

Workspport
\$ 15,006,887
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 441310

COMPANY INCENTIVES

- Approximately \$72,625 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$30,937

JOBS & ANNUAL PAYROLL

- Current Jobs: 0
- Annual Payroll: \$ 0
- Projected new jobs: 11 FTE (6 FT, 10 PT)
- Est. salary/yr. of jobs created: \$58,333(FT), \$42,000 (PT)
- Construction Jobs: 30

PROJECTED COMMUNITY BENEFITS*

- Term: 2 yrs from project completion
 - NET Community Benefits: \$ 7,048,712
 - Spillover Jobs: 33
- Total Payroll: \$ 6,703,534

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

- Incentives: \$ 103,562
- Community Benefit: \$ 6,930,599
- Cost: Benefit Ratio
- 1:67

Project Title: Workspport – West Seneca

Project Address: 2500 N America Dr, West Seneca, NY 14224
(West Seneca Central School District)

Agency Request

A sales tax and mortgage recording tax in connection with renovation and equipping of a portion of a 222,000 sq ft facility for manufacturing, warehousing, and office use.

Land & Building Acquisition	\$ 8,125,000
Renovation	\$ 1,300,000
Manufacturing Equipment	\$ 5,276,887
Non- Manufacturing Equipment	\$ 180,000
Soft Costs/Other	\$ 125,000
Total Project Cost	\$15,006,887
85%	\$12,755,854

Company Description

Workspport Ltd was founded in 2011 with a passion for making products better, simpler and more beautiful bringing innovation to an innovation-less market. Starting as a producer of tonneau covers for pickup trucks, Workspport has evolved to position itself as an innovator in its space. Over the past 5 years Workspport has been working on its hybrid energy system, TerraVis, a portable solar powered generation system capable of forming personal microgrids for pickup trucks. Developing the technology that makes up the TerraVis system is the first step in the Company’s strategy to increase its market share through innovation in the automotive and clean tech sectors. Currently, Workspport’s top shareholders, in order include: Steven Rossi (15.3%) and Prasad Kikkani (12.12%).

Project Description

Workspport currently operates in North America with its corporate HQ in Ontario Canada. Workspport is in the process of onshoring their production from Yantian China to West Seneca, NY with a plan to purchase an existing currently idle 222,000 sq ft facility. At this facility, the company plans to manufacture both their conventional tonneau covers as well as to produce its newer products, including an advanced hard tonneau cover, a collapsible soft cover and the TerraVis System – its most highly anticipated product to date. This product is expected to drastically minimize electric pickup truck owners’ reliance on the grid, which Workspport feels is becoming dangerously over relied upon. The company plans to add 6 FT and 10 PT jobs. A tenant employing 3 FT workers, will operate from the facility during their short-term lease (expiring 12/31/22).

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	
	Sales	72,625
	Mortgage Recording	30,937
	Total	103,562
	Discounted at 2%	103,562

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	4,333,516
			Payroll Permanent	2,304,523
		Public	Property Taxes	0
			Sales Taxes & Other Municipal	65,491
	New York State	Public	Income Taxes	298,712
			Sales Taxes	46,467
			Total Benefits to EC + NYS***	7,048,712
			Discounted at 2%	6,930,599

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period ***may not sum to total due to rounding

Discounted Cost	\$ 103,562
Discounted Benefit	\$6,930,599
Ratio	1:67

Conclusion: The Cost Benefit for this project is: 1:67. For every \$1 in costs (incentives), this project provides \$ 67 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$133 in benefits to the community.**

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 = \$15,006,887 85% = \$12,755,854
Employment	Coincides with 10-year PILOT	Maintain Base = Create 85% of Projected Projected = 11 FTE 85% = 9 Recapture Employment = 9
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to Policy
Unpaid Tax	Coincides with recapture period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of mortgage recording, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
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 \$12,755,854 or greater than 85% of the anticipated project amount; ii) company has created 11 FTE, 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

- 3/21/22: Public hearing held.
- 4/27/22: Type II Action: no SEQR review required.
- 4/27/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors