

<b>Coca Cola Beverages Northeast, LLC</b> <b>\$22,611,507</b> <b>PRIVATE INVESTMENT INDUCEMENT RESOLUTION</b>									
<b>ELIGIBILITY</b> <ul style="list-style-type: none"> <li>• NAICS Section – 424490</li> </ul>	Project Title: Coca Cola Beverages Northeast, LLC  Project Address: 150 & 200 Milens Road Tonawanda, New York 14150 (Kenmore-Town of Tonawanda Union Free School District)								
<b>COMPANY INCENTIVES</b> <ul style="list-style-type: none"> <li>• Approximately \$1,243,375 in sales tax savings</li> <li>• Approximately \$1,963,223 in real property tax savings</li> </ul>									
<b>Agency Request</b>									
A sales tax and real property tax exemption in connection with the construction of a building containing 20,000 sq. ft. of office space and 43,000 sq. ft. in warehouse space. A second warehouse facility totaling 49,000 sq. ft. will also be constructed.									
<b>JOBS &amp; ANNUAL PAYROLL</b> <ul style="list-style-type: none"> <li>• Current Jobs: 124</li> <li>• Annual Payroll: \$6,776,602</li> <li>• Est. salary/yr. of jobs retained: \$54,650</li> <li>• Total jobs after project completion: 124</li> <li>• Construction Jobs: 155</li> </ul>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">New Building Construction</td> <td style="text-align: right;">\$21,271,633</td> </tr> <tr> <td>Soft Costs/Other</td> <td style="text-align: right;">\$ 1,339,874</td> </tr> <tr> <td> Total Project Cost</td> <td style="text-align: right;"> \$22,611,507</td> </tr> <tr> <td> 85%</td> <td style="text-align: right;"> \$19,219,781</td> </tr> </table>	New Building Construction	\$21,271,633	Soft Costs/Other	\$ 1,339,874	 Total Project Cost	 \$22,611,507	 85%	 \$19,219,781
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<b>Company and Project Description</b>									
Coca Cola Beverages began as a single bottling operation in Laconia, NH in 1977 and over the past 4 decades has grown into one of the nation’s largest Coco Cola bottlers with over 3,500 associates in 33 locations. The company bottles, sells and distributes brands owned by Coca Cola Company, Keurig, Dr. Pepper, Monster Energy Corp, Fairlife and Body Armor. Coca Cola Buffalo services Erie County and other Counties within New York State. Kirin Holdings Company, Ltd is the sole shareholder of the company.									
<b>PROJECTED COMMUNITY BENEFITS*</b> <ul style="list-style-type: none"> <li>• Term: 10 YEARS</li> <li>• NET Community Benefits: \$142,217,000</li> <li>• Spillover Jobs: 56 temp 114 perm</li> </ul> Total Payroll: \$ 131,530,000	The project consists of two adjacent parcels of land located at 150 and 200 Milens Road in the Town of Tonawanda. Phase I of the project includes the demolition of a 14,490 sq. ft. former trucking facility at 150 Milens Rd. followed by the construction of a building consisting of 20,000 sq. ft. of office space and 43,000 sq. ft. of new warehouse space on the site. Upon completion of Phase I, CCBNE will transfer operations from the warehouse located at 200 Milens Rd. to the newly constructed warehouse at 150 Milens Rd. Phase II of the project begins with the demolition of the existing 88,121 sq. ft. warehouse at 200 Milens Rd. Following the demolition, a new 49,000 sq. ft. warehouse will be constructed on the site. Evidence of lead paint and/or asbestos has been found within 2 buildings being demolished.								
<b>INCENTIVE COST/COMMUNITY BENEFIT RATIO*</b> Incentives: \$3,052,000 Community Benefit: \$131,342,000 Cost: Benefit Ratio <ul style="list-style-type: none"> <li>• 1:43</li> </ul>	The investment of just over \$21,000,000 into these two newly constructed, state of the art facilities will lead to an increase in overall efficiency and will allow for the retention of the existing 124 jobs.  The company has indicated that should additional sales growth be achieved in the future, additional job opportunities may become available.								

\* Inform Analytics/Center for Governmental Research

## Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses Inform Analytics, a widely-recognized modeling tool from the Center for Governmental Research, to assess the economic impact of a project applying for incentives. This cost:benefit ratio is assessed via a Cost-Benefit Analysis, as is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached Inform Analytics Projected Community Benefits and Community Cost Benefit Analysis.

### Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	1,963,000
	Sales Tax	1,243,000
	Total	3,206,000
	Discounted at 2%	3,052,000

### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount (in Mil)**
	Erie County	Individuals	Payroll Construction	11,013,000
			Payroll Permanent	120,518,000
		Public	Property Taxes	522,000
			Sales Taxes	2,145,000
	New York State	Public	Income Taxes	6,164,000
			Sales Taxes	5,781,000
			Total Benefits to EC + NYS***	142,217,000
			Discounted at 2%	131,342,000

\*\* includes direct & indirect \$ over project period    \*\*\* may not sum to total due to rounding

Discounted Cost            3,052,000  
 Discounted Benefit        131,342,000  
 Ratio                            1:43

**Conclusion:** The Cost Benefit for this project is: 1:43. For every \$1 in costs (incentives), this project provides \$43 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$50 in benefits to the community.**

### New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$105,000	\$2,460,000	\$73,000	\$449,000	\$248,000
Combined Tax Rate: \$101.00				

\* Inform Analytics/Center for Governmental Research

## 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 = \$22,611,507 85% = \$19,219,781
Employment	Coincides with 10-year PILOT	Maintain Base = 124
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 applies to state and local sales taxes and real property tax savings

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 is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 124 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

### Project ECIDA History

- 07/28/2021 - Public hearing held. Transcript attached
- 09/22/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 09/22/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

### Company ECIDA History