



Policy Committee

April 3, 2025
At 9:00 a.m.

ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203

1. Call Meeting to Order
2. Approval of the March 13, 2025 Policy Committee Meeting Minutes (Pages 2-5)
3. Project Matrix (Informational) (Page 6)
4. Project Presentation (Staff – Company Q&A)
 - a) Big Heart Pet Products (Pages 7-35)
 - b) Eaton Mission Systems (Pages 36-69)
 - c) IMA Life Phase I Modification (Pages 70-96)
 - d) IMA Life Phase II (Pages 97-129)
5. Sumitomo Recapture Discussion (Recommendation) (Pages 130-144)
6. Management Team Report
7. Adjournment - Next Meeting May 1, 2025 at 9:00 a.m.

**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

DATE AND PLACE: March 13, 2025 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, A.J. Baynes, Rev. Mark E. Blue, Zachary Evans, Gregory R. Inglut, Richard Lipsitz, Jr., Dr. Susan McCartney, Brenda W. McDuffie¹, Hon. Glenn R. Nellis, Laura Smith, David State and Lavon Stephens

EXCUSED: None.

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O'Keefe, Vice President of Operations; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/ Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Robbie Ann McPherson, Director, Marketing & Communications; and Robert G. Murray, Esq., as General Counsel/Harris Beach Murtha

GUESTS: Yessica Vasquez on behalf of the City of Buffalo; Nathan Hayes on behalf of Deckorators Inc.; Randy Bernick, Greg Setter and Mike Driscoll on behalf of Rosina and Chuck Clark on behalf of the City of Lackawanna

There being a quorum present at 9:02 a.m., the Meeting of the Policy Committee was called to order by Chair Lipsitz.

MINUTES

The minutes of the October 3, 2024 Policy Committee meeting were presented. Upon motion made by Mr. Evans to approve of the minutes, and seconded by Mr. State, the Policy Committee meeting minutes were unanimously approved.

¹ Ms. McDuffie participated via video conference pursuant to Section 103-A of the New York State Public Officer's Law and the Agency's Videoconferencing Participation Policy.

PROJECT MATRIX

Mr. Cappellino presented the project matrix to the Committee. Mr. Lipsitz directed that the report be received and filed.

5-YEAR APPROVAL HISTORY REPORTS: TAX INCENTIVE PROJECTS/ADAPTIVE RE-USE PROJECTS

Ms. O’Keefe presented the 5-Year Approval History Report to the Committee. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATION

Deckorators, Inc. / UFP Industries, Inc., 300 Commerce Drive, Lackawanna, New York 14218. Ms. O’Keefe presented this proposed sales and use tax and real property tax abatement benefits project consisting of the expansion of the company’s manufacturing facilities which will consist of two buildings on approximately 31 acres. The main building is 168,310 SF of manufacturing space and 19,000 SF addition is planned for future manufacturing. A secondary 85,000 SF open wall warehouse building on site is considered for future development.

At this point in time, Rev. Blue joined the meeting.

Ms. O’Keefe confirmed that Deckorators is seeking approximately \$1,822,636 in assistance including sales tax exemption and real property tax exemption. Annual payroll at the site upon project completion is projected at \$3,600,000. The resulting cost benefit is 64:1 so for every \$1 of incentives the community benefit is \$64 in payroll & tax revenue. For Erie County, for every \$1 of incentives the community benefit is \$112 in benefits to the community.

Ms. O’Keefe stated that in exchange for providing the sales and use tax and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

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 = \$77,225,524 85% = \$65,641,695
Employment	Coincides with 10-Year PILOT	Create 85% of Projected Projected = 50 FTE 85% = 42 FTE Recapture Employment = 42 FTE
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 of state and local sales taxes and real property tax

Mr. Hayes spoke on behalf of the company and described the business expansion plan and new investment.

Rev. Blue queried as to the percentage of employees who are minority and women. Mr. Hayes responded he will follow-up and get that information to the Agency.

Ms. Abbott queried as to the average wage figures and salary ranges. Mr. Cappellino referred to the wage figures as contained in the application.

Mr. Stephens queried as to the company's recruiting processes. Mr. Hayes expressed that the company is receptive to obtaining local hiring assistance.

Mr. Baynes expressed support for the 50 new manufacturing jobs and queried as to how they chose Lackawanna. Mr. Hayes stated the geographic location for distribution and workforce quality were big factors in choosing this site.

Rev. Blue asked about education background for employees. Mr. Hayes replied that chemistry and engineering degrees are desirable but the Company is also looking for people who can flourish with on-the-job training and who have no formal trainings and backgrounds.

Mr. Evans spoke in support of the project.

Rev. Blue moved and Mr. Baynes seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Mr. Lipsitz called for the vote and the motion was then unanimously approved.

Rosina Food Products, Inc., 3100 Clinton Street, West Seneca, New York 14224. Ms. O'Keefe presented this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits project involving the 32,000 SF expansion to its 105,000 SF existing manufacturing facility to allow the company to relocate out-of-state production from existing co-packers.

Ms. O'Keefe confirmed that Rosina Food Products is seeking approximately \$2,693,039 in assistance including sales tax exemption, mortgage tax exemption and real property tax exemption. Total payroll is projected at \$11,942,000 which includes the direct and indirect jobs for both the temporary and ongoing positions over the life of the PILOT. Created jobs include 118 construction jobs. The resulting cost benefit is 1:105 so for every \$1 of incentives the community benefit is \$105 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$138 in benefits to the community.

Ms. O’Keefe stated that in exchange for providing the sales and use tax, mortgage recording tax exemption and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

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 = \$30,000,000 85% = \$25,500,000
Employment	Coincides with 10-Year PILOT	Maintain Base = 184 Create 85% of Projected Projected = 53 FTE 85% = 45 FTE Recapture Employment = 45 FTE
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 of state and local sales taxes, mortgage recording tax and real property tax

Mr. Bernick spoke on behalf of the company and described the business and the expansion project.

General discussion ensued.

Mr. Baynes and Mr. Evans both spoke in favor of the project.

Rev. Blue moved and Ms. McCartney seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Mr. Lipsitz called for the vote and the motion was then unanimously approved.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting.

Dated: March 13, 2025

Elizabeth A. O’Keefe, Secretary

Big Heart Pet Brands / J. M. Smucker Company

\$ 52,660,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Buffalo Facility Expansion (Project Domino)										
<ul style="list-style-type: none"> • NAICS Section – 311111 											
COMPANY INCENTIVES	Project Address: 243 Urban Street, Buffalo, NY 14211										
<ul style="list-style-type: none"> • Up to \$ 1,085,175 in sales tax savings 	(Buffalo City School District)										
JOBS & ANNUAL PAYROLL	Agency Request										
<ul style="list-style-type: none"> • Current Jobs: 283 FT • Est. salary/yr. of jobs retained: \$71,397 • Projected new jobs: 17 FT • Est. salary/yr. of jobs created: \$64,272 • Total jobs after project completion: 300 • Annual Payroll: \$ 21,297,987 • Construction Jobs: 208 	<p>A sales tax abatement for a company project to modernize their facility and provide environmental and food safety advantages. The project also will include the addition of a Soft n' Chewy processing line.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Building Addition</td> <td style="text-align: right;">\$ 10,210,000</td> </tr> <tr> <td>Manufacturing Equipment</td> <td style="text-align: right;"><u>\$ 42,450,000</u></td> </tr> <tr> <td>Total Project Cost</td> <td style="text-align: right;">\$ 52,660,000</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>85%</td> <td style="text-align: right;">\$ 44,761,000</td> </tr> </table> <p style="text-align: center;">Company Description</p> <p>Big Heart Pet Brands is a wholly owned subsidiary of J. M. Smuckers Company which is an American manufacturer of food and beverage products originally founded in 1897 and headquartered in Orrville, OH. The J. M. Smucker Company employs nearly 9,000 employees with approximately \$8.5 billion in net sales (as of 2023). Their four major business units: frozen handhelds and spreads, pet foods, sweet baked snacks and coffee. More than 80% of U.S. homes have Smucker products in their pantry. In March 2015, Smucker acquired Big Heart Pet Brands whose portfolio consists of: Meow Mix, Milk Bone, Pup-Peroni, Canine Carry Outs and Milo's Kitchen.</p>	Building Addition	\$ 10,210,000	Manufacturing Equipment	<u>\$ 42,450,000</u>	Total Project Cost	\$ 52,660,000	 		85%	\$ 44,761,000
Building Addition	\$ 10,210,000										
Manufacturing Equipment	<u>\$ 42,450,000</u>										
Total Project Cost	\$ 52,660,000										
85%	\$ 44,761,000										
PROJECTED COMMUNITY BENEFITS*	Project Description										
<ul style="list-style-type: none"> • Term: 2 YEARS after project completion. • NET Community Benefits: \$206,382,582 • Spillover Jobs: 837 <p>Total Payroll: \$194,643,166</p>	<p>The proposed project would add approximately 897 SF to the existing 550,000 SF building through the addition of a Soft n' Chewy processing line. The addition of this line will increase the overall plant capacity by converting the existing Soft n' Chewy process line. The expansion would include the purchase and commissioning of several pieces of equipment to achieve the proposed increase in production.</p>										
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*											
<p>Incentives: \$1,085,175</p> <p>Community Benefit: \$199,643,206</p> <p>Cost: Benefit Ratio</p> <ul style="list-style-type: none"> • 1:184 	<p>Phase 1 would bring attention to Soft n' Chewy production with additional capacity. Phase 2 would convert the current Soft n' Chewy oven and dryer to produce biscuit volume and add additional biscuit capacity. The Project will also include a Freezer Expansion.</p>										

* 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	\$ 0
	Sales	\$1,085,175
	Mortgage Recording	\$ 0
	Total	\$1,085,175
	Discounted at 2%	\$1,085,175

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 31,826,080
			Payroll Permanent	\$ 162,817,086
		Public	Property Taxes	\$ 0
			Sales Taxes	\$ 1,617,971
			Other Muni Revenue (NFTA)	\$ 0
		New York State	Public	Income Taxes
	Sales Taxes			\$ 1,362,503
			Total Benefits to EC + NYS***	\$206,382,582
			Discounted at 2%	\$199,643,206

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

Discounted Cost	\$ 1,085,175
Discounted Benefit	\$199,643,206
Ratio	1:184

Conclusion: The Cost Benefit for this project is: 184:1. For every \$1 in costs (incentives), this project provides \$184 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$322 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 = \$ 52,660,000 85% = \$ 44,761,000
Employment	2 years after project completion	Maintain Base = 283 FTE Create 85% of Projected Projected = 17 FTE 85% = 9 FTE Recapture Employment = 292 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	2 years after project completion	Adherence to Policy
Unpaid Tax	2 years after project completion	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of State and local sales taxes

Recapture applies to:

State and Local Sales Taxes

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 283 FTE jobs and created 17 FTE 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

- 3/31/25: Public hearing held.
- 4/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 4/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors

EVALUATIVE CRITERIA AGRICULTURAL, FOOD PROCESSING

Project: Big Heart Pet Brand / Project Domino

CRITERIA	COMMENTS
Wage Rates (above median wage for area) Per capita income = \$41,560	Average annual wages are above the median. Retained FT jobs = \$71,397 To be Created FT jobs = \$64,272
Regional Wealth Creation (% of sales/customers outside area)	% of sales outside the region = 99%: <ul style="list-style-type: none"> • In NYS (outside EC) = 3% • Within USA (outside NYS) = 95% • International sales = 1%
In Region Purchases (% of purchases from local growers)	In region purchases = 20%: Approx. \$28 M annually is spent with Erie County suppliers
Research & Development Activities	N/A
Investments in Energy Efficiency	Energy efficiency benefits are expected with various purchases to be made: Due to the age of the facility, energy efficiency upgrades will be engineered into the project in the form of LED lighting, variable frequency drive, and other energy efficient equipment.
Locational Land Use Factors, Proximity to Supporting Local Agricultural Production	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	N/A
DEI Questionnaire	See attached.
Workforce Access – Proximity to Public Transportation	Site is accessible by two City of Buffalo bus lines: #23 (Fillmore Hertel) and # 24 Genessee Line
Onsite child daycare facilities on the project site	N/A

*U.S.Census Bureau

DATE OF INDUCEMENT: April 23, 2025

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: March 3, 2025
 Project Title: Big Heart Pet Brands / J. M. Smucker Company
 Project Location: 243 Urban Street, Buffalo, NY 14211

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

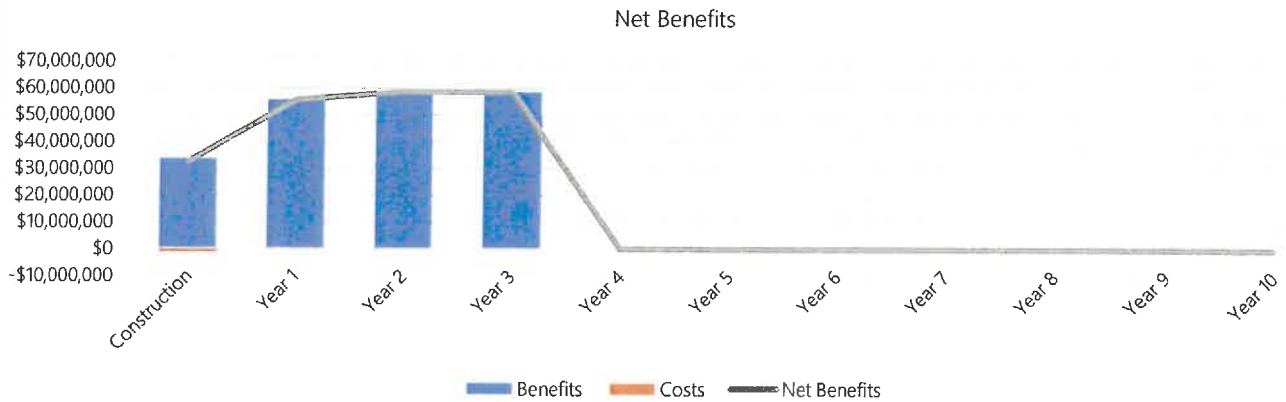
Project Total Investment

\$52,660,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		208	186	394
Earnings		\$20,112,101	\$11,713,980	\$31,826,080
Local Spend		\$52,660,000	\$36,374,319	\$89,034,319

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		300	651	951
Earnings		\$62,801,301	\$100,015,785	\$162,817,086

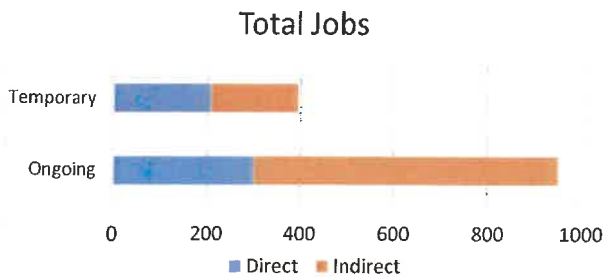
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$1,085,175	\$1,085,175
Local Sales Tax Exemption	\$589,095	\$589,095
State Sales Tax Exemption	\$496,080	\$496,080
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$1,085,175	\$1,085,175

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$196,261,137	\$189,852,275
To Private Individuals	\$194,643,166	\$188,287,138
Temporary Payroll	\$31,826,080	\$31,826,080
Ongoing Payroll	\$162,817,086	\$156,461,058
Other Payments to Private Individuals	\$0	\$0
To the Public	\$1,617,971	\$1,565,137
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$264,554	\$264,554
Ongoing Jobs - Sales Tax Revenue	\$1,353,417	\$1,300,583
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$10,121,445	\$9,790,931
To the Public	\$10,121,445	\$9,790,931
Temporary Income Tax Revenue	\$1,432,174	\$1,432,174
Ongoing Income Tax Revenue	\$7,326,769	\$7,040,748
Temporary Jobs - Sales Tax Revenue	\$222,783	\$222,783
Ongoing Jobs - Sales Tax Revenue	\$1,139,720	\$1,095,227
Total Benefits to State & Region	\$206,382,582	\$199,643,206

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$189,852,275	\$589,095	322:1
State	\$9,790,931	\$496,080	20:1
Grand Total	\$199,643,206	\$1,085,175	184:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes



Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

- New York State MWBE Certified List: <https://ny.newnycontracts.com/>
- Erie County MWBE Certified List: <https://www3.erie.gov/eo/mbe-wbe-resource-list>

Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

Big Heart Pet Brands, Inc. uses a standardized procurement process to evaluate all eligible vendors. The Company encourages the submission of bids from local vendors as well as qualified MWBE firms and is committed to using a diverse array of vendors.

2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

- Northland Workforce Training Center: <https://northlandwtc.org/employers/>

- Workforce Buffalo: <https://www.workforcebuffalo.org/business-services/employer-services>
- New York State Job Bank: <https://myjobsny.usnlx.com/>
- Local Minority Newspapers: <https://www3.erie.gov/eeo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

We believe having an inclusive culture and the expertise of diverse professionals across our business that reflects our consumers is critical to our success and is in alignment with our basic belief, Thrive Together.

3. Economic Inclusion Program

The ECIDA's Economic Inclusion Program (EIP) is a voluntary "opt in" program providing an enhanced real property tax abatement to applicants who commit to implementing and meeting MWBE utilization and minority and women employment goals. The mission of the EIP is to enhance the beneficial public impact of projects receiving ECIDA assistance and to further the ECIDA's goal of advancing opportunities for MWBE businesses and minorities and women, in general, in the Erie County workforce. Please note, for a company to be considered an MWBE under the EIP it must be certified as an MWBE by New York State or Erie County.

Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a *voluntary opt-in program* providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.



Project Domino

Instructions and Insurance Requirements Document

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	Project Domino
Project Summary	Big Heart Pet Brands, Inc. (the "Company") is planning to expand their Buffalo Facility. Milk-Bone been produced in the Buffalo Facility since 1957. Due to the age of the Facility, the Project will implement modern environmental and food safety advantages. Currently, the Facility is roughly 550,000 sq. ft with approximately 280 employees. Due to rising consumer demand, the Project would add a Soft n' Chewy processing line and increase overall plant capacity by converting the existing Soft n' Chewy process. Phase 1 would bring attention to Soft n' Chewy Production with additional capacity. Phase 2 would convert the current Soft n' Chewy oven and dryer to produce biscuit volume and add additional biscuit capacity. The Project will also include a Freezer Expansion.
Applicant Name	Big Heart Pet Brands, Inc.
Applicant Address	1 Strawberry Lane
Applicant Address 2	
Applicant City	Orrville
Applicant State	Ohio
Applicant Zip	44667
Phone	(330) 684-5619
Fax	
E-mail	Meredith.Mullet@jmsmucker.com
Website	https://www.jmsmucker.com/
NAICS Code	311111

Business Organization

Type of Business

Corporation

Year Established

2002

State

Delaware

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned
[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified
[No] Erie Country Certified

Individual Completing Application

Name Meredith Mullet
Title Director Tax Operations
Address 1 Strawberry Lane
Address 2
City Orrville
State Ohio
Zip 44667
Phone (330) 684-5619
Fax
E-Mail meredith.mullet@jmsmucker.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Christine Herrera
Title VP, Tax & Treasurer
Address 1 Strawberry Ln
Address 2
City Orrville
State Ohio
Zip 44667
Phone (330) 684-3458
Fax
E-Mail Christine.herrera@jmsmucker.com

Company Counsel

Name of Attorney Lynn Boris
Firm Name The J. M. Smucker Company
Address 1 Strawberry Lane
Address 2
City Orrville
State Ohio
Zip 44667
Phone
Fax
E-Mail lynn.boris@jmsmucker.com

Benefits Requested (select all that apply)

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	No
Exemption from Real Property Tax	No
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Big Heart Pet Brands, Inc. is a wholly owned subsidiary of J. M. Smucker Company, which is an American manufacturer of food and beverage products, originally founded in 1897 and headquartered in Orrville, Ohio. The J. M. Smucker Company employs nearly 9,000 employees with approximately \$8.5 billion in net sales as of 2023. The J. M. Smucker Company has four major business units: Frozen Handhelds and Spreads, Pet Foods, Sweet Baked Snacks and Coffee. The J. M. Smucker Company owns and operates manufacturing facilities and offices across North America ensuring quality production of their beloved brands. The brands are an essential part of everyday life for families everywhere, from their first cup of coffee and their favorite snacks to their pet's nutritious food and treats. Today, more than 80% of U.S homes have a Smucker product in their pantry. In March 2015, Smucker acquired Big Heart Pet Brands. This acquisition included a portfolio of brands which Smucker continues to build and grow including Meow Mix®, Milk-Bone®, Pup-Peroni®, Canine Carry Outs®, and Milo's Kitchen®.

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	3 %
Estimated % of sales outside New York State but within the U.S.	95 %
Estimated % of sales outside the U.S.	1 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

20

Describe vendors within Erie County for major purchases

The Company spends approximately \$28 million annually with suppliers in Erie County which includes ADM Milling. ADM Milling, based in Buffalo, is an industry leader in grain sourcing and milling, and is the largest local supplier to the Facility. Otherwise, the Company strives to use local suppliers whenever appropriate.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

· 243 Urban Street

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo City School District

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

101.54-1-1

What are the current real estate taxes on the proposed Project Site

14,666.02

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 541,000

Building(s)

\$ 2,300,000

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

The proposed Project site currently consists of an existing 550,000 square foot building that employs approximately 280 people. The Facility produces Big Heart Pet Food Brands products such as Milk Bone. The Company owns adjacent parcels, which are currently vacant or used for employee parking.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The proposed project would add approximately 897 square feet related to a refrigerator expansion to the existing 550,000 square foot building. The expansion will serve as a small, refrigerated warehouse the cost of which includes both soft costs as well as construction. The proposed project will also include the addition of a processing line which will increase overall plant capacity by converting the existing Soft n' Chewy process line. The expansion would include the purchase and commissioning of several pieces of equipment in order to achieve the proposed increase in production. Phase 1 would bring attention to Soft n' Chewy Production with a significant capacity increase. The new equipment includes a variety of manufacturing equipment which may include an oven, grinder, cooker, and additional processing equipment. Phase 2 would convert the current Soft n' Chewy oven and dryer to produce biscuit volume. This would add additional biscuit capacity.

Municipality or Municipalities of current operations

City of Buffalo

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

If yes, please indicate the Agency and nature of inquiry below

Big Heart Pet Brands, Inc. is considering two other existing manufacturing plants for the line expansion. These facilities are in Topeka, Kansas and Decatur, Alabama and also manufacture products in the Big Heart Pet Brands family. The J.M. Smucker Company and its subsidiaries have existing incentives from the State of Kansas for job creation and new investment. Implementation of the additional line at the Topeka plant would ensure the Company meets compliance requirements for the existing incentives and could spark new incentives for the additional production lines from the State as well.

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Due to the availability of financial incentives for job creation and investment in Kansas, the Company requires Erie County's financial assistance to justify the significant investment required to add the line in Buffalo. Financial assistance for the Project is necessary to offset the high costs of construction and local labor in Erie County, making the total Project cost to Big Heart Pet Brands competitive with the Kansas option. The addition of the line will greatly increase manufacturing capacity and increase the workforce at the plant, positively impacting the economic region as a whole.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

If financial assistance for the Project is not available, the Project is unlikely to proceed at the Buffalo facility. The result would be the loss of the anticipated 17 new full-time jobs and over \$50 million in investment. This would negatively impact Erie County through the elimination of a significant construction contract for local contractors and no increase in economic activity.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

The site is accessible by two City of Buffalo bus lines- line 23 the Fillmore-Hertel line and line 24 the Genesee line.

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

No

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Property type classification code 710- manufacturing/processing

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

No

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, describe the efficiencies achieved

Due to the age of the Facility, energy efficiency upgrades will be engineered into the project in the form of LED lighting, Variable Frequency Drive, and other energy efficient equipment.

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

No

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

Select Project Type for all end users at project site (you may check more than one)

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales No

Services No

Please check any and all end uses as identified below.

- No Acquisition of Existing Facility** **No Assisted Living** **No Back Office**
- No Civic Facility (not for profit)** **No Commercial** **No Equipment Purchase**
- No Facility for the Aging** **No Industrial** **No Life Care Facility (CCRC)**
- No Market Rate Housing** **No Mixed Use** **No Multi-Tenant**
- No Retail** **No Senior Housing** **Yes Manufacturing**
- No Renewable Energy** **No Other**

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	897 square feet	\$	10,210,000	21%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	square feet	\$	0	0%
Specify Other	square feet	\$	0	0%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

5/1/2025

End date : Estimated completion date of project

4/1/2027

Project occupancy : estimated starting date of occupancy

4/1/2027

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0

square feet

acres

2.) New Building Construction

\$ 10,210,000 897 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 42,450,000

6.) Infrastructure Work

\$ 0

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 0

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 0

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 52,660,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 10,210,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 5,475,000
% sourced in Erie County	%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 12,402,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 1,085,175

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 52,660,000

Bank Financing: \$ 0

Tax Exempt Bond Issuance (if applicable): \$ 0
Taxable Bond Issuance (if applicable): \$ 0
Public Sources (Include sum total of all state and federal grants and tax credits): \$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)
Total Sources of Funds for Project Costs: \$52,660,000
Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing). 0
Lender Name, if Known
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

Current # of jobs at proposed project location or to be	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon	Estimate number of residents of the Labor Market Area in which the project is located
--	---	---	--

	relocated at project location		24 months (2 years) after Project completion	that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	283	0	17	17
Part time	0	0	0	0
Total	283	0	17	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	2	\$ 114,920	\$ 31,860	0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Production	15	\$ 57,616	\$ 38,430	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	17			0		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

No **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

21,297,987

Estimated average annual salary of jobs to be retained (Full Time)

71,397

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

64,272

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time)	57,616	To (Full Time)	114,192
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

243 Urban St Buffalo, NY 14211

Name and Address of Owner of Premises

The Big Heart Pet Brands, Inc. 1 Strawberry Lane Orrville, OH 44667

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

The premises are an urbanized area about four miles east of Lake Erie.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The original building on the premises was constructed in 1919.

Describe all known former uses of the Premises

The site was first developed in approximately 1900 for use as a machinery manufacturer until approximately 1925 when National Biscuit Company began utilizing the site for dog biscuit production and was re-tooled in the 1950s to manufacture the Milk-Bone brand. Big Heart Pet Brands, Inc. (formerly Del Monte Corporation) purchased the facility in 2006 and has continued producing the Milk-Bone brand ever since.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

The current buildings contain asbestos in the form of pipe insulation.

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name Big Heart Pet Brands, Inc.
Address 1 Strawberry Lane, Orrville OH, 44667
Contact Person
Phone (330) 684-5619
Fax
E-Mail meredith.mullet@jmsmucker.com
Federal ID #
SIC/NAICS Code 311111

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

243 Urban St

City/Town

Buffalo

State

New York

Zip Code

14211

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

<BLANK>

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

Eaton Mission Systems Orchard Park / Eaton Corporation
\$21,600,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

<p>ELIGIBILITY</p> <ul style="list-style-type: none"> • NAICS Section – 336413 	<p>Project Title: Eaton Mission Systems (Project California)</p>														
<p>COMPANY INCENTIVES</p> <ul style="list-style-type: none"> • Approximately \$434,348 in real property tax savings • Up to \$ 875,000 in sales tax savings 	<p>Project Address 10 Cobham Drive, Orchard Park, NY 14127 (Orchard Park Central School District)</p> <p align="center">Agency Request</p> <p>A sales tax and real property tax abatement in connection with a 50,000 sq ft building addition to enable this manufacturer to achieve significant business growth projections to meet their production goals.</p>														
<p>JOBS & ANNUAL PAYROLL</p> <ul style="list-style-type: none"> • Current Jobs: 453 FT • Projected new jobs:77 FT • Est. salary/yr. of jobs retained: \$85,650 • Est. salary/yr. of jobs created: \$85,650 • Annual Payroll: \$ 47,364,450 • Total jobs after project completion: 530 FTE • Construction Jobs: 88 	<table border="0"> <tr> <td>Building Addition</td> <td align="right">\$ 16,700,000</td> </tr> <tr> <td>Infrastructure</td> <td align="right">\$ 1,000,000</td> </tr> <tr> <td>Manufacturing Equipment</td> <td align="right">\$ 1,400,000</td> </tr> <tr> <td>Non- Manufacturing Equipment</td> <td align="right">\$ 1,200,000</td> </tr> <tr> <td>Soft Costs/Other</td> <td align="right">\$ 1,300,000</td> </tr> <tr> <td>Total Project Cost</td> <td align="right">\$ 21,600,000</td> </tr> <tr> <td>85%</td> <td align="right">\$ 18,360,000</td> </tr> </table> <p align="center">Company Description</p> <p>Eaton’s Orchard Park location supports the commercial and military aerospace industries with highly technical products to serve their customer’s needs in environmental systems, space technologies and weapons actuation. Mission Systems Orchard Park Inc is 100% owned by Eaton Corporation and is a division within the Eaton Aerospace Group.</p>	Building Addition	\$ 16,700,000	Infrastructure	\$ 1,000,000	Manufacturing Equipment	\$ 1,400,000	Non- Manufacturing Equipment	\$ 1,200,000	Soft Costs/Other	\$ 1,300,000	Total Project Cost	\$ 21,600,000	85%	\$ 18,360,000
Building Addition	\$ 16,700,000														
Infrastructure	\$ 1,000,000														
Manufacturing Equipment	\$ 1,400,000														
Non- Manufacturing Equipment	\$ 1,200,000														
Soft Costs/Other	\$ 1,300,000														
Total Project Cost	\$ 21,600,000														
85%	\$ 18,360,000														
<p>PROJECTED COMMUNITY BENEFITS*</p> <ul style="list-style-type: none"> • Term: 10 YEARS • NET Community Benefits: \$1,016,104,331 • Spillover Jobs: 617 <p>Total Payroll: \$958,226,322</p>	<p align="center">Project Description</p> <p>Eaton Mission Systems is considering a \$21.6 M investment in their facility in Orchard Park to accommodate existing and potential new product lines that are projected to grow over the next five years. Their current facility is space-limited, and this will prevent the company from achieving that growth without adding approximately 50,000 SF of additional space. The new space will be primarily used for additional production capacity on critical aerospace defense programs. Some new equipment will be required to fit this new space out to efficiently manufacture products, such as vertical storage units for consolidating inventory. A small percentage of the new building expansion will also be used for additional office space for production support personnel.</p>														
<p>INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*</p> <p>Incentives: \$1,263,729</p> <p>Community Benefit: \$901,343,626</p> <p>Cost: Benefit Ratio</p> <ul style="list-style-type: none"> • 1:713 	<p>This project would lead to the creation of 77 jobs in 2 years. Current project cost estimates for an expansion at Orchard Park are higher than initial evaluations. Incentives are a core consideration in the Leadership Team’s decision-making process as the Orchard Park facility competes for the potential investment.</p>														

* 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	\$ 434,348
	Sales	\$ 875,000
	Mortgage Recording	\$ 0
	Total	\$1,309,348
	Discounted at 2%	\$1,263,729

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction	\$ 13,090,709	
			Payroll Permanent	\$ 945,135,613	
		Public	Property Taxes	\$ 84,984	
			Sales Taxes	\$ 7,965,257	
			Other Muni Revenue (NFTA)	\$ 0	
	New York State	Public	Income Taxes	\$ 43,120,185	
			Sales Taxes	\$ 6,707,584	
				Total Benefits to EC + NYS***	\$1,016,104,331
				Discounted at 2%	\$ 901,343,626

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

Discounted Cost \$ 1,263,729
 Discounted Benefit \$901,343,626
 Ratio 1:713

Conclusion: The Cost Benefit for this project is: 713:1. For every \$1 in costs (incentives), this project provides \$713 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$992 in benefits to the community.**

New Tax Revenue Estimated

PILOT Type	Current Yearly Taxes	Estimated New Assessed Value	Additional Revenue over Abatement Period:			New Yearly Taxes Upon Expiration of Abatement Period
			County	Town	School	
10 Year Standard	\$ 106,715	\$2.628 M	\$20,174 <u>\$10,087*</u> \$30,261	\$14,766 <u>\$ 7,383*</u> \$22,149	\$ 73,647 <u>\$ 36,824*</u> \$110,471	\$ 145,940
10 Year EIP (Tier 1)			\$18,156	\$13,289	\$66,283	
Combined Tax Rate: \$ 55.5						

*added 1 year (11th year) at full taxes for comparison purposes as EIP Tier 1 is an 11 year abatement period

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 = \$21,600,000 85% = \$ 18,360,000
Employment	Coincides with 10-year PILOT	Maintain Base = 453 FTE Create 85% of Projected Projected = 77 FTE 85% = 65 FTE Recapture Employment = 518 FTE
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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales 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 is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 453 FTE jobs and created 77 FTE 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

- 4/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 4/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 2/25/25: Public hearing held.

**EVALUATIVE CRITERIA
MANUFACTURING/WAREHOUSE/DISTRIBUTION**

Project: Eaton Mission Systems Orchard Park / Project California

CRITERIA	COMMENTS
Wage Rate (above median wage for area) Per capita income = \$41,560	Average Wage for both existing & jobs to be created is above the median wage @ \$85, 650
Regional Wealth Creation (% sales / customers outside area)	90 % of sales for Eaton are outside NYS but within the United States: The remaining sales are: 1% in NYS (outside Erie County) and 9% outside the U.S.
In Region Purchases (% of overall purchases)	5% of total annual purchases of supplies, raw materials and vendor service are from businesses in Erie County.
Research & Development Activities	R&D activities take place on site. The R&D amount as a % of operating expenses = 11%
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	Eaton makes similar products (to those made in Orchard Park) at multiple locations. Total project costs is a determining factor in selecting a location for this new / additional business.
DEI Questionnaire	Eaton has included ECIDA MWBE targets in their RFP to general contractors for this project. See DEI questionnaire for their approach to hiring a diverse workforce and they have expressed interest in ECIDA's EIP program.
Workforce Access – Proximity to Public Transportation	The project site is not located near public transportation.
Onsite child daycare facilities on the project site	N/A

*U.S. Census Bureau

DATE OF INDUCEMENT: April 23, 2025

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-EATON Mission Systems Division

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
17,200,000	\$2,627,500	10.319007	7.552900	37.671318

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$17,531	\$12,831	\$63,999	\$94,361	\$145,940	\$51,579
2	0.1	\$18,035	\$13,201	\$65,840	\$97,076	\$145,940	\$48,864
3	0.15	\$18,539	\$13,570	\$67,681	\$99,790	\$145,940	\$46,149
4	0.15	\$18,539	\$13,570	\$67,681	\$99,790	\$145,940	\$46,149
5	0.2	\$19,044	\$13,939	\$69,522	\$102,505	\$145,940	\$43,435
6	0.2	\$19,044	\$13,939	\$69,522	\$102,505	\$145,940	\$43,435
7	0.25	\$19,548	\$14,308	\$71,364	\$105,220	\$145,940	\$40,720
8	0.25	\$19,548	\$14,308	\$71,364	\$105,220	\$145,940	\$40,720
9	0.3	\$20,052	\$14,677	\$73,205	\$107,934	\$145,940	\$38,005
10	0.35	\$20,557	\$15,046	\$75,046	\$110,649	\$145,940	\$35,291
TOTAL		\$190,437	\$139,389	\$695,224	\$1,025,050	\$1,459,398	\$434,348

***** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff**

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
21,600,000	434,348	875,000	0	ESD Funding - pending

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 6%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: March 3, 2025
 Project Title: Eaton Mission Systems
 Project Location: 10 Cobham Drive, Orchard Park, NY 14127

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

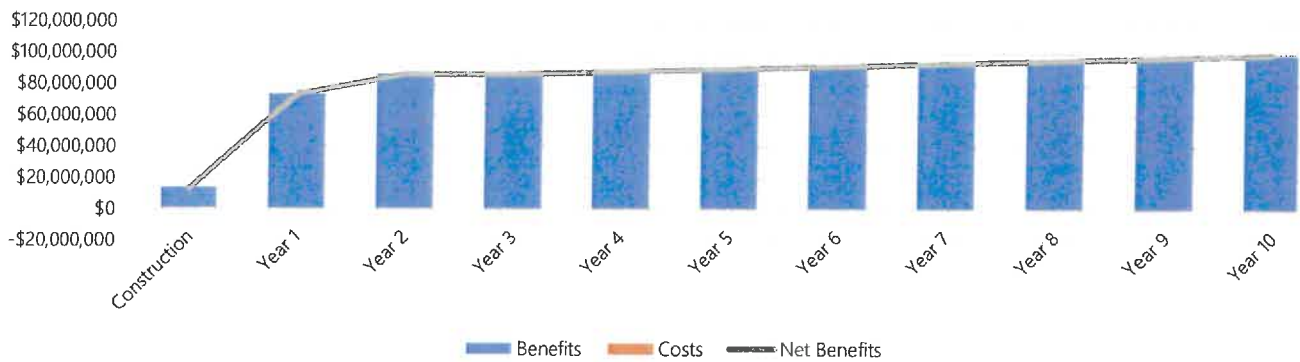
Project Total Investment
 \$21,600,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		88	76	164
Earnings		\$8,284,617	\$4,806,092	\$13,090,709
Local Spend		\$21,600,000	\$14,919,117	\$36,519,117

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		530	541	1071
Earnings		\$527,000,430	\$418,135,182	\$945,135,613

Figure 1

Net Benefits

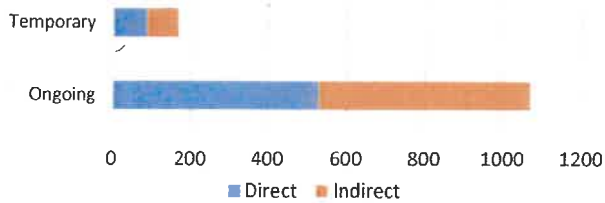


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

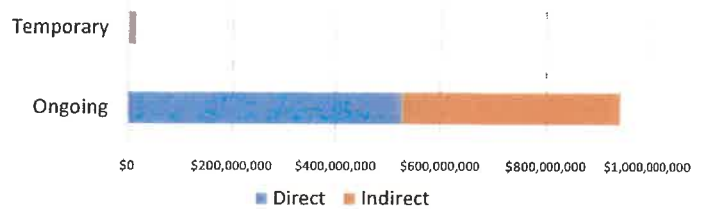
Figure 2

Figure 3

Total Jobs



Total Earnings



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$434,348	\$388,729
Sales Tax Exemption	\$875,000	\$875,000
Local Sales Tax Exemption	\$475,000	\$475,000
State Sales Tax Exemption	\$400,000	\$400,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$1,309,348	\$1,263,729

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$966,276,562	\$857,143,397
To Private Individuals	\$958,226,322	\$850,004,407
Temporary Payroll	\$13,090,709	\$13,090,709
Ongoing Payroll	\$945,135,613	\$836,913,698
Other Payments to Private Individuals	\$0	\$0
To the Public	\$8,050,240	\$7,138,989
Increase in Property Tax Revenue	\$84,984	\$73,328
Temporary Jobs - Sales Tax Revenue	\$108,817	\$108,817
Ongoing Jobs - Sales Tax Revenue	\$7,856,440	\$6,956,845
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$49,827,769	\$44,200,229
To the Public	\$49,827,769	\$44,200,229
Temporary Income Tax Revenue	\$589,082	\$589,082
Ongoing Income Tax Revenue	\$42,531,103	\$37,661,116
Temporary Jobs - Sales Tax Revenue	\$91,635	\$91,635
Ongoing Jobs - Sales Tax Revenue	\$6,615,949	\$5,858,396
Total Benefits to State & Region	\$1,016,104,331	\$901,343,626

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$857,143,397	\$863,729	992:1
State	\$44,200,229	\$400,000	111:1
Grand Total	\$901,343,626	\$1,263,729	713:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

- New York State MWBE Certified List: <https://ny.newnycontracts.com/>
- Erie County MWBE Certified List: <https://www3.erie.gov/eo/mbe-wbe-resource-list>

Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

Eaton has included ECIDA targets in our RFP to general contractors to support this project.

2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

- Northland Workforce Training Center: <https://northlandwtc.org/employers/>

- Workforce Buffalo: <https://www.workforcebuffalo.org/business-services/employer-services>
- New York State Job Bank: <https://myjobsny.usnlx.com/>
- Local Minority Newspapers: <https://www3.erie.gov/eo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

Eaton utilizes several different processes to ensure that we hire a diverse workforce to support our business. Talent High 5 metrics define goals for our facilities to ensure that we track progress. We are aligned to many different organizations such as the Society of Women Engineers, and the National Society of Black Engineers. Our teams complete training on removing unconscious bias, and our hiring panels and candidate pools are diverse. Eaton also supports several company-wide inclusion resource groups that are each focused on engaging and supporting diversity.

3. Economic Inclusion Program

The ECIDA's Economic Inclusion Program (EIP) is a voluntary "opt in" program providing an enhanced real property tax abatement to applicants who commit to implementing and meeting MWBE utilization and minority and women employment goals. The mission of the EIP is to enhance the beneficial public impact of projects receiving ECIDA assistance and to further the ECIDA's goal of advancing opportunities for MWBE businesses and minorities and women, in general, in the Erie County workforce. Please note, for a company to be considered an MWBE under the EIP it must be certified as an MWBE by New York State or Erie County.

Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a *voluntary opt-in program* providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.

PUBLIC HEARING SCRIPT

**Eaton Mission Systems Orchard Park
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 Tuesday, February 25, 2025, at 9:00 a.m.
at Orchard Park Town Hall (Basement Meeting Room)
at 4295 South Buffalo Street, Orchard Park, New York 14127

ATTENDANCE:

Susan Vriesen – Eaton Mission Systems
Kathryn Ritenar – Eaton Mission Systems
Nancy Kenlon - Town of Orchard Park

Soma Hawramee – ECIDA

☒ 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 Grant Lesswing. I am the Director of Business Development for the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Eaton Mission Systems Orchard Park 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 Thursday, February 12, 2025.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located at 10 Cobham Drive, Town of Orchard Park, Erie County, New York, and all other lands in the Town of Orchard Park where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), and the existing improvements located thereon, consisting principally of the Company's facility for the

manufacture of commercial and military aerospace technical products (the "Existing Improvements"); (ii) the construction on the Land of approximately 50,000 square feet of additional manufacturing space to accommodate growth to existing and new product lines (the "Improvements"); and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land, the Improvements and the Existing Improvements, the "Facility"). The Facility will be initially operated and/or managed by the Company.

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. Everyone who has registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on March 25, 2025. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or 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 statements and/or comments to 5 minutes, and if possible, 3 minutes.

Susan Vriesen, Facilities Supervisor - Mission Systems Orchard Park. Eaton is a global power management company delivering solutions across multiple business segments with over 100 years of experience in bringing reliable and efficient power management solutions to stationery and mobile end markets. We combine vehicle and aerospace with electrical power expertise. Eaton is a global company doing business in more than 175 countries. Today, we have a robust US footprint with more than 27,000 employees in manufacturing facilities in 27 states. This includes 5 locations and more than 1,300 employees in the State of New York. Eaton Mission Systems Orchard Park facility plays an important role in our US manufacturing footprint, delivering mission critical equipment for military aircraft. The Orchard Park facility is 145,500 square feet and employs over 450 Eaton Associates. The business unit has additional manufacturing locations in Davenport Iowa, Westminster Maryland, and Windborne UK.

Eaton is experiencing significant customer demand for our mission critical aerospace solutions, requiring investments in new capacity expansion. In considering where to expand, Eaton reviewed our global footprint to ensure the success of capacity investments and we are considering a nearly \$22 million expansion project in Orchard Park. The resulting project would have substantial positive economic impact on the community. By expanding the facility to bring on new production lines, Eaton will create up to 100 new local jobs. The project would also result in the retention of 453 existing jobs and positions the plant for long-term growth. It's important to reiterate that Eaton is committed to the communities where we do business. In evaluating the potential expansion, Eaton will be implementing a considerate approach to site development that includes incorporating changes to the property to improve traffic flow and significant landscaping and buffer areas. We thank you for your consideration and are excited about this opportunity to grow in Orchard Park and continue to have a strong, positive economic impact on our community.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:06 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

Public Hearing to be held on Tuesday, February 25, 2025, at 9:00 a.m.
at Orchard Park Town Hall (Basement Meeting Room)
at 4295 South Buffalo Street, Orchard Park, New York 14127, regarding:

**Eaton Mission Systems Orchard Park and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 10 Cobham Drive, Town of Orchard Park, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Susan Vriesen	10 Cobham Drive Orchard Park, New York 14127	X
Kathryn Ritenar	10 Cobham Drive Orchard Park, New York 14127	
Soma Hawramee	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Nancy Kenlon	Town of Orchard Park 4295 South Buffalo Street Orchard Park, New York 14127	



Project California

Instructions and Insurance Requirements Document

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	Project California
Project Summary	Eaton's Misson Systems Division currently operates manufacturing facilities in Orchard Park, Iowa and the United Kingdom. The business is considering a facility expansion in Erie County to enable significant business growth projections for mission critical aerospace defense programs that the division manufactures in Orchard Park. This expansion could lead to the creation of more than 90 new jobs over 5 years (77 within 2 years) and a \$20m investment, adding 50,000 square feet of manufacturing and office space to the facility and allowing for the manufacture of additional products. Current project cost estimates for an expansion at Orchard Park are higher than initial evaluations and incentives are a core consideration in the leadership team's decision-making process as the Orchard Park facility competes for the potential investment.
Applicant Name	Eaton Mission Systems Orchard Park
Applicant Address	10 Cobham Drive
Applicant Address 2	
Applicant City	Orchard Park
Applicant State	New York
Applicant Zip	14127
Phone	(517) 227-7038
Fax	
E-mail	michaelahines@eaton.com
Website	www.eaton.com
NAICS Code	336413

Business Organization

Type of Business
Public Corporation

Year Established
1911

State
New York

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name Michael Hines
Title Operations Leader
Address 10 Cobham Dr
Address 2
City Orchard Park
State New York
Zip 14127
Phone (517) 227-7038
Fax
E-Mail MichaelAHines@Eaton.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application Yes

Name
Title
Address
Address 2
City
State
Zip
Phone
Fax
E-Mail

Company Counsel

Name of Attorney Pat Grant
Firm Name Eaton Corporation
Address 1000 Eaton Blvd
Address 2
City Cleveland
State Ohio
Zip 44122
Phone (703) 678-5367
Fax
E-Mail PatBGrant@eaton.com

Benefits Requested (select all that apply).

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	No
Exemption from Real Property Tax	Yes
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Eaton's Orchard Park location has been in business for decades, supporting the commercial and military aerospace industries with highly technical products to serve their needs in environmental systems, space technologies, and weapons actuation. Mission Systems Orchard Park Inc. is 100% wholly owned by Eaton Corporation, and is a division within the Eaton Aerospace Group of Eaton Corp.

Estimated % of sales within Erie County	0 %
Estimated % of sales outside Erie County but within New York State	1 %
Estimated % of sales outside New York State but within the U.S.	90 %
Estimated % of sales outside the U.S.	9 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

5

Describe vendors within Erie County for major purchases

\$4.6-\$5.0M spending in Erie County over the last 12 months, including: Everfab in East Aurora is \$1.3M Advantech in Buffalo is \$1.2M Ketch in Buffalo is \$1.1M GP50 in Grand Island is \$700k Casey Machine in Lancaster is \$480k

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

10 Cobham Drive

Town/City/Village of Project Site

Orchard Park

School District of Project Site

Orchard Park Central School District

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

161.18-2-5.2

What are the current real estate taxes on the proposed Project Site

120,000

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

No

If No, indicate name of present owner of the Project Site

Eaton Corporation

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Existing building, which we plan to expand through the project

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

Our business has several existing and potential new product lines that are projected to grow over the next five years. Our current factory is space-limited and will prevent us from achieving that growth in Orchard Park without adding approximately 50,000sqft of additional space. The new space will be primarily used for additional production capacity on critical aerospace defense programs. Some new equipment will be required to fit this new space out to efficiently manufacture products, such as vertical storage units for consolidating our inventory. A small percentage of the new building expansion will also be used for additional office space for production support personnel.

Municipality or Municipalities of current operations

Town of Orchard Park

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

If yes, please indicate the Agency and nature of inquiry below

Empire State Development, TBD on funding

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Eaton makes similar products to those in Orchard Park at multiple locations. The total project cost is an important determining factor in whether or not we can expand these products at our Orchard Park location as opposed to somewhere else. We're counting on incentives to help us minimize the project cost.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

Cost is a determining factor in leadership's consideration of the project in Orchard Park. Inability to obtain financial assistance for the project would impact the final investment decision.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

No

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

No

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

October 2024

Will the Project meet zoning/land use requirements at the proposed location?

No

Describe the present zoning/land use

Currently, Eaton owns three parcels of land. The largest parcel is currently zoned Industrial and is used for all of our current operations. The other two are zoned Industrial and Residential.

Describe required zoning/land use, if different

The two Residential zoned parcels will need to be rezoned to Industrial

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

No timing yet on when this will be completed.

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

No

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

No

If yes, describe the efficiencies achieved

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

11%

Select Project Type for all end users at project site (you may check more than one)

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
---------------------	----	-----------------	----

Please check any and all end uses as identified below.

- | | | |
|--|---------------------------|-------------------------------------|
| No Acquisition of Existing Facility | No Assisted Living | No Back Office |
| No Civic Facility (not for profit) | No Commercial | No Equipment Purchase |
| No Facility for the Aging | Yes Industrial | No Life Care Facility (CCRC) |

No Market Rate Housing **No Mixed Use** **No Multi-Tenant**
No Retail **No Senior Housing** **Yes Manufacturing**
No Renewable Energy **No Other**

For proposed facility, please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	50,000 square feet	\$	20,400,000	94%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	45,000 square feet	\$	1,200,000	6%
Specify Other	square feet	\$	0	0%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

10/1/2024

End date : Estimated completion date of project

2/1/2026

Project occupancy : estimated starting date of occupancy

2/1/2026

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 16,700,000 50,000 square feet

4.) Reconstruction/Renovation

\$ 0

square feet

5.) Manufacturing Equipment

\$ 1,400,000

6.) Infrastructure Work

\$ 1,000,000

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 1,200,000

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 1,300,000

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 21,600,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 17,700,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 10,000,000
% sourced in Erie County	%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 10,000,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 875,000

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 21,600,000
Bank Financing:	\$ 0
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	State funding TBD

Total Sources of Funds for Project Costs: \$21,600,000
Have you secured financing for the project? No

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing).

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	453	453	77	77
Part time	0	0	0	0
Total	453	453	77	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Professional	268	\$ 90,000	\$ 18,000	0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Production	262	\$ 66,000	\$ 13,000	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	530			0		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address	Full time	Part time	Total
	0	0	0
	0	0	0
	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

47,364,450

Estimated average annual salary of jobs to be retained (Full Time)

85,650

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

85,650

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time)	66,000	To (Full Time)	99,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

10 Cobham Dr Orchard Park, NY 14127

Name and Address of Owner of Premises

Eaton Corporation

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

The property includes a manufacturing facility, parking lot, stormwater retention pond, forest, and wetlands

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The facility was build in the 1980s and is used to manufacture components for the aerospace industry.

Describe all known former uses of the Premises

The facility has always been used for the same purpose.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

Yes

If yes, describe and attach any incident reports and the results of any investigations

Two small diesel spills while a snow removal contractor was filling his truck with fuel

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

Yes

If yes, provide the Premises' applicable EPA (or State) identification number

NYD175344068

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Clean Harbors Environmental Services Inc.

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Clean Harbors Reidsville LLC, 208 Watlineton Industrial Drive, Reidsville, NC 27120 Spring Grove Resource Recovery Inc., 4879 Spring Road Avenue, Cincinatti, OH 45232

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

No wastewater permits, currently pending response from Erie County Water Authority.

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Process water, noncontact, stormwater

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

Yes

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Minor source registration, no permit required

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the

tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name Eaton Corporation
Address 10 Cobham Dr
Contact Person Nicholas D'Angelo
Phone (614) 403-7817
Fax
E-Mail NickDAngelo@eaton.com
Federal ID #
SIC/NAICS Code 336413

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

10 Cobham Dr

City/Town

Orchard Park

State

New York

Zip Code

14127

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

IMA Life North America / IMA Life Colvin Woods

\$ 33,681,290

AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 333993

COMPANY INCENTIVES

- Original: Up to \$ 824,819 in sales tax savings
Amended: Up to \$1,230,698 in sales tax savings
- Approximately \$2,383,746 in real property tax savings.

JOBS & ANNUAL PAYROLL

- Current Jobs: 120 FT
- Avg salary/yr. - retained jobs FT = \$ 82,705
- Projected new jobs: 30 FT
- Avg salary/yr. – created jobs FT = \$ 72,293
- Total jobs after project completion: 150 FT
- Annual Payroll: \$12,405,821
- Construction Jobs: 124

PROJECTED COMMUNITY BENEFITS*

- Term: 10 Years
- NET Community Benefits: \$276,258,720
- Spillover Jobs: 333
- Total Payroll: \$259,982,586

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

Incentives: \$3,384,896
Community Benefit: \$249,182,785
Cost: Benefit Ratio
• 1:74

Project Title: IMA Life Phase I Colvin Woods

Project Address 700 Colvin Woods Parkway, Tonawanda, NY 14150
(Ken-Ton Union Free School District)

Amended Agency Request

To increase the sales tax benefit from \$824,819 to \$1,230,698 and the overall project investment from \$27,556,179 to \$33,681,290.

Agency Request

A sale tax, mortgage recording tax and property tax abatement in connection with the construction of an 80,000 SF manufacturing facility.

	Prior	Current
Land / Building Acquisition	\$ 2,285,100	\$ 2,285,100
New Building Construction	\$16,853,019	\$ 19,446,318
Manufacturing Equipment	\$ 4,000,000	\$ 5,498,619
Non- Manufacturing Equipment	\$ 1,000,000	\$ 2,397,326
Soft Costs/Other	<u>\$ 3,418,060</u>	<u>\$ 4,053,927</u>
Total Project Cost	\$27,556,179	\$ 33,681,290
85%	\$23,422,752	\$28,629,097

Company Description

IMA Life North America is part of the IMA Group, headquartered in Bologna Italy. IMA specializes in packaging and processing equipment for pharmaceutical companies as well as the food industry and the automation of industrial processes. The 3 divisions, Pharmaceutical, Food and Automation employ roughly 6,900 employees worldwide with 154 based in the existing Tonawanda facility. Today, IMA Life NA ranks amongst the most respected companies worldwide to produce freeze-drying equipment servicing customers in both domestic and international pharmaceutical markets.

Project Description

IMA Life NA had twice expanded its production and office space at their existing Military Rd, Tonawanda facility and has now utilized all the land available. With no further expansion possible at the site, IMA Life NA is constructing a new 80,000 SF facility: 50,000 SF of production space and 30,000 SF of office space as well as exterior parking, truck court and dumpster areas. The new facility will include a development laboratory, three production bays and warehouse space for the development sale, assembly, testing and shipping of Freeze Dryers for the pharmaceutical sector. It will also include corporate office space and be positioned to serve as the N America HQ for IMA Group. Upon completion of the project, 120 existing FTE will move to the new building leaving 34 FTE at the existing site. IMA plans to hire an additional 30 FTE bringing the total FE at the new facility to 150 FTE within 2 years of its completion.

* 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	\$ 2,383,746
	Sales	\$ 1,230,698
	Mortgage Recording	\$0
	Total	\$3,614,444
	Discounted at 2%	\$3,384,896

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction		\$ 18,974,889
			Payroll Permanent		\$241,007,697
		Public	Property Taxes		\$ 595,934
			Sales Taxes		\$ 2,161,105
			Other Muni Revenue (NFTA)		\$ 0
	New York State	Public	Income Taxes		\$ 11,699,216
			Sales Taxes		\$ 1,819,878
			Total Benefits to EC + NYS***		\$276,258,720
			Discounted at 2%		\$249,182,785

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

Discounted Cost	\$ 3,384,896
Discounted Benefit	\$249,182,785
Ratio	1:74

Conclusion: The Cost Benefit for this project is: 74:1. For every \$1 in costs (incentives), this project provides \$74 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$84 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 = \$33,681,290 85% = \$ 28,629,097
Employment	Coincides with 10-year PILOT	Maintain Base = 120 FT Create 85% of Projected Projected = 30 FT 85% = 25 FT Recapture Employment = 145 FTE
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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax and state and local sales taxes

Recapture applies to:

Real Property Tax
State and Local Sales Taxes

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 120 FT and created 30 FT 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

- 4/2/25: Public hearing held.
- 4/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 4/23/25: Amended Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 6/27/23: Original Approval: Public hearing held.
- 9/26/23: Original Approval: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 9/26/23: Original Approval: Lease/Leaseback Inducement Resolution presented to the Board of Directors

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-IMA Life 2025 Amendment

Dollar Value of Costs: New Construction & Renovation	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$ 19,446,318	\$2,998,000	14.331801	37.382204	54.703368

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$4,844	\$12,635	\$18,490	\$35,969	\$319,039	\$283,070
2	0.1	\$6,851	\$17,869	\$26,148	\$50,868	\$319,039	\$268,172
3	0.15	\$8,857	\$23,102	\$33,807	\$65,766	\$319,039	\$253,273
4	0.15	\$8,857	\$23,102	\$33,807	\$65,766	\$319,039	\$253,273
5	0.2	\$10,864	\$28,336	\$41,465	\$80,664	\$319,039	\$238,375
6	0.2	\$10,864	\$28,336	\$41,465	\$80,664	\$319,039	\$238,375
7	0.25	\$12,870	\$33,569	\$49,124	\$95,563	\$319,039	\$223,476
8	0.25	\$12,870	\$33,569	\$49,124	\$95,563	\$319,039	\$223,476
9	0.3	\$14,876	\$38,803	\$56,782	\$110,461	\$319,039	\$208,578
10	0.35	\$16,883	\$44,036	\$64,441	\$125,360	\$319,039	\$193,680
TOTAL		\$108,635	\$283,357	\$414,652	\$806,644	\$3,190,393	\$2,383,749

*** Estimates provided are based on current property tax rates and assessment value (current as of date of ORIGINAL application submission) and have been calculated by IDA staff

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (ESD Excelsior)
\$ 33,681,290	\$2,383,749	\$ 1,230,698	N/A	\$ 1,127,443

Note: special district taxes are not subject to PILOT abatement. Updated project costs and sales tax benefit are reflected above due to amendment. Property tax estimate as per original approval.

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortg Tax+ Other)/Total Project Costs: **14.1%**
(original application = 15.7%)

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: March 10, 2025
 Project Title: IMA Life Phase I - Amendatory
 Project Location: 700 Colvin Woods Parkway, Tonawanda, NY 14150

Economic Impacts

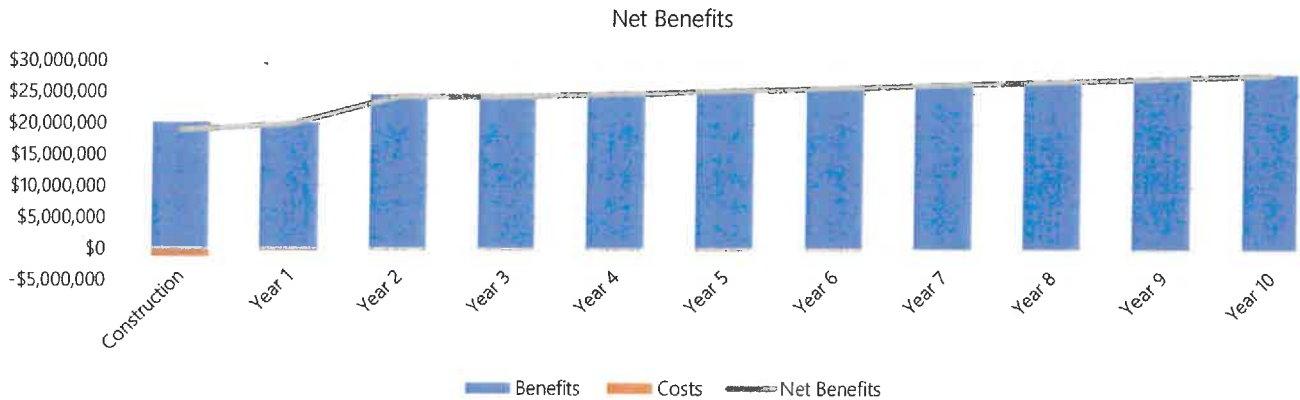
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$33,681,290

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	124	111	235
Earnings	\$11,990,948	\$6,983,941	\$18,974,889
Local Spend	\$31,396,190	\$21,686,575	\$53,082,765

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	150	222	372
Earnings	\$125,815,182	\$115,192,515	\$241,007,697

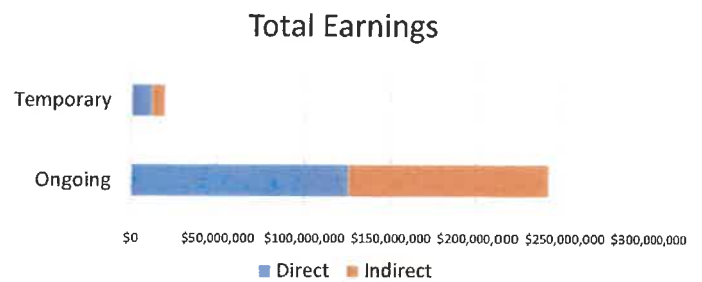
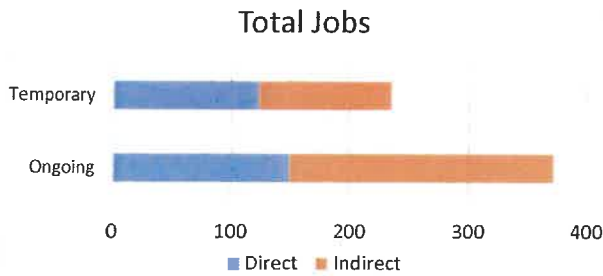
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$2,383,746	\$2,154,198
Sales Tax Exemption	\$1,230,698	\$1,230,698
Local Sales Tax Exemption	\$668,093	\$668,093
State Sales Tax Exemption	\$562,605	\$562,605
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$3,614,444	\$3,384,896

