

**Unifrax 1, LLC**  
**\$18,018,000**  
**INDUCEMENT RESOLUTION**

<b>ELIGIBILITY</b>	Project Title: Unifrax 1, LLC												
<ul style="list-style-type: none"> <li>• NAICS Section - 32 manufacturing</li> </ul>	Project Address: North Youngmann Commerce Center Business Park Tonawanda, New York 14150 (Kenmore-TTN UFSD)												
<b>COMPANY INCENTIVES</b>													
<ul style="list-style-type: none"> <li>• Approximately \$978,580 in real property tax savings</li> <li>• Approximately \$230,000 in sales tax savings</li> </ul>	<p style="text-align: center;"><b>Agency Request</b></p> <p>A sales tax and real property tax abatement in connection with the construction of a 76,000 sq. ft. manufacturing facility in the North Youngmann Commerce Center.</p>												
<b>PROJECT BENEFITS</b>													
<ul style="list-style-type: none"> <li>• The project is anticipated to create 25 new jobs.</li> </ul>	<table> <tr> <td>Land Acquisition</td><td>\$ 468,000</td></tr> <tr> <td>New Construction</td><td>4,200,000</td></tr> <tr> <td>Infrastructure</td><td>600,000</td></tr> <tr> <td>Manufacturing Equipment</td><td>12,000,000</td></tr> <tr> <td>Non-Manufacturing Equipment</td><td>150,000</td></tr> <tr> <td>Soft Costs</td><td>600,000</td></tr> </table>	Land Acquisition	\$ 468,000	New Construction	4,200,000	Infrastructure	600,000	Manufacturing Equipment	12,000,000	Non-Manufacturing Equipment	150,000	Soft Costs	600,000
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<b>EMPLOYMENT</b>													
<ul style="list-style-type: none"> <li>• Current - 0</li> <li>• New Jobs Projected - 25</li> <li>• Total Jobs after project completion - 25</li> <li>• Additional Company Employment in Tonawanda:</li> <li>• 360 Fire Tower Drive - 268</li> <li>• 600 Riverwalk - 94</li> </ul>	<table> <tr> <td>Total Project Cost</td><td>\$18,018,000</td></tr> <tr> <td>85%</td><td>\$15,315,300</td></tr> </table> <p style="text-align: center;"><b>Company Description</b></p> <p>Unifrax is a manufacturer of high-temperature insulation products. Unifrax fiber products are used to solve application problems in the ferrous and non-ferrous metals, industrial chemicals, petroleum products, power generation, ceramic, glass, automotive, fire protection, aerospace, appliance and other industries.</p> <p>With corporate headquarters in Tonawanda, Unifrax has three U.S. manufacturing facilities—Tonawanda and Sanborn, New York and New Carlisle, Indiana.</p> <p>Unifrax acquired three leading North American vacuum forming businesses in 2011 with manufacturing facilities in Ohio and specializing in the development, manufacture and sale of fiber-based value add shapes.</p> <p>The company employs more than 1,600 people worldwide with 28 manufacturing facilities and various regional and sales locations in the US, Europe, Asia, South Africa and Latin America.</p>	Total Project Cost	\$18,018,000	85%	\$15,315,300								
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<b>PROJECT HISTORY</b>													
<ul style="list-style-type: none"> <li>• 8/28/2014 - Public hearing held. Transcript attached</li> <li>• 9/17/14 - The Project is consistent with the mitigation measures set forth in the DGEIS, FGEIS, and the Findings Statement that were prepared for the Project and as such, no further SEQR review is required for the Project pursuant to 6 N.Y.C.R.R. Section 617.10(d)(1)</li> <li>• 9/17/14 - Lease/Leaseback Inducement Resolution presented to the Board of Directors</li> </ul>	<p style="text-align: center;"><b>Project Description</b></p> <p>Unifrax has been making a polycrystalline fiber product which is currently being manufactured in Japan and demand for this product is outpacing production capacity. After consideration was given to expanding in Japan or to site a new plant at one of the company's other global locations, it was decided to construct the new plant at the Tonawanda location which is adjacent to the company's existing operations.</p>												
<b>COMPANY HISTORY</b>													
<ul style="list-style-type: none"> <li>• 1988 - \$4,250,000 Project Closed</li> <li>• 1996 - \$6,539,300 Project Closed</li> <li>• 2000 - \$2,200,000 Project Closed</li> <li>• 2002 - \$86,000 New York State EMIG Grant</li> <li>• 2011 - \$3,035,000 Project Closed</li> <li>• 2014 - \$33,000,000 Approval Inducement Resolution</li> </ul>	<p>A new 76,000 sq. ft. manufacturