

Rich Products Corporation \$18,000,000 INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **31 Manufacturing**

COMPANY INCENTIVES

- Approximately \$853,000 in sales tax savings.



Project Title: Rich Products Corporation

Project Address: 1150 Niagara Street
Buffalo, New York 14213
(Buffalo City School District)

SIC/NAICS: 5140/311813

Agency Request

Sales tax exemption in connection with the construction of capital improvements and the acquisition & installation of machinery and equipment.

Building Renovations	\$ 10,450,960
Equipment	3,871,537
Soft Costs	3,177,503
Other (R&D Equipment)	500,000
Total Project Cost	\$18,000,000

Company Description

Rich Products Corporation is a privately held, multinational food products corporation headquartered in Buffalo. The company was founded in 1945 by Robert E. Rich, Sr., after his development of a non-dairy whipped topping based on soybean oil. Since then, the company has expanded its non-dairy frozen food offerings, and also supplies products to retailers, in-store bakeries, and foodservice providers. Rich's employs 7,200 associates worldwide, with manufacturing facilities in the United States, Australia, Brazil, Canada, China, Mexico, South Africa, Thailand, the United Kingdom and Viet Nam. The company sells more than 2,000 products in 73 countries.

Project Description

The transformation of Rich's global headquarters, through significant capital investment into a world class Research and Development department and Innovation Center will provide a quality environment for Rich's associates, global customers and guests. The facilities upgrades will support retention of top tier R&D talent by attracting the best candidates to drive R&D projects and innovative problem-solving, welcoming global customers, encouraging local tourism, and strengthening the region's economy. The campus is located along the waterfront in an important West Side community and adjacent to the US/Canada border. The proposed campus projects include the enhanced R&D facilities and a Customer Innovation Center. RPC's continued commitment to its campus is vital to creating an innovative work environment, retaining jobs, attracting visitors/encouraging tourism, and supporting the resurgence of the West Side and waterfront neighborhoods. Rich's will have a role in working with local universities, culinarians and the community on mixed-use projects in the West Side community.

Project Incentives

- Approximately \$853,000 in sales tax savings.

Rich Products Corporation

Project Benefit

Rich Products continues to face the challenges and opportunities associated with the potential relocation of their world headquarters functions closer to their other U.S. manufacturing operations. The support provided by these tax incentives will help to retain the company's headquarters presence in Buffalo.

Project is anticipated to create 17 new jobs and retain 651 full time and 75 part

Employment

<u>Current</u>	<u>Projected (2 Years)</u>
651 FT	668 FT
75 PT	75 PT

Project History

12/11/2012	Public Hearing held. Transcript attached
12/17/2012	Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
12/17/2012	Lease/Leaseback Inducement Resolution presented to Board of Directors.

Company History

1/1/79	\$1,800,000 Bond Closed
1/1/80	\$1,000,000 Bond Closed
1/1/80	\$500,000 Bond Closed
1/1/80	\$1,500,000 Bond Closed
11/24/87	\$7,500,000 Bond Closed
11/17/99	\$4,777,141 Lease Closed
7/22/03	\$5,666,400 Bond Closed