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$262,739,626	\$236,987,943
To Private Individuals	\$259,982,586	\$234,516,202
Temporary Payroll	\$18,974,889	\$18,974,889
Ongoing Payroll	\$241,007,697	\$215,541,312
Other Payments to Private Individuals	\$0	\$0
To the Public	\$2,757,039	\$2,471,741
Increase in Property Tax Revenue	\$595,934	\$522,325
Temporary Jobs - Sales Tax Revenue	\$157,729	\$157,729
Ongoing Jobs - Sales Tax Revenue	\$2,003,376	\$1,791,687
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$13,519,094	\$12,194,842
To the Public	\$13,519,094	\$12,194,842
Temporary Income Tax Revenue	\$853,870	\$853,870
Ongoing Income Tax Revenue	\$10,845,346	\$9,699,359
Temporary Jobs - Sales Tax Revenue	\$132,824	\$132,824
Ongoing Jobs - Sales Tax Revenue	\$1,687,054	\$1,508,789
Total Benefits to State & Region	\$276,258,720	\$249,182,785

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$236,987,943	\$2,822,291	84:1
State	\$12,194,842	\$562,605	22:1
Grand Total	\$249,182,785	\$3,384,896	74:1

*Discounted at 2%

Additional Comments from IDA

This is a good project.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes



IMA Life - Tax Incentive Application AMENDMENT

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	IMA Life- Colvin Woods
Project Summary	This application amendment is to request an increase to the sales tax incentives due to increased costs for the IMA Life- Colvin Woods project originally approved by the ECIDA Board of Directors on September 27, 2023. The IMA Life- Colvin Woods Project includes the development, construction and operation of an approximately 80,000 square foot new production and office facility, as well as associated parking, truck court, and dumpster areas for IMA Life North America on vacant land at Colvin Woods Business Park in the Town of Tonawanda.
Applicant Name	IMA Life North America
Applicant Address	2175 Military Rd
Applicant Address 2	
Applicant City	Tonawanda
Applicant State	New York
Applicant Zip	14150
Phone	(716) 695-6354
Fax	
E-mail	Marco.Riccioni@ima.it
Website	https://ima.it/pharma/brands/ima-life/
NAICS Code	333993

Business Organization

Type of Business
Corporation

Year Established
2005

State
Delaware

Indicate if your business is 51% or more (Check all boxes that apply)
 [No] Minority Owned
 [No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified
[No] Erie Country Certified

Individual Completing Application

Name Byron DeLuke
Title Ex Director
Address 2760 Kenmore Ave
Address 2
City Tonawanda
State New York
Zip 14150
Phone (716) 876-8899
Fax
E-Mail BDeLuke@Montante.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Marco Riccioni
Title Assistant Treasurer and Assistant Secretary
Address 2175 Military Rd
Address 2
City Tonawanda
State New York
Zip 14150
Phone (716) 695-6354
Fax
E-Mail Marco.Riccioni@ima.it

Company Counsel

Name of Attorney Vince Hanley
Firm Name Bond Schoeneck & King
Address 200 Delaware Ave
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 416-7022
Fax (716) 416-7322
E-Mail Vhanley@bsk.com

Benefits Requested (select all that apply).

Exemption from Sales Tax Yes

Exemption from Mortgage Tax	No
Exemption from Real Property Tax	Yes
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

IMA Life North America is located in Tonawanda, NY. The Company is part of the IMA Group, which is headquartered in Bologna, Italy. There is an attachment submitted as part of this application, which includes a more detailed overview of the Company ownership structure. IMA specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food and Automation, closed the year 2022 with consolidated revenue of \$2.1 billion dollars while employing about 6,900 employees worldwide. Of IMA Group's global workforce, 544 are based in the USA. IMA Life NA has a total of 171 employees of which 154 are based in the existing Tonawanda facility. IMA acquired the former Edwards- Freeze Drying Division in 2008. Edwards Freeze Drying Division was started in Grand Island, NY in 1984 to produce freeze dryer equipment primarily designed for the pharmaceutical industry and moved into the existing Tonawanda facility in 1986. The freeze-drying process is a method to preserve delicate pharmaceutical substances like biological product, vaccines, small molecules like antibiotics, and blood fractions. Today, thanks to the dedication and contribution of our employees, IMA Life NA ranks among the most respected companies worldwide for the production of freeze-drying equipment. The equipment produced in IMA Life NA's Tonawanda facility serves customers in both domestic and international pharmaceutical markets. IMA Life NA has twice expanded its production and office space at the existing facility and has now utilized all the land available. No further expansions are possible at the existing location; however, the growing business needs additional space. To maintain the availability of the unique skills of our employees and to ensure continuity of the business, it is IMA Life NA's desire to remain in the Tonawanda area. As a result, IMA Life NA is pursuing the new facility at 700 Colvin Woods Parkway, which is the subject of this application. The new facility will consist of office area and production space to serve the highest demand for supply of freeze dryers by the pharmaceutical industry. If the Project moves forward, IMA Life NA is planning to operate both facilities, the existing location and the new one at 700 Colvin Woods Parkway. The new building would be owned by IMA Life NA. IMA Life NA would expect to increase its workforce proportionally to the business growth enabled by the new facility. See the IMA Life NA timeline attached to this application for an overview of the Company's history.

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	5 %
Estimated % of sales outside New York State but within the U.S.	65 %
Estimated % of sales outside the U.S.	29 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

16

Describe vendors within Erie County for major purchases

Total vendor in 2022 (excluding employees) \$79.9MM and in Erie County \$13.0MM. The percentage will increase considering the proposed project to around 28% from the current 16%. Major vendors within Erie County include: Amherst Stainless Fabrication LLC, Goergen-Mackwirth Co., Inc., Allied Circuits, Inc., Coverco, Inc., AP Professionals of WNY, A&F Wholesale, Sean & Design Div., John J. Bonafacio, and Robert James Sales Inc.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

700 Colvin Woods Pkwy

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Tonawanda Public Schools

Current Address (if different)

2175 Military Rd

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

53.14-3-1.1

What are the current real estate taxes on the proposed Project Site

0

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 6,255,600

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

The proposed 15-acre parcel located at 700 Colvin Woods Pkwy is currently vacant land, owned by Elmlawn Cemetery and Crematory Inc. However, it is in the process of being acquired by Ciminelli Properties LLC. Ciminelli, on behalf of the Cemetery, secured minor subdivision approval to create the parcel from the Tonawanda Town Board at the meeting held on March 14, 2023. The Cemetery has also received approval from the New York State Cemetery Board to sell the Site to Ciminelli. IMA Life NA has an executed Purchase and Sale Agreement for the parcel with Ciminelli. After Ciminelli acquires the parcel from the Cemetery, IMA Life NA will acquire the parcel from Ciminelli. Montante will manage construction for IMA Life NA.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The Project includes the construction of a new office and manufacturing facility for IMA Life NA at Colvin Woods Business Park in Tonawanda NY. The Company is a leader in the field of aseptic and pharmaceutical equipment and a major supplier of equipment to the leading pharmaceutical companies like Pfizer, Merck, Eli Lilly, and Abbott. The equipment produced in IMA's Tonawanda facility is sold directly to businesses in both domestic and international pharmaceutical markets. IMA Life currently employs 154 FTE at an existing facility on Military Rd in Tonawanda, NY. It has expanded its capacity at this existing site through two new buildings; however, it has now utilized all the land space available and no further expansions are possible at this location. The Company leases the existing facility from Uniland Development Company and will continue to operate out of this existing facility after completion of the Project. IMA Life NA will utilize the new facility to expand its operations in Western New York. The new facility will include a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing, and shipping of Freeze Dryers for the pharmaceutical sector. It will also include corporate office space and be positioned to serve as the North America headquarters for IMA Group. The Project will include 50,000 square feet of production space and 30,000 square feet of office space, as well as exterior parking, truck court, and dumpster areas. Upon completion of the Project, 120 existing FTE will move to the new building, leaving 34 FTE at the existing site. IMA will also hire an additional 30 new FTE, bringing the total FTE at the new facility to 150 within two years of its completion.

Municipality or Municipalities of current operations

Tonawanda

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

Yes

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

The IMA Group owns 6 other companies together with IMA Life NA in the United States. All 6 of these companies are outside of New York State. IMA Group is in need of a flagship corporate office and IMA Life NA is competing with these other locations. This project will enable IMA Life NA to remain and grow its business here in Tonawanda, NY.

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

If yes, please indicate the Agency and nature of inquiry below

IMA Life NA has been contacted by Empire State Development regarding an Incentive Proposal for the project.

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

IMA Life NA has reached an important milestone for growth and is forced to consider relocating from their existing facilities. After examining alternative campus locations in New York and other states, IMA Life NA identified a 15-acre site within Colvin Woods Business Park in Tonawanda, NY. The Project will result in the relocation of some manufacturing and all office needs to the new facility, while accommodating for future growth. The new facility will also include the creation of new corporate offices in Tonawanda, NY. This will improve operating efficiencies and provide greater support to those managers and executives affected by the current space shortage and shuffling of space and personnel. It will put the Tonawanda facility in position to grow into the North American headquarters for the IMA Group. Given the nature of these jobs and the fact that IMA Life NA is competing for resources with 6 other companies located outside of New York State, the genuine threat to New York State and WNY is IMA Group's ability to pursue this project out-of-state. In light of this variable, IMA Life NA hopes to be able to work collaboratively with the ECIDA to ensure that Tonawanda, NY continues to be the best place to invest in new facilities and jobs. The requested incentives are a critical piece of the capital stack for the project and are necessary to move forward. Should the Project not move forward, it will result in a loss of approximately \$33.7 million investment, dozens of short-term construction-related jobs, and threaten the long term viability of 154 existing FTE.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

IMA Life NA has a total of 154 FTE that would be at risk if the project does not receive assistance and moves on in another State where the Applicant's Owner has other facilities. The region will also lose an approximately \$27.5 million investment and the creation of 30 new FTE.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Yes, the site 1/2 Mile away from NFTA Bus Route 11, which is readily accessible from Colvin Blvd.

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

No

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

August 2023

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Presently the site is zoned B- 2nd Residential District and operates under a Special Use District dated 2004. All proposed uses are allowed as of right under the terms of the existing Special Use District Permit.

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

The Project site is in the process of being rezoned. The Town of Tonawanda Planning Board has recommended that the site be zoned Performance Standards District. The Town of Tonawanda Town Board is currently considering this recommendation. All proposed uses are allowed as of right under the Performance Standards District once site plan, subdivision, and performance standards review are complete.

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

1/1/2024

End date : Estimated completion date of project

5/30/2025

Project occupancy : estimated starting date of occupancy

6/1/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 2,285,100 square feet 15 acres

2.) New Building Construction

\$ 19,446,318 80,000 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 5,498,619

6.) Infrastructure Work

\$ 0

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 2,397,326

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 4,053,927

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 33,681,290

Construction Cost Breakdown:

Total Cost of Construction \$ 19,446,318 (sum of 2, 3, 4 and 6 in Project Information, above)

Cost of materials \$ 11,667,790

% sourced in Erie County 75%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 14,065,116

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 1,230,697

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? Yes

If Yes, describe particulars: A percentage of soft costs related to due diligence, environmental studies, architecture, engineering, and project management has been incurred to advance the project through design and approvals.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 32,553,847

Bank Financing: \$ 0

Tax Exempt Bond Issuance (if applicable): \$ 0

Taxable Bond Issuance (if applicable): \$ 0

Public Sources (Include sum total of all state and federal grants and tax credits): \$ 1,127,443

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) ESD, Excelsior Award

Total Sources of Funds for Project Costs: \$33,681,290

Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing). 0

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	120	120	30	30
Part time	0	0	0	0
Total	120	120	30	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	8	\$ 175,428	\$ 66,693	0	\$ 0	\$ 0
Professional	60	\$ 88,612	\$ 17,034	0	\$ 0	\$ 0
Administrative	45	\$ 89,047	\$ 19,452	0	\$ 0	\$ 0
Production	37	\$ 63,605	\$ 12,066	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	150			0		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address	2175 Military Rd., Tonawanda NY 14150		
Full time	154	0	0
Part time	0	0	0
Total	154	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

12,405,821

Estimated average annual salary of jobs to be retained (Full Time)

82,705

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

72,293

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time) 60,760 **To (Full Time)** 87,315

From (Part Time) 0 **To (Part Time)** 0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

700 Colvin Woods Pkwy, Tonawanda, NY 14150

Name and Address of Owner of Premises

IMA Life North America, 2175 Military Rd, Tonawanda, NY 14150

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

The Project is being constructed on vacant land that has been cleared and is dominated by small woody shrub and grasses.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The natural topography will require some site work and grading, but the land is generally flat. No environmentally sensitive features exist and the site plan is designed to adhere to requirements for landscaped areas.

Describe all known former uses of the Premises

The site is vacant land and no previous uses are known. Historical aerial photographs show that the site has been undeveloped vacant land since 1938.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

The parcel is currently owned by Elmlawn Cemetery and Crematory Inc.,

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility.

Occupant Name IMA Life North America
Address 2175 Military Rd Tonawanda, NY 14150
Contact Person Marco Riccioni
Phone (716) 695-6354
Fax
E-Mail Marco.Riccioni@ima.it
Federal ID #
SIC/NAICS Code

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

2175 Military Rd

City/Town

Tonawanda

State

New York

Zip Code

14150

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

IMA Life North America / IMA Group
\$ 12,500,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 333993

COMPANY INCENTIVES

- Approximately \$ 1,140,574 in real property tax savings
- Up to \$ 376,250 in sales tax savings

JOBS & ANNUAL PAYROLL

- Projected new jobs: 40 FTE
- Est. salary/yr. of jobs created: \$ 76,574
- Annual Payroll: \$4,059,607
- Total jobs after project completion:40
- Construction Jobs: 49

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$71,047,945
 - Spillover Jobs: 109
- Total Payroll: \$63,780,885

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

Incentives: \$1,406,990
 Community Benefit: \$63,954,830
 Cost: Benefit Ratio
 • 1:45

Project Title: IMA Life Phase 2
 Project Address 700 Colvin Woods, Tonawanda, NY 14150
 (KenTon Union Free School District)

Agency Request

A sales tax and real property tax abatement for the construction of a 36,500 SF addition allowing for new production space for additional growth.

Building Addition	\$ 8,600,000
Manufacturing Equipment	\$ 3,700,000
Soft Costs/Other	<u>\$ 200,000</u>
Total Project Cost	\$ 12,500,000
85%	\$ 10,625,000

Company Description

IMA Life North America is part of the IMA Group HQ in Bologna, Italy. IMA specializes in packaging and processing equipment for pharmaceutical companies as well as the food industry and the automation of industrial processes. The 3 divisions, Pharmaceutical, Food and Automation, employ about 6,900 employees worldwide. Of all employed by IMA Group's global workforce, 154 are based in Tonawanda. The equipment produced in IMA Life NA's Tonawanda facility serves customers in both domestic and international markets.

Project Description

IMA is currently constructing an approx. 80,000 SF facility at 700 Colvin Woods Parkway with a completion date of May/June 2025. That initial \$ 27 M (Phase 1) project was brought before the ECIDA Board in Sept of 2023 (note: a modified application is forthcoming to request an increase in sales tax benefit due to a rise in project costs to \$33.7 M).

