

Moog, Inc.
\$44,300,000
AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 336410
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$684,000 in real property tax savings. • Approximately \$2,100,000 in sales tax savings.
PROJECT BENEFITS
<ul style="list-style-type: none"> • The project will generate approximately \$182,000 of revenue to the local taxing jurisdictions over the abatement period representing \$44,300 to the County of Erie, \$2,150 to the Town of Elma, \$135,000 to the Iroquois Central School District
FORMER EMPLOYMENT
<ul style="list-style-type: none"> • Retained = 251 • Projected Jobs = 293
1ST AMENDED EMPLOYMENT
<ul style="list-style-type: none"> • Retained Jobs = 288 • Projected Jobs = 330
2ND AMENDMENT - EMPLOYMENT
<ul style="list-style-type: none"> • Retained Jobs = 288 • Projected Jobs = 357 • Annual Payroll: \$30,000,000 • Estimated salary of jobs to be created & retained: \$83,000
PROJECT HISTORY
<ul style="list-style-type: none"> • 02/21/2017 - Public hearing held. No oral or written comments. • 03/22/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors. • 10/25/2017 - Amendatory Inducement Resolution presented to the Board of Directors. • 10/10/2019—Public hearing held. • 10/23/2019—Amendatory Inducement Resolution presented to the Board of Directors

Project Title: Moog, Inc.
Project Address: 400 Jamison Road
Elma, New York 14059
(Iroquois CSD)

Agency Request

A sales tax and real property tax abatement in connection with the expansion of the company's Aircraft Division operations.

Amended Agency Request

To increase the company's investment in the project from \$32,600,000 to \$44,300,000 and to increase the sales tax benefitted amount from \$1,575,000 to \$2,100,000.

	<u>Prior</u>	<u>Current</u>
New Building Addition	\$21,500,000	\$29,250,000
Renovation	\$ 8,600,000	\$ 8,850,000
Manufacturing Equipment	\$ 500,000	\$ 500,000
Non-Manufacturing Equipment	\$ 1,500,000	\$ 1,500,000
Soft Costs/Other Costs	\$ 500,000	\$ 4,200,000
Total Project Cost	\$32,600,000	\$44,300,000
85%	\$27,710,000	\$37,655,000

Company Description

Moog is a worldwide designer, manufacturer and integrator of precision motion control products and systems. Moog's high-performance systems control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, industrial machinery, wind energy, marine applications and medical equipment.

66% of the company's sales are to customers located outside of New York State and 33% of customers are located outside of the United States.

Prior Project Description

The proposed project consists of the addition of 95,000 sq. ft. to Moog's Aircraft Division operations. Approximately 75-80% of the addition will be used for mechanical and electronic assembly and test facilities for military and commercial aircraft flight control products. The remaining space will be utilized as mixed office space to include engineering, manufacturing support and administrative functions.

While Moog's overall employment reaches approximately 3,500, the Aircraft Division accounts for 251 existing jobs. This division will be adding an additional 42 employees as part of the project.

Amended to Project Description

While the overall project scope related to the addition of 95,000 sq. ft. of space to Moog's existing East Aurora campus has not changed, they are anticipating an increase in total project costs of approximately \$11,700,000. The reason for the increase includes both cost overruns as well as unforeseen circumstances surrounding remediation efforts at the site which led to additional spending.

Employment Projections

At the time of Moog’s original application, they indicated 251 employees would be retained as these employees were associated with the Aircraft Division operations. Upon further internal review, the company revised the number to 288 and committed to an additional 42 jobs which was the subject of the 1st amendment to the original resolution. This 2nd amendment reflects the commitment of an additional 27 jobs associated with this expansion project.

Upon project completion, the company expects 357 employees will be associated with the project. Additional employment opportunities are anticipated over the next 5 years as well.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-Year Abatement Period	Additional Local Revenue over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$175,275	\$44,000	\$138,000	\$255,000
Combined Tax Rate: \$494.00				

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 = \$44,300,000 85% = \$37,655,000
Former Employment	Coincides with 10-Year PILOT	Maintain Base = 251 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment: 287
Amended Employment*	Coincides with 10-Year PILOT	Maintain Base = 288 Create 85% of Projected Projected = 69 85% = 58 Recapture Employment: 346
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 Real Property Taxes, State and Local Sales Taxes

Recapture applies to:

- Real Property Taxes
- State and Local Sales Taxes

Amendatory 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 288 employees at the facility and created 85% of projected jobs = 69 iii) adhere to local labor policy and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.

Company History / Project Investment Totals

1973	\$17,000,000
1981	\$3,500,000
1983	\$750,000
1983	\$475,000
1997	\$4,324,848
1997	\$16,234,200
1999	\$7,709,540
2006	\$6,700,000
2007	\$12,500,000
2008	\$11,000,000