

PUBLIC HEARING SCRIPT

**Great Lakes Orthodontics, Ltd. and/or
Individual(s) or Affiliate(s), Subsidiary(ies),
or Entity(ies) formed or to be formed on its
behalf Project**

Public Hearing to be held on May 23, 2016 at 9:00 a.m.,
at the Town of Tonawanda Town Hall, 2919 Delaware Avenue
(Town Board Conference Room) Kenmore, New York 14217

ATTENDANCE

David Lavin – Great Lakes Orthodontics, Ltd.

Tim Reidy – Great Lakes Orthodontics, Ltd.

1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: *Welcome. This public hearing is now open; it is 9:00 a.m. My name is Karen Fiala. I am the Manager of Tax Incentives of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.*

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Great Lakes Orthodontics, Ltd. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, May 13, 2016.*

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a portion of land located at 200 Cooper Avenue, Tonawanda, New York (the "Land") to be improved thereon with a 14,629+/- SF addition on the east side of the existing facility to be utilized as additional manufacturing space, a 9,750+/- SF addition on the west side of the existing facility to be utilized as additional warehousing and office space, and a parking lot expansion to accommodate 125+/- additional parking spaces (the "Improvements"), and (ii) the acquisition and installation by the Company of*

certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: *All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on June 21, 2016. There are no limitations on written comments.*

5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.*

The Hearing Officer calls on those who raise their hand.

David Lavin, Great Lakes Orthodontics, Ltd. Great Lakes Orthodontics, located in Tonawanda, NY. Great Lakes Orthodontics is a manufacturer of dental appliances, a distributor of dental equipment and dental supplies, and a training and education provider to dental technicians for other dental labs and doctor's offices. The company serves the orthodontists, prosthodontists, oral surgeons, and the restorative and general dental profession throughout North America and around the world.

Great Lakes Orthodontics was established in 1967, and has a history of steady and continual growth. In 1975, the company moved into its Hertel Avenue, Buffalo, NY facility with only 28 employees. At the time, that was a very big move for the company. Great Lakes Orthodontics has since grown to 240 employees and has upsized its facilities on multiple occasions to support the growth in the business and its employees.

This project consists of a 24,349 square foot-building expansion, a renovation to the existing building and a parking lot expansion. Great Lakes Orthodontics needs to expand its manufacturing and

distribution facilities to support growth from new product launches, as well as the consistent annual growth the company experiences.

The lab's manufacturing area is crowded, which not only cause productivity and safety concerns, but also limits the ability to bring in additional hires to support expected growth. The company faces continual and significant price pressure from other dental tabs that outsource their appliance manufacturing in foreign countries such as China. By expanding the manufacturing facility in Tonawanda, Great Lakes Orthodontics does not need to consider outsourcing as an option required for growth. Great Lakes Orthodontics is anticipating to hire 9 additional employees in 2 years, and hiring many more beyond that.

The building's east expansion of 14,629 square feet is for additional manufacturing space in the lab as well as cafeteria space to accommodate additional staff. The building's west expansion of 9,720 square feet is for additional warehousing and office space to allow for expanded product lines and sales staff additions. The internal building renovations are needed to accommodate current staffing requirements and to provide growth space for many departments throughout the company.

The estimated construction and related costs of this project are approximately \$5,000,000, which is a substantial amount of money to the company.

Great Lakes Orthodontics is a 100% employee owned ESOP company, which means the company's shareholders are the employees. Because of its ESOP legal status, Great Lakes Orthodontics has a substantial off-balance sheet, financial liability to repurchase the shares of employees who are over 55 years of age and will be retiring in the near future. This financial burden places a tremendous strain on company funds and as a result, it requires extreme diligence when spending the company resources on daily and strategic initiatives.

Great Lakes Orthodontics prides itself on being a good corporate citizen and recently won the prestigious 2016 Buffalo Niagara Business Ethics Award. As already mentioned, the company employs 240 people. Of which, 50 of these employees live in Tonawanda, NY; 179 of these employees are residents of Erie County while nearly all remaining employees live in neighboring Niagara County. Great Lakes Orthodontics contributes to the local economy with approximately 25% of all company purchases made with other businesses residing in Erie County.

Great Lakes Orthodontics is a good company for Erie County. And with the Erie County Industrial Development Agency's help, Great Lakes Orthodontics will continue to do good for our community.

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

May 23, 2016, at 9:00 a.m.
at the Town of Tonawanda Town Hall, 2919 Delaware Avenue
(Town Board Conference Room) Kenmore, New York 14217
regarding:

**Great Lakes Orthodontics, Ltd. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 200 Cooper Avenue, Tonawanda, New York 14150

Name	Company and/or Address	X box to speak/ comment
David Lavin	Great Lakes Orthodontics, Ltd. 200 Cooper Avenue Tonawanda, New York 14150	X
Tim Reidy	Great Lakes Orthodontics, Ltd. 200 Cooper Avenue Tonawanda, New York 14150	