

Steuben Foods, Inc.
\$25,621,494
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 311500

COMPANY INCENTIVES

- Approximately \$276,000 in real property tax savings.
- Approximately \$691,505 in sales tax savings

EMPLOYMENT

- Current Jobs: 604 FT
20 PT
- Projected New Jobs: 20 FT
- Estimated salary of jobs to be created: \$45,095
- Estimated salary of jobs to be retained: \$53,428

PROJECT HISTORY

- 03/16/2020 - Public hearing held. Transcript attached.
- 03/25/2020 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 03/25/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Steuben Foods, Inc.
 Project Address: 1150 Maple Road
 Elma, New York 14059
 (Iroquois Central School District)

Agency Request

A sales tax and real property tax exemption in connection with the buildout of an existing 26,000 sq. ft. facility as well as construction of a 7,700 sq. ft. addition to Steuben's existing manufacturing facility.

New Building Addition	\$ 2,350,092
Renovation	\$13,455,742
Manufacturing Equipment	\$ 5,344,500
Soft Costs/Other	\$ 4,471,160
Total Project Costs	\$25,621,494
85%	\$21,778,269

Company Description

Steuben Foods, Inc, is a high tech food and beverage manufacturer founded in 1981. It processes and packages a variety of dairy and plant based foods and beverages in its over 400,000 sq. ft. manufacturing facility in Elma, New York. These products generally are packaged in aseptic or extended shelf life containers.

In December, 2016 Steuben completed an 80,000 sq. ft. expansion of its existing low-acid aseptic processing and packaging facility, which included 20,000 sq. ft. of manufacturing space and equipment to specifically process grains, nuts, and seeds.

In 2020, Steuben completed an approximately 87,000 sq. ft. expansion of its existing warehouse.

National and international sales account for approximately 70% of sales.

Project Description

The project includes the buildout of approximately 26,000 sq. ft. in Steuben's existing facility along with construction of a 7,700 sq. ft. addition.

The project will allow Steuben to increase its capacity to receive and separately store multiple streams of fluid milk. Additionally, the project will increase Steuben's overall product processing and production capacity. The project also includes the purchase and installation of various beverage and dairy processing and storage equipment.

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
\$0	\$70,000	\$18,000	\$56,000	\$35,000
Combined Tax Rate: \$498.76				

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: \$25,621,494 85% : \$21,778,269
Employment	Coincides with 10-Year PILOT	Maintain Base: 604 FT and 20 PT Create 85% of Projected Projected: 20 FT 85%: 17 Recapture Employment: 621 FT and 20 PT
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity/Unpaid Tax	Coincides with 10-Year PILOT	Adherence to Policy
Recapture Period	PILOT Term	Recapture of State and Local Sales Taxes, Real Property Taxes

Recapture applies to:
State and Local Sales Taxes
Real Property 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 the project company must certify i) total investment amount equal to or greater than 85% of the amount proposed; ii) confirm company has maintained 604 FT and 20 PT employees and created an additional 20 jobs iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Site/Project History

- Early 1970's - Western Electric began development of a 200 acre site in Elma, New York
- 1976 - Western Electric abandons site
- 1980 - ECIDA purchases site for \$500,000 in back taxes with money loaned to it by the Regional Development Corporation
- 1983 - ECIDA identifies Steuben as a potential tenant for 150 acres
- 1983 - \$5,500,000 Urban Development Action Grant used for site work and building renovations
- 1983 - \$700,000 EDA grant along with an Erie County grant for sewer facility
- 1983 - \$750,000 RDC Loan
- 1983 - ECIDA and Steuben sign a 30-year lease for the property with two 30-year renewal options
- 1998 - \$500,000 RDC Loan
- 1999 - \$750,000 Lease/Leaseback Inducement Resolution approved by the Board of Directors
- 2006 - \$9,250,000 Lease/Leaseback Inducement Resolution approved by the Board of Directors
- 2009 - Steuben exercises option to purchase the 150 acre site for \$6,000,000 less all of the rental payments made (excluding PILOT payments) paid by Steuben under the lease agreement
- 2010 - \$46,625,000 - Lease/Leaseback Inducement Resolution approved by the Board of Directors
- 2019 - \$16,854,198 Lease/Leaseback Inducement Resolution approved by the Board of Directors