To serve the growing demand for supply of freeze dryers to the pharmaceutical industry, IMA is considering a Phase 2 Project adding 36,500 SF of production space to the facility. The scope of this new request also includes exterior parking and servicing. IMA will utilize the additional production space to expand its operations. Phase 2 would likely begin construction in June 2025 immediately upon the completion of Phase 1 to avoid re-mobilization costs.

* 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	\$1,140,577
	Sales	\$ 376,250
	Mortgage Recording	\$ 0
	Total	\$1,516,827
	Discounted at 2%	\$1,406,990

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction		\$ 7,554,615
			Payroll Permanent		\$56,226,270
			Public	Property Taxes	\$ 3,420,276
		Sales Taxes	\$ 530,179		
		Other Muni Revenue (NFTA)	\$ 0		
	New York State	Public	Income Taxes	\$ 2,870,140	
			Sales Taxes	\$ 446,466	
			Total Benefits to EC + NYS***	\$71,047,945	
			Discounted at 2%	\$63,954,830	

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

Discounted Cost \$ 1,406,990
 Discounted Benefit \$63,954,830
 Ratio 1:45

Conclusion: The Cost Benefit for this project is: 45:1. For every \$1 in costs (incentives), this project provides \$45 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$49 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value*	Additional County Revenue over abatement period	Additional Town Revenue over abatement period	Additional School Revenue over abatement period	New Yearly Taxes Upon Expiration of Abatement Period*
\$21,071	\$4,275,500	\$ 39,358	\$ 98,138	\$ 147,649	\$477,156
Combined Tax Rate: \$ 111.60					

* includes estimated value of Phase 1 which is currently under construction

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 = \$12,500,000 85% = \$ 10,625,000
Employment	Coincides with 10-year PILOT	Maintain Base = 75 FTE Create 85% of Projected Projected = 40 FTE 85% = 34 FTE Recapture Employment = FTE
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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, state and local sales 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 is equal to or greater than 85% of the anticipated project amount; ii) company has maintained x FTE jobs and created 40 FTE 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

- 4/2/25: Public hearing held.
- 4/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 4/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

- 9/23/23: Construction of an 80K SF facility in the Town of Tonawanda (Phase 1) – Sales & property tax abatement in support of a \$26.8 M investment (note as of 3/7/25: a modified application for Phase 1 of this project is forthcoming. The modification is a request to increase the sales tax benefit due to a rise in project costs to \$33.7 M)

**EVALUATIVE CRITERIA
MANUFACTURING/WAREHOUSE/DISTRIBUTION**

Project: Eaton Mission Systems Orchard Park / Project California

CRITERIA	COMMENTS
Wage Rate (above median wage for area) Per capita income = \$41,560	Average Wage for both existing & jobs to be created is above the median wage @ \$85, 650
Regional Wealth Creation (% sales / customers outside area)	90 % of sales for Eaton are outside NYS but within the United States: The remaining sales are: 1% in NYS (outside Erie County) and 9% outside the U.S.
In Region Purchases (% of overall purchases)	5% of total annual purchases of supplies, raw materials and vendor service are from businesses in Erie County.
Research & Development Activities	R&D activities take place on site. The R&D amount as a % of operating expenses = 11%
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	Eaton makes similar products (to those made in Orchard Park) at multiple locations. Total project costs is a determining factor in selecting a location for this new / additional business.
DEI Questionnaire	Eaton has included ECIDA MWBE targets in their RFP to general contractors for this project. See DEI questionnaire for their approach to hiring a diverse workforce and they have expressed interest in ECIDA's EIP program.
Workforce Access – Proximity to Public Transportation	The project site is not located near public transportation.
Onsite child daycare facilities on the project site	N/A

*U.S. Census Bureau

DATE OF INDUCEMENT: April 23, 2025



Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

- New York State MWBE Certified List: <https://ny.newnycontracts.com/>
- Erie County MWBE Certified List: <https://www3.erie.gov/eo/mbe-wbe-resource-list>

Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

IMA Life and its General Contractor, Montante Construction LLC committed to a goal of 30% MWBE utilization on the value of the ECIDA benefit for Phase 1, or about \$900,000. IMA Life and Montante have surpassed this goal for Phase 1 of construction. IMA Life and Montante will again commit to a goal of 30% MWBE utilization on the value of the ECIDA benefit for Phase 2. The intention is to utilize the same subcontractors as Phase 1. This will enable a seamless transition from Phase 1 construction into Phase 2 without the need to wind down construction and incur additional costs to re-mobilize for Phase 2. It will also reduce the overall project timeline for Phase 2 due to streamlined bidding and buyout of the additional scope of work.

2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

- Northland Workforce Training Center: <https://northlandwtc.org/employers/>

- Workforce Buffalo: <https://www.workforcebuffalo.org/business-services/employer-services>
- New York State Job Bank: <https://myjobsny.usnlx.com/>
- Local Minority Newspapers: <https://www3.erie.gov/eo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

IMA Life does not have a formal DEI program in place. However, as a responsible employer, IMA Life North America rejects all forms of unlawful discrimination not only because it is against the law, but because it is wrong. This includes unlawful discrimination because of a person's sex, sexual orientation, transgender status, race, creed, color, religion, military status, gender, national origin, age, disability, arrest record, marital status, familial status, domestic violence victim status, status as an ex-offender, predisposing genetic characteristics or genetic information. Employment decisions are made without regard to unlawful considerations and IMA Life is always endeavoring to further diversify its current workforce through its recruitment and hiring practices. IMA currently works with Northland for hiring and training, and also publishes its new hire search in NY State Job Bank.

3. Economic Inclusion Program

The ECIDA's Economic Inclusion Program (EIP) is a voluntary "opt in" program providing an enhanced real property tax abatement to applicants who commit to implementing and meeting MWBE utilization and minority and women employment goals. The mission of the EIP is to enhance the beneficial public impact of projects receiving ECIDA assistance and to further the ECIDA's goal of advancing opportunities for MWBE businesses and minorities and women, in general, in the Erie County workforce. Please note, for a company to be considered an MWBE under the EIP it must be certified as an MWBE by New York State or Erie County.

Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a *voluntary opt-in program* providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: March 10, 2025
 Project Title: IMA Life Phase I - Amendatory
 Project Location: 700 Colvin Woods Parkway, Tonawanda, NY 14150

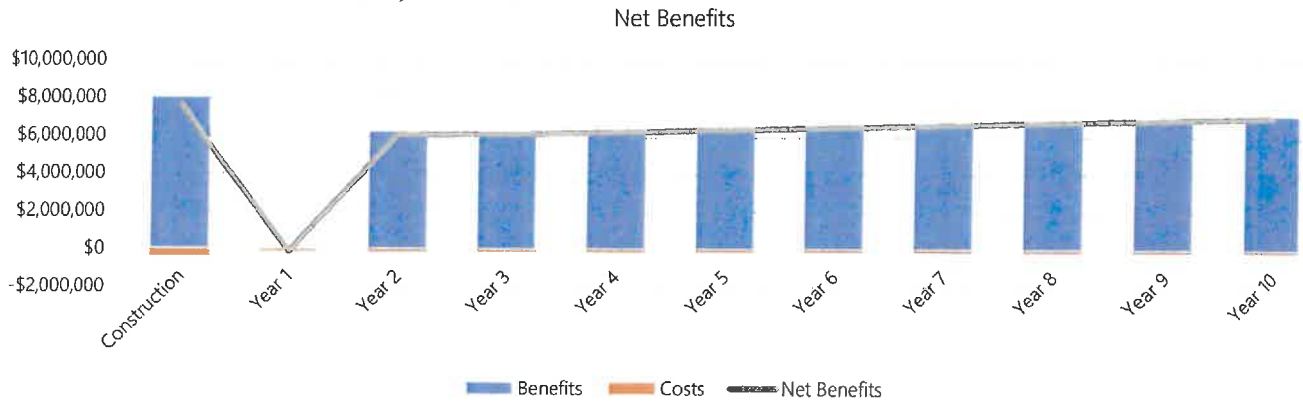
Economic Impacts

Summary of Economic Impacts over the Life of the PILOT
 Project Total Investment
 \$12,500,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	49	44	94
Earnings	\$4,774,046	\$2,780,569	\$7,554,615
Local Spend	\$12,500,000	\$8,634,238	\$21,134,238

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	40	65	105
Earnings	\$29,352,251	\$26,874,019	\$56,226,270

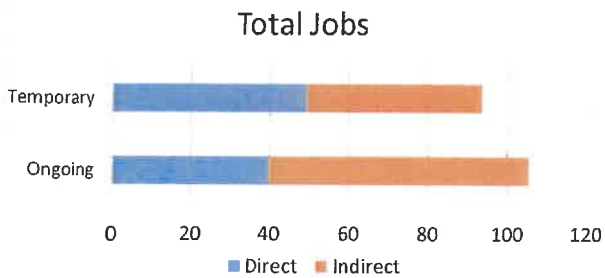
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,140,574	\$1,030,740
Sales Tax Exemption	\$376,250	\$376,250
Local Sales Tax Exemption	\$204,250	\$204,250
State Sales Tax Exemption	\$172,000	\$172,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$1,516,824	\$1,406,990

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$67,731,339	\$60,968,716
To Private Individuals	\$63,780,884	\$57,425,285
Temporary Payroll	\$7,554,615	\$7,554,615
Ongoing Payroll	\$56,226,270	\$49,870,671
Other Payments to Private Individuals	\$0	\$0
To the Public	\$3,950,455	\$3,543,430
Increase in Property Tax Revenue	\$3,420,276	\$3,066,082
Temporary Jobs - Sales Tax Revenue	\$62,798	\$62,798
Ongoing Jobs - Sales Tax Revenue	\$467,381	\$414,550
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$3,316,606	\$2,986,115
To the Public	\$3,316,606	\$2,986,115
Temporary Income Tax Revenue	\$339,958	\$339,958
Ongoing Income Tax Revenue	\$2,530,182	\$2,244,180
Temporary Jobs - Sales Tax Revenue	\$52,882	\$52,882
Ongoing Jobs - Sales Tax Revenue	\$393,584	\$349,095
Total Benefits to State & Region	\$71,047,945	\$63,954,830

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$60,968,716	\$1,234,990	49:1
State	\$2,986,115	\$172,000	17:1
Grand Total	\$63,954,830	\$1,406,990	45:1

*Discounted at 2%

Additional Comments from IDA

This is a good project.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

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Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

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2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

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- Workforce Buffalo: <https://www.workforcebuffalo.org/business-services/employer-services>
- New York State Job Bank: <https://myjobsny.usnlx.com/>
- Local Minority Newspapers: <https://www3.erie.gov/eoo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

IMA Life does not have a formal DEI program in place. However, as a responsible employer, IMA Life North America rejects all forms of unlawful discrimination not only because it is against the law, but because it is wrong. This includes unlawful discrimination because of a person's sex, sexual orientation, transgender status, race, creed, color, religion, military status, gender, national origin, age, disability, arrest record, marital status, familial status, domestic violence victim status, status as an ex-offender, predisposing genetic characteristics or genetic information. Employment decisions are made without regard to unlawful considerations and IMA Life is always endeavoring to further diversify its current workforce through its recruitment and hiring practices. IMA currently works with Northland for hiring and training, and also publishes its new hire search in NY State Job Bank.

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Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a *voluntary opt-in program* providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.



IMA Life Phase 2

Instructions and Insurance Requirements Document

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	IMA Life Phase 2
Project Summary	The IMA Life Phase 2 Project includes the development, construction and operation of approximately 36,500 square feet of new production space at IMA Life North America's new facility, located at Colvin Woods Business Park in the Town of Tonawanda.
Applicant Name	IMA Life North America
Applicant Address	2175 Military Rd
Applicant Address 2	
Applicant City	Tonawanda
Applicant State	New York
Applicant Zip	14150
Phone	(716) 695-6354
Fax	
E-mail	marco.riccioni@ima.it
Website	https://ima.it/pharma/brands/ima-life/
NAICS Code	333993 Manufacturing Packaging Machinery

Business Organization

Type of Business

Corporation

Year Established

2005

State

Delaware

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name Byron DeLuxe
Title Executive Director
Address 2760 Kenmore Ave
Address 2
City Tonawanda
State New York
Zip 14150
Phone (716) 876-8899
Fax
E-Mail bdeluxe@montante.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Marco Riccioni
Title Finance Mangager
Address 2175 Military Rd
Address 2
City Tonawanda
State New York
Zip 14150
Phone (716) 695-6354
Fax
E-Mail marco.riccioni@ima.it

Company Counsel

Name of Attorney Vince Hanley
Firm Name Bond Schoeneck & King
Address 200 Delaware Ave
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 416-7022
Fax
E-Mail vhanley@bsk.com

Benefits Requested (select all that apply).

Exemption from Sales Tax Yes
Exemption from Mortgage Tax No

Exemption from Real Property Tax Yes

Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

IMA Life North America is located in Tonawanda, NY. The Company is part of the IMA Group, which is headquartered in Bologna, Italy. There is an attachment submitted as part of this application, which includes a more detailed overview of the Company ownership structure. IMA specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food and Automation, employ about 6,900 employees worldwide. Of IMA Group's global workforce, 154 are based in the existing Tonawanda facility. IMA acquired the former Edwards- Freeze Drying Division in 2008, which was started in Grand Island, NY in 1984 to produce freeze dryer equipment primarily designed for the pharmaceutical industry and moved into the existing Tonawanda facility in 1986. Today, thanks to the dedication and contribution of our employees, IMA Life NA ranks among the most respected companies worldwide for the production of freeze-drying equipment. The equipment produced in IMA Life NA's Tonawanda facility serves customers in both domestic and international markets. IMA Life NA has twice expanded its production and office space at the existing facility and has now utilized all the land available. To ensure continuity of the business, IMA is currently constructing an approximately 80,000 square foot new facility at 700 Colvin Woods Parkway in Tonawanda. This new facility will consist of new office and production space and is scheduled for completion in May 2025. To serve the growing demand for supply of freeze dryers to the pharmaceutical industry, IMA has also conditionally approved a Phase 2 Project, which is the subject of this application and would entail an additional 36,500 square feet of production space. It is IMA's intent to begin construction on the Phase 2 Project immediately upon completion of Phase 1 in June 2025. See the IMA Life NA timeline attached to this application for an overview of the Company's history.

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	2 %
Estimated % of sales outside New York State but within the U.S.	77 %
Estimated % of sales outside the U.S.	20 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

20

Describe vendors within Erie County for major purchases

Total spending to vendors in Erie County for 2024 was about \$28 million. Major vendors included: Montante Construction LLC for construction; Amherst Stainless Fabrication for steel fabrication; Georgen-Mackwirth Co., Inc. for steel fabrication and contractor labor; Independent Health for health insurance; CPI Process Systems, Inc. for valves; Ryan Specialty Valve Products for valves; Allied Circuits Inc for electrical cabinets and contractor labor; Coverco, Inc. for contractor labor; Seal & Design Div. for gasket and o-ring materials; and Uniland Development for building rent.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

700 Colvin Woods, Tonawanda NY 14150

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Tonawanda Public Schools

Current Address (if different)

2175 Military Rd

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

53.14-3-1.1

What are the current real estate taxes on the proposed Project Site

0

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 6,255,600

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

The expansion is proposed to be constructed on a vacant 8-acre parcel immediately west of the new office and manufacturing facility located at 700 Colvin Woods Pkwy.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The Project includes the development and construction of approximately 36,500 square feet of new production space, as well as associated parking and servicing for IMA Life at Colvin Woods Business Park in the Town of Tonawanda. The Project is an expansion to Phase 1 of the new production and office facility, which is currently under construction at the site. Phase 1 included approximately 50,000 square feet of production space and 30,000 square feet of office space, as well as exterior parking and servicing. Phase 1 will be completed in May 2025 and is the subject of an existing PILOT Agreement with the ECIDA. The Phase 2 Expansion Project is the sole subject of this application for further inducement. Phase 2 is proposed to add approximately 36,500 square feet of additional production space to IMA Life's new facility at Colvin Woods, as well as exterior parking and servicing. IMA will utilize the new production space to expand its operations. Phase 2 would begin construction immediately upon the completion of Phase 1 in June 2025 to avoid re-mobilization costs. Construction is anticipated to be completed in Spring 2026. The Phase 2 Project would result in 40 new FTE after the transition of production to the new facility. Together with Phase 1, a total of 190 FTE would work at IMA Life's new facility within two years of the Phase 2 completion.

