000.0000
<b>Land Cost:</b>	\$0.00		

Total Capital Investment: \$5,500,000.00

**Estimated Benefits Provided**

Sales Tax Exempt:	\$240,000.00	Tax Exempt Bond:	\$0.00
Mortgage Tax Exempt:	\$0.00	Land Sale Subsidy:	\$0.00
Property Tax Exempt:	\$337,658.00		
Total Estimated Tax Incentives Provided:	\$577,658.00		

Total Amount Finance: \$0.00

Mortgage Amount: \$0.00 ESD-JDA:

GCEDC RLF: \$0.00 Other Name:

City of Batavia: \$0.00 Other Amount: \$0.00

Chamber of Commerce:

Total Amount Finance: \$0.00