

Pine Pharmaceuticals, LLC
\$8,615,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 325412

COMPANY INCENTIVES

- Approximately \$975,000 in real property tax savings.
- Approximately \$364,437 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$37,500

EMPLOYMENT

- Current Jobs: FT - 76
PT - 7
- New Jobs Projected: FT - 40
- Total Jobs After Project Completion - 119
- Annual payroll: \$5,775,000
- Estimated salary of jobs to be created: \$55,000
- Estimated salary of jobs to be retained: \$75,000

PROJECT HISTORY

- 12/30/2020 - Public hearing held.
- 01/27/2021 - The project is in compliance with the Town of Tonawanda Generic Environmental Impact Statement and no further SEQRA compliance is required by ECIDA Board.
- 01/27/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

- ◆ 2017 - \$5,600,000 Tax Incentive

Project Title: Pine Pharmaceuticals, LLC
 Project Address: 355 Riverwalk Parkway
 Tonawanda, New York 14150
 (Kenmore –TTN UFSD)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of a 50,000 sq. ft. manufacturing facility.

Land Acquisition	\$ 240,000
New Building Construction	\$ 5,900,000
Manufacturing Equipment	\$ 1,700,000
Non-Manufacturing Equipment	\$ 400,000
Soft Costs	\$ 375,000

Total Project Cost \$8,615,000

85% \$7,322,750

Company Description

Pine Pharmaceuticals is an FDA-registered outsourcing facility. This entity was created in November, 2013 to allow custom pharmaceuticals to be shipped directly to a physician for in office use. The company creates sterile and non-sterile compounds and sells them to practitioners for administration in office to the patient. Products are made for ophthalmologists, dermatologists as well as for hospital use.

Project Description

In 2017, with IDA assistance, Pine Pharmaceutical constructed a 25,000 sq. ft. facility in the Riverview Solar Technology Park. Since that time the company's operations have grown and is now in need of additional space. They will be constructing a 50,000 sq. ft. expansion to the existing facility. Since Pine is a sterile compounder, significant purchases will be made to equip new cleanrooms.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10 Year Abatement Period	Additional Town Revenue over 10 Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$1,250,000	\$37,000	\$222,000	\$123,450
Combined Tax Rate: \$98.76				

PILOT Table

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 = \$8,615,000 85% = \$7,322,750
Employment	Coincides with 10-year PILOT	Maintain Base = 80 FTE Create 85% of Projected Projected = 40 85% = 34 Recapture Employment = 114
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	10 year PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Recording Taxes

Recapture applies to:
State and Local Sales Taxes
Real Property Tax
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 the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 80 FTE jobs and created 40 FT jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.