Municipality or Municipalities of current operations

Tonawanda

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

Yes

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

The IMA Group owns 6 other companies together with IMA Life NA in the United States. All 6 of these companies are outside of New York State. The Phase 2 Project would allow IMA Life to further expand its operations in WNY, making it more competitive long term relative to competing locations in other states.

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

If yes, please indicate the Agency and nature of inquiry below

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

N/A

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc.... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

IMA Life has reached an important milestone for growth and is forced to consider relocating from their existing facilities. After examining alternative campus locations in New York and other states, IMA Life identified a 15-acre site within Colvin Woods Business Park in Tonawanda, NY. The Phase 1 project will address operating inefficiency resulting from IMA Life's current space shortage and shuffling of space and personnel. The Phase 2 Project, which is the subject of this inducement application, would set the stage for additional growth in Tonawanda and Erie County. Given the nature of these jobs, however, and the fact that IMA Life NA is competing for resources with 6 other companies located outside of New York State, the genuine threat is IMA Group's ability to decide to grow its business out-of-state should project costs be too high at the Colvin Woods site. Indeed, construction costs continue to rise and as a result, the sales and real property tax abatements available through the ECIDA are absolutely necessary to secure the final approval to proceed from IMA Life's corporate board in Italy. In light of this variable, IMA Life hopes to be able to work collaboratively with the ECIDA to ensure that Tonawanda, NY is selected for the additional investment necessary to complete the proposed Phase 2 expansion. Should the Phase 2 Project move forward, it will result in an \$12.5 million investment, dozens of short-term construction-related jobs, and approximately 40 new FTE after 2 years.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

The Applicant would not move forward with the \$12.5 million, 36,500 square foot expansion of its production space. This would prevent IMA Life from expanding its production capacity in Tonawanda, jeopardizing its ability to expand the business and preventing it from hiring 40 new FTE.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Yes, the site 1/2 Mile away from NFTA Bus Route 11, which is readily accessible from Colvin Blvd.

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

No SEQR determination yet- ECIDA to be Involved Agency

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

The Site is governed by the Town of Tonawanda Code. Zoning is mixed-use industrial. The proposed use is allowed as of right.

Describe required zoning/land use, if different

N/A

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

N/A

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

No

If yes, describe the efficiencies achieved

Start date : acquisition of equipment or construction of facilities

6/1/2025

End date : Estimated completion date of project

2/28/2026

Project occupancy : estimated starting date of occupancy

3/31/2026

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 8,600,000 36,500 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 3,700,000

6.) Infrastructure Work

\$ 0

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 0

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 200,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 12,500,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 8,600,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 4,300,000
% sourced in Erie County	75%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 4,300,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 376,250

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? Yes

If Yes, describe particulars: A portion of the soft costs have been incurred for design, land use, SEQR review, utility confirmations

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 12,500,000
Bank Financing:	\$ 0
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	
Total Sources of Funds for Project Costs:	\$12,500,000
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing).

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	0	40	40
Part time	0	0	0	0
Total	0	0	40	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Professional	14	\$ 886,120	\$ 17,034	0	\$ 0	\$ 0
Administrative	8	\$ 89,047	\$ 19,452	0	\$ 0	\$ 0
Production	18	\$ 63,605	\$ 12,066	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	40			0		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address	Full time	Part time	Total
2175 Military Rd., Tonawanda NY 14150	154	0	154
	0	0	0
	154	0	154

Payroll Information

Annual Payroll at Proposed Project Site upon completion

4,059,607

Estimated average annual salary of jobs to be retained (Full Time)

0

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

76,574

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time)	63,000	To (Full Time)	89,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

700 Colvin Woods, Tonawanda NY 14150

Name and Address of Owner of Premises

IMA Life North America, 2175 Military Rd., Tonawanda NY 14150

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

The Project is being constructed on vacant land that has been cleared and is dominated by dirt and grasses.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

Construction is slated to begin, should financing be secured, in June of 2025. The Phase 2 Project includes an approximately 36,500 square foot addition to the new facility being constructed on the site. The addition will house additional production space for freeze dryers for the pharmaceutical industry.

Describe all known former uses of the Premises

There are no known previous users.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name IMA Life North America
Address 700 Colvin Woods, Tonawanda NY 14150
Contact Person Marco Riccioni
Phone (716) 695-6354
Fax
E-Mail marco.riccioni@ima.it
Federal ID # 20-3265112
SIC/NAICS Code 333993

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

2175 Military Rd

City/Town

Tonawanda

State

New York

Zip Code

14150

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

Excellent and skilled local labor force, continuity of operations, proximity to international border, local infrastructure

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

N/A

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Phase 2 is an expansion of the Phase 1 project at the same location.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No



MEMORANDUM

Date: April 3, 2025

To: ECIDA Policy Committee

Re: Sumitomo Rubber USA, LLC 2017 and 2021 – Recapture Proceedings Update

ECIDA - Sumitomo Rubber USA, LLC Projects

Company Background

Sumitomo Rubber USA, LLC (SRUSA), located in the Town of Tonawanda, is wholly owned by Sumitomo Rubber Industries, Ltd. (SRI) a global tire and rubber company based in Japan. SRUSA specialized in manufacturing a wide range of automotive tires, including those for passenger cars, trucks, buses, and motorcycles. Sumitomo was one of Erie County's largest manufacturing employers, and a significant source of tax revenue for the Town of Tonawanda, and the school district.

2017 Project Background

On April 26, 2017, the ECIDA Board approved a sales tax benefit in the amount of **\$245,000** and a real property tax abatement through a ten (10) year term PILOT agreement to Sumitomo Rubber USA, LLC to incentivize Sumitomo's investment of \$9,709,000 for the construction of a 35,000 sq. ft. expansion to its existing tire manufacturing operations located at 3333 River Road in the Town of Tonawanda.

SRUSA qualified for its sales tax benefit from 10/26/2017 through 06/30/2019 and utilized a total of **\$161,186.04** in sales tax benefits during that period. SRUSA recapture period was in effect from 10/26/2017 through 12/31/2029 (coinciding with the termination of the PILOT agreement). As part of its material terms, SRUSA was required to retain 1,241 FTE positions at the project facility.

2021 Project Background

On October 27, 2021, the ECIDA Board approved a sales tax benefit in the amount of **\$708,750** and a real property tax abatement benefit through a ten (10) year term PILOT agreement to Sumitomo Rubber USA, LLC to incentivize Sumitomo's investment of \$126,000,000 for the construction of a 60,000 sq. ft. building and the renovation of a 15,200 sq. ft. existing facility, located at 10 Sheridan Drive in the Town of Tonawanda.

SRUSA qualified for its sales tax benefit from 11/17/2021 through 12/31/2023 and utilized a total of **\$708,750** in sales tax benefits during that period. SRUSA recapture period is in effect from 11/17/2021 through 12/31/2034 (coinciding with the termination of the PILOT agreement). As part of its material terms, SRUSA was required to retain 1,399 FTE positions.

At the time of the announced plant closure the ECIDA had PILOT incentives on 8% of the overall buildings at the facility. The remaining 92% of the facility was on the tax rolls paying full taxes.

SRUSA Employment History

2017 Project Employment Requirement: 1,241 FTE

2021 Project Employment Requirement: 1,399 FTE

Survey Year	Quarter (Q1-Q4)*	Employment FTE	Survey Year	Quarter (Q1-Q4)*	Employment FTE
2017	Q4	1,241	2021	Q3	1,425
2018	Q1	1,325	2021	Q4	1,441
2018	Q2	1,336	2022	Q1	1,442
2018	Q3	1,355	2022	Q2	1,448
2018	Q4	1,364	2022	Q3	1,440
2019	Q1	1,404	2022	Q4	1,421
2019	Q2	1,405	2023	Q1	1,396
2019	Q3	1,401	2023	Q2	1,447
2019	Q4	1,397	2023	Q3	1,502
2020	Q1	1,374	2023	Q4	1,562
2020	Q2	1,295	2024	Q1	1,570
2020	Q3	1,311	2024	Q2	1,566
2021	Q1	1,380	2024	Q3	1,523
2021	Q2	1,399			

* Quarter (Q) 1: Jan. 1 – Mar. 31; Quarter (Q) 2: Apr. 1 – Jun. 30; Quarter (Q) 3: Jul. 1 – Sep. 30; Quarter (Q) 4: Oct. 1 – Dec. 31

From 2017 until the plant closure in 2024 Sumitomo Rubber USA, LLC was compliant with all of the ECIDA requirements including employment goals.

Plant Closure – Cessation of Operations

On November 7, 2024, Sumitomo Rubber Industries, Ltd. (SRI) unexpectedly announced its decision to immediately cease all production activities at Sumitomo Rubber USA, LLC. As part of this decision, SRUSA confirmed the closure of its tire manufacturing facility in Tonawanda, New York, which manufactured tires for passenger cars, trucks, buses, and motorcycles. Based on the WARN Statement filed on November 7, 2024, with the New York State Department of Labor, the Company disclosed the following relating to the closure of the Projects.

- Total Number of Affected Workers: 1,380
- Total Number of Employees: 1,524

Closure Start Date: As part of this plant closure, 1,380 employees were separated from the Company. Of these, 1,144 employees were separated on November 11, 2024; 101 employees on November 15, 2024; and 135 employees on February 14, 2025.

Termination of Benefits

Due to the cessation of operations at the project sites and subsequent employee terminations, on November 12, 2024, the ECIDA notified Sumitomo Rubber USA, LLC in writing, with separate letters for each project, that Sumitomo was in default of the Lease Agreements, Leaseback Agreements, and PILOT Agreements. The letters provided a 30-day period to cure the default,

but the Company failed to do so. As a result, the ECIDA and Sumitomo Rubber USA, LLC agreed to terminate the aforementioned agreements, effective December 17, 2024. The termination of the PILOT agreements required the facilities to be placed on the taxable rolls in accordance with Section 520 of the Real Property Tax Law.

2017 Project

For the 2017 project, full property taxes for the remaining duration of what would have been the PILOT period are estimated to be \$163,707. As a result of the termination of the PILOT the facility will not receive an estimated \$116,358 in real property tax abatements and will be required to pay full property tax amount estimated to be \$163,707 through what would have been the remaining PILOT term.

PILOT Schedule

Original expiration of Leaseback: December 31, 2029

Tax Fiscal Year	Town of Tonawanda	Erie County	Kenmore-Town of Tonawanda Union Free School District
1	2020	2020	2019-2020
2	2021	2021	2020-2021
3	2022	2022	2021-2022
4	2023	2023	2022-2023
5	2024*	2024*	2023-2024
6	2025	2025	2024-2025*
7	2026	2026	2025-2026
8	2027	2027	2026-2027
9	2028	2028	2027-2028
10	2029	2029	2028-2029

**Year default occurred*

Estimated Amount of Real Property Tax Benefits Terminated

	Town	County	School	Total
Full Property Tax Amount	\$62,852	\$25,206	\$75,649	\$163,707
PILOT Amount	\$17,598	\$7,057	\$22,694	\$47,349
Net exemption	\$45,254	\$18,149	\$52,955	\$116,358

2021 Project

For the 2021 project, full property taxes for the remaining duration of what would have been the PILOT period are estimated to be \$518,932. As a result of the termination of the PILOT the facility will not receive an estimated \$410,896 in real property tax abatements and will be required to pay the full property tax amount estimated to be \$518,932 moving forward through what would have been the remaining PILOT term.

PILOT Schedule

Original expiration of Leaseback: December 31, 2034

Tax Fiscal Year	Town of Tonawanda	Erie County	Kenmore-Town of Tonawanda Union Free School District
1	2025	2025	2024-2025*
2	2026	2026	2025-2026
3	2027	2027	2026-2027
4	2028	2028	2027-2028
5	2029	2029	2028-2029
6	2030	2030	2029-2030
7	2031	2031	2030-2031
8	2032	2032	2031-2032
9	2033	2033	2032-2033
10	2034	2034	2033-2034

*Year the default occurred

Estimated Amount of Real Property Tax Benefits Terminated

	Town	County	School	Total
Full Property Tax Amount	\$188,353	\$75,538	\$255,041	\$518,932
PILOT Amount	\$37,670	\$15,107	\$55,259	\$108,036
Net exemption	\$150,683	\$60,431	\$199,782	\$410,896

Recapture

Due to the cessation of operations and subsequent employee terminations, the Company is in violation of its requirement to create and maintain 1,241 FTE positions for the 2017 SRUSA project and 1,399 FTE positions for the 2021 SRUSA project. As a result, the ECIDA has initiated a proceeding to consider recapture of Financial Assistance benefits as described in Section 5 in its *Policy for Termination and/or Modification of Agency Financial Assistance and Recapture of Agency Financial Assistance Previously Granted* ("Recapture and Termination Policy") as amended and restated on May 25, 2016.

The Recapture and Termination Policy establishes the procedures that the ECIDA will implement, and which may result in the modification, termination and/or recapture of ECIDA Financial Assistance. Specifically, Section 5(h)(i) and (ii) of the policy establish the procedural framework for the ECIDA Policy Committee in determining and recommending the recapture of financial assistance, as outlined below:

- **Sales and Use Tax & Mortgage Recording Tax** – The ECIDA may recapture any amount up to 100% of the exemptions obtained and utilized, in accordance with New York General Municipal Law and ECIDA policies.
- **Real Property Tax Abatement (PILOT Agreements)** – The ECIDA may recapture up to the total amount of abatement received by the Applicant during the year(s) in which violations of Material Factors occurred. The ECIDA Policy Committee, in consultation with ECIDA staff, will determine the extent of recapture based on violations of material terms.

Recapture Options

Consistent with the Recapture and Termination Policy, ECIDA staff and Counsel compiled the following recapture options for discussion with the Policy Committee and Board of Directors:

Sales Tax

Option #1 – Recapture of any amount up to 100%, at the discretion of the committee and board, of sales tax benefit utilized, full amount of sales tax provided is **\$869,936.04**

Project Year	Benefit	Recapture %	Amount
2017	Sales Tax	100%	\$161,186.04
2021	Sales Tax	100%	\$708,750.00
Total			\$869,936.04

Option #2 – Pro-rata approach applied to recapture of sales tax benefit, totaling **\$442,968.75**.

This option aligns with the ECIDA’s standard practice of using a pro-rata approach to determine the recapture amount. This is accomplished by multiplying (i) the percentage of time of non-compliance and (ii) the amount of benefit claimed. Projects that receive a Sales Tax only benefit must maintain their required employment commitments for a two-year period following project completion.

Applying this approach to the 2017 project results no recapture of sales tax benefit because the Company met its two-year job commitment.

Applying this approach to the 2021 project results in \$442,968.75 of sales tax benefit recapture as follows:

Compliance Period – 24 months

Number of months job commitments were met – 9 months

Compliance Percentage – 37.5% (Company only met job commitments for 9 out of 24 months)

Non-Compliance Percentage – 62.5%

Recapture Amount - \$442,968.75 (the product of (i) 62.5% and (ii) \$708,750.00)

Project Year	Benefit	Recapture %	Amount
2017	Sales Tax	0%	\$0.00
2021	Sales Tax	62.5%	\$442,968.75
Total			\$442,968.75

Payment in Lieu of Taxes (PILOT)

Recapture of SRUSA’s PILOT benefits for both its 2017 and 2021 projects, in accordance with the ECIDA’s Recapture and Termination Policy, would apply to the year in which SRUSA was noncompliant with its job commitments, in this case, being only the 2024 Town and County tax year and the 2024/2025 School tax year, and totaling \$60,215.39, as depicted in the table, below. Recaptured PILOT payments would be returned to the appropriate taxing jurisdictions.

2017 Project Real Property Tax Payment Summary

Year	Municipality	As if Owned (AIO) Amount	PILOT Amount	Net Exemption (AIO – PILOT)
2024	County	\$6,549.45	\$1,309.89	\$5,239.56
2024	Town of Tonawanda	\$16,156.15	\$3,231.23	\$12,924.92
2024/2025	Kenmore-Town of Tonawanda Union Free School District	\$18,912.38	\$3,782.48	\$15,129.90
Total		\$41,617.98	\$8,323.60	\$33,294.38

2021 Project Real Property Tax Payment Summary

Year	Municipality	AIO Amount	PILOT	Net Exemption (AIO – PILOT)
2024/2025	Kenmore-Town of Tonawanda Union Free School District	\$28,337.91	\$1,416.90	\$26,921.01

RECAPTURE OPTIONS SUMMARY FOR 2017 AND 2021 PROJECTS:

Option	Benefit	Amount
1 (100% Recapture)	Sales Tax	\$869,936.04
1 (100% Recapture)	PILOT	\$60,215.39
Total		\$930,151.43

Option	Benefit	Amount
2 (Pro-rata recapture)	Sales Tax	\$442,968.75
1 (100% Recapture)	PILOT	\$60,215.39
Total		\$503,184.14

Community Benefit Payment Option

In lieu of recapture of the sales tax benefit, a community benefit payment would be made equivalent to the Option #2 pro-rata recapture amount. The funds would be allocated locally to the most impacted taxing jurisdictions, the Town of Tonawanda and the Kenmore-Town of Tonawanda School District to be used to benefit the local community.

Per discussions with the town and school district, the community benefit funds would be used by the Ken-Ton School District for security at both Crosby Field and Adams Field throughout the year which would allow the Fields to be open to the public, including weekends. The Town of Tonawanda would utilize the funds to help pay for an environmental assessment study on its long-awaited Cherry Farm Recreational Park along the shore of the Niagara River. The proposal would be to allocate the funds as follows:

- 55% or \$243,632.81 allocated to the Ken-Ton School District.
- 45% or \$199,335.94 allocated to the Town of Tonawanda.

 **SUMITOMO RUBBER USA, LLC**

Mary Kasprzak
SVP & Chief Financial Officer
(716) 879-8240

March 26, 2025

Erie County Industrial Development Agency
95 Perry Street
Suite 403
Buffalo, NY 14203

Re: Erie County Industrial Development Agency (“ECIDA”);
3333 River Road, Town of Tonawanda,
Erie County, New York (the “Plant”)

Dear Sir/Madam:

We are in receipt of your letters dated March 14, 2025 relative to our 2017 project and our 2021 project with the ECIDA.

As you know, Sumitomo has been a good corporate citizen in Erie County for many decades. Up until late last year, we had met or exceeded all of our local commitments, including those with the ECIDA. However, given a number of severe adverse economic and financial factors, our operations at the Plant were no longer sustainable and we were forced to cease operations.

While we strongly object to the concept of “recapture” of benefits, we recognize the relevant provisions in our ECIDA documents.

We would request that the ECIDA Policy Committee recognize Sumitomo’s long-standing position in the community and our many years of faithful compliance with the ECIDA requirements. We therefore propose the following in order to resolve this matter:

- (i) we would pay, as a recapture of benefits, the entire amount of real estate tax benefits received in 2024 (i.e. \$60,000), even though our non-compliance occurred only at the end of 2024, and
- (ii) we would make a contribution, in lieu of recapture, in the amount of \$442,000 to a local community benefit fund for the use by the Town of Tonawanda and the Tonawanda School District (this amount being equal to the sales tax benefit received by Sumitomo over the past two years, i.e. the recapture period for ECIDA sales-tax only transactions).

The community benefit fund would be allocated (i) 55% (i.e. \$243,100) to be used by the Ken-Ton School District for security at both Crosby Field and Adams Field throughout the year

at all times that the Fields will be open to the public, including weekends, and (ii) 45% (i.e. \$198,900) to be used by the Town of Tonawanda to help pay for an environmental assessment study on its long-awaited Cherry Farm Recreational Park along the shore of the Niagara River.

We feel that this arrangement would best benefit our local community, consistent with our values and priorities.

We will not be able to attend the April 3, 2025 Policy Committee meeting, but request that this letter be added to the record of same.

Very truly yours,

SUMITOMO RUBBER USA, LLC

By: 
Mary Kasprzak
SVP & Chief Financial Officer

Sumitomo Rubber
\$9,709,000
INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Sumitomo Rubber														
<ul style="list-style-type: none"> • NAICS Section - 3326211 	Project Address: 10 Sheridan Drive Tonawanda, New York 14150 (Kenmore-TTN UFSD)														
COMPANY INCENTIVES	Agency Request														
<ul style="list-style-type: none"> • Approximately \$800,000 in real property tax savings. • Approximately \$245,000 in sales tax savings. 	<p>A sales tax and real property tax abatement in connection with the expansion of the company's manufacturing operations.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 40px;">New Building Addition</td> <td style="text-align: right;">\$3,609,000</td> </tr> <tr> <td style="padding-left: 40px;">Infrastructure</td> <td style="text-align: right;">\$ 500,000</td> </tr> <tr> <td style="padding-left: 40px;">Manufacturing Equipment</td> <td style="text-align: right;">\$5,000,000</td> </tr> <tr> <td style="padding-left: 40px;">Non-Manufacturing Equipment</td> <td style="text-align: right;">\$ 200,000</td> </tr> <tr> <td style="padding-left: 40px;">Soft Costs</td> <td style="text-align: right;">\$ 400,000</td> </tr> <tr> <td style="padding-left: 20px;">Total Project Cost</td> <td style="text-align: right;">\$9,709,000</td> </tr> <tr> <td style="padding-left: 20px;">85%</td> <td style="text-align: right;">\$8,252,650</td> </tr> </table>	New Building Addition	\$3,609,000	Infrastructure	\$ 500,000	Manufacturing Equipment	\$5,000,000	Non-Manufacturing Equipment	\$ 200,000	Soft Costs	\$ 400,000	Total Project Cost	\$9,709,000	85%	\$8,252,650
New Building Addition	\$3,609,000														
Infrastructure	\$ 500,000														
Manufacturing Equipment	\$5,000,000														
Non-Manufacturing Equipment	\$ 200,000														
Soft Costs	\$ 400,000														
Total Project Cost	\$9,709,000														
85%	\$8,252,650														
EMPLOYMENT															
<ul style="list-style-type: none"> • The project is anticipated to retain 1,241 Jobs. 															
PROJECT HISTORY	Company Description														
<ul style="list-style-type: none"> • 03/29/2017– Public hearing held. Transcript attached. • 04/26/2017-ECIDA Board adopts a Negative Declaration in accordance with SEQRA. • 04/26/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors. 	<p>Sumitomo Rubber USA manufacturers and sells a wide range of automotive tires in the US and internationally. The Tonawanda plant produces over 4 million tires annually for a variety of applications such as passenger cars, trucks, buses and motorcycles. 100% of sales are to customers located outside of New York State.</p> <p>The company's global headquarters are located in Kobe, Japan.</p>														
	Project Description														
	<p>Fueled by the demand for increased manufacturing capacity, Sumitomo will be constructing a 35,000 sq. ft. expansion to its existing manufacturing operations in the Town of Tonawanda. The expanded production capability will increase tire production from 5,000 tires per day to 10,000 per day by the year 2019.</p> <p>The project lays the foundation for future growth in the North American market and will allow Sumitomo to strive to be competitive and maintain and expand operations at the Tonawanda plant.</p> <p>This 35,000 sq. ft. expansion represents phase one of a two phase project.</p>														
	Employment Impact														
	Retained Jobs 1,241														

Estimated New Tax Revenue

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
N/A	\$1,100,000	\$31,000	\$184,000	\$102,000
Combined Tax Rate: \$93.00				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Project Amount = \$9,709,000 85% = \$8,252,650
Employment	Coincides with 10-year PILOT	Maintain Base: 1,241
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	10 Year PILOT Term	Real Property Taxes State and Local Sales Taxes

Recapture applies to:

- Real Property Taxes
- State and Local Sales Taxes

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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has maintained 1,241 employees at the facility; iii) its adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.

Sumitomo Rubber 2021 Building Expansion

\$126,000,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Sumitomo Rubber 2021 Building Expansion														
<ul style="list-style-type: none"> • NAICS Section – 326211 	Project Address: 10 Sheridan Drive, Tonawanda, NY 14150 (Ken-Ton UFSD)														
COMPANY INCENTIVES	Agency Request														
<ul style="list-style-type: none"> • Approximately \$ 708,750 in sales tax savings • Approximately \$1,053,437 in real property tax savings 	A sales tax and real property tax abatement in connection with the construction of a 60,000 sq ft building and the renovation of a 15,200 sq ft existing facility in the Town of Tonawanda.														
JOBS & ANNUAL PAYROLL															
<ul style="list-style-type: none"> • Current Jobs: 1,399 • Annual Payroll: \$ 100,000,000 • Projected new jobs: 0 • Projected retained jobs: 1,399 • Est. salary/yr. of jobs retained: \$ 60,000 • Total jobs after project completion: 1,399 • Construction Jobs: 97 	<table border="0"> <tr> <td>New Building Construction</td> <td align="right">\$ 6,900,000</td> </tr> <tr> <td>Building Renovation</td> <td align="right">\$ 6,400,000</td> </tr> <tr> <td>Infrastructure</td> <td align="right">\$ 2,900,000</td> </tr> <tr> <td>Manufacturing Equipment</td> <td align="right">\$94,800,000</td> </tr> <tr> <td>Soft Costs/Other</td> <td align="right">\$15,000,000</td> </tr> <tr> <td>Total Project Cost</td> <td align="right">\$126,000,000</td> </tr> <tr> <td>85%</td> <td align="right">\$ 107,100,000</td> </tr> </table>	New Building Construction	\$ 6,900,000	Building Renovation	\$ 6,400,000	Infrastructure	\$ 2,900,000	Manufacturing Equipment	\$94,800,000	Soft Costs/Other	\$15,000,000	Total Project Cost	\$126,000,000	85%	\$ 107,100,000
New Building Construction	\$ 6,900,000														
Building Renovation	\$ 6,400,000														
Infrastructure	\$ 2,900,000														
Manufacturing Equipment	\$94,800,000														
Soft Costs/Other	\$15,000,000														
Total Project Cost	\$126,000,000														
85%	\$ 107,100,000														
PROJECTED COMMUNITY BENEFITS*	Company Description														
<ul style="list-style-type: none"> • Term: 10 YEARS • NET Community Benefits: \$ 1,493,593,000 • Spillover Jobs: 35 (temp) 1,354 (perm) Total Payroll: \$ 1,535,229,000 	Sumitomo Rubber USA, LLC (SRUSA) is wholly owned by Sumitomo Rubber Industries, Ltd. (SRI) a global tire and rubber company based in Japan. The company makes a wide range of rubber-based products, including automobile tires, golf balls and tennis balls. The SRUSA Tonawanda plant is the only SRI-owned tire manufacturer in the US, having been acquired by SRI on October 1st, 2015 through its dissolution of a joint venture with another major tire manufacturer.														
INCENTIVE COST/COMMUNITY BENEFIT RATIO*	Project Description														
<ul style="list-style-type: none"> Incentives: \$ 1,762,187 Community Benefit: \$ 1,629,434,000 Cost: Benefit Ratio <ul style="list-style-type: none"> • 1:889 	SRUSA is considering a significant capital investment in the Facility. The investment would involve major replacement of and upgrades to production and other equipment. The Facility is approximately 100 years old and the proposed investment will enhance its efficiency and solidify the Facility's long-term economic future in WNY. The proposed investment will nearly double output at the Facility, resulting in a significantly lower cost per kg that ensures SRUSA tire products can be sold profitably. To achieve the needed, increased production, SRUSA would purchase new mixing, tire building, curing and miscellaneous equipment. A 60,000 square foot building will be added for new tire building equipment on the site that is currently in use as an employee parking lot. Additional limited capital investments will need to be made for building improvements/renovation to an existing 15,200 sq ft building at the Facility. The estimated capital investment would be made over the next 3 years as follows: 2021 = \$78.4M, 2022 = \$41.5M and 2023 = \$6M, totaling \$126M.														

* 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	1,053,000
	Sales	709,000
	Mortgage Recording	0
	Total	1,762,000
	Discounted at 2%	1,679,000

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount**
	Erie County	Individuals	Payroll Temporary	6,886,000
			Payroll Permanent	1,503,306,000
		Public	Property Taxes	280,000
			Sales Taxes	24,757,000
	New York State	Public	Income Taxes	72,437,000
			Sales Taxes	21,432,000
			Total Benefits to EC + NYS***	1,629,434,000
			Discounted at 2%	1,493,593,000

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

Discounted Cost \$ 1,679,000
 Discounted Benefit \$1,493,593,000
 Ratio 1:889

Conclusion: The Cost Benefit for this project is: 1:889. For every \$1 in costs (incentives), this project provides \$889 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$1,042 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
n/a	\$1,320,000	\$ 39,113	\$ 240,915	\$ 133,346
Combined Tax Rate: \$ 101.02				

* 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 = \$126,000,000 85% = \$107,100,000
Employment	Coincides with 10-year PILOT	Maintain Base = 1,399 Recapture Employment = 1,399
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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Taxes, State and Local Sales 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 is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 1,399 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

- 9/28/21 Public hearing held.
- 10/27/21 Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 10/27/21 Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

4/26/17 \$9.7 M Inducement Resolution for a 35,000 sq ft expansion of manufacturing space at the Tonawanda facility.

**NEW YORK STATE DEPARTMENT OF LABOR
WARN UNIT**

Business Information:

Reason For Closure: Other

Company:

Sumitomo Rubber USA., LLC
10 Sheridan Drive
Tonawanda, NY 14150

FEIN NUM: 34-1899137

Industry Type: 31-33: Manufacturing

Contact: Glenn Leonardi, General Counsel

Contact Phone: (716) 879-8505

Total Number of Affected Workers: 1,380

Total Number of Employees: 1,524

Closure Start Date: As part of this plant closure, 1,380 employees will be separated from the company. Of these, 1,144 employees will be separated on November 11, 2024; 101 employees on November 15, 2024; and 135 employees on February 14, 2025.

Closure End Date: February 14, 2025

Impacted Site:

Event Number: 2024-0093

Address: 10 Sheridan Drive, Tonawanda, NY 14150

Number of Affected Employees at Site: 1,380

Total Number of Employees at Site: 1,524

Date of Notice: November 7, 2024

Region: Western

County: Erie

DOL Rapid Response Coordinator: Amy Riter

Local Workforce Development Board Name: Buffalo and Erie County Workforce Investment Board, Inc. (BECWIB)

Union: United Steelworkers Union, Local 135L