

Time Release Properties, LLC / Time Release Sciences, Inc.
\$22,700,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 326150

COMPANY INCENTIVES

- Approximately \$463,167 in sales tax savings
- Approximately \$105,000 in mortgage tax savings
- Approximately \$3,617,000 in real property tax savings

EMPLOYMENT

- Retained Jobs: 103
- Projected New Jobs: 20
- Total Jobs 2 Years After Project Completion: 123
- Annual payroll: \$5,400,000
- Estimated salary of jobs to be created: \$40,000
- Estimated salary of jobs to be retained: \$53,000

PROJECT BENEFITS

- The project is estimated to generate approximately \$2,995,000 of revenue to the local taxing jurisdictions over the abatement period representing \$237,000 to the County of Erie, \$1,534,000 to the City of Lackawanna and \$1,224,000 to the Lackawanna City School District

PROJECT HISTORY

- 7/23/19– Public hearing conducted. Transcript attached
- City of Lackawanna as lead agency adopts negative declaration in accordance with SEQRA.
- 8/28/19- Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Time Release Properties, LLC / Time Release Sciences, Inc.

Project Address: 2303 Hamburg Turnpike
 Lackawanna, New York 14218
 (Lackawanna City School District)

Agency Request

A sales tax, mortgage tax and a custom real property tax abatement in connection with the construction of 290,000 sq. ft. manufacturing facility.

Land Acquisition	\$ 1,060,000
New Building Construction	\$10,100,130
Infrastructure	\$ 3,529,870
Manufacturing Equipment	\$ 6,000,000
Non-Manufacturing Equipment	\$ 750,000
Soft Costs	\$ 1,260,000
TOTAL PROJECT COST	\$22,700,000
85%	\$19,295,000

Company Description

Time Release Sciences, Inc. (“TRS”) is a manufacturing and packaging company established in 2003. The company provides die cutting, debossing and various other manufacturing and packaging capabilities. Its sole product line is a consumer cleaning product produced for a Fortune 500 company. Ninety-four percent of company sales are outside New York State including 10% of sales outside of the United States.

Project Description

Erie County has spent and appropriated for future expenditures, millions of dollars to improve rail and road access and utility infrastructure at the project site with the goal of creating one of the largest commercial/ industrial parks, with tri-modal access and with pre-certified New York State tax incentives.

The proposed project consists of the construction of an approximately 290,000 sq. ft. manufacturing facility at the former Bethlehem Steel site in the City of Lackawanna. The company currently operates out of a 120,000 sq. ft. facility located in the City of Buffalo at 205 Dingens Street and due to space constraints is unable to expand at its current location.

Since the project involves movement of a company from the City of Buffalo to the City of Lackawanna, the ECIDA will follow its Inter-Municipal Move Policy. The City of Buffalo has been notified of the relocation.

In addition to the construction of the facility, TRS will also be investing \$6 million in new production equipment.

Custom PILOT

Due to the ability of the Company to obtain Brownfield Cleanup Property Tax Credits for payments made under the PILOT on Parcel II-10, the ECIDA will be deviating from its Uniform Tax Exemption Policy and provide the company with a custom PILOT for the project.

Notice letters detailing the deviation from the UTEP were mailed to the chief executive officers of each affected tax jurisdiction on August 15, 2019.

The custom PILOT is defined below:

Parcel II-9	Parcel II-10 (PCP Parcel)
No PILOT Deviation: Property will be under ECIDA's standard 10-year PILOT schedule	PILOT Deviation: Years 1-5, company will pay a PILOT payment equal to full taxes. Years 6-10, company will pay 50% of full taxes

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$22,700,000 85% = \$19,295,000
Employment	Coincides with 10 Year PILOT term	Maintain Base: 103 Create 85% of Projected Projected: 20 85% : 17 Recapture Employment: 120
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10 Year PILOT term	Adherence to Policy
Unpaid Tax	Coincides with 10 Year PILOT term	Adherence to Policy
Recapture Period	PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Tax

Recapture applies to:
Real Property Taxes
State and Local Sales Taxes
Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has maintained 103 FTE and created 20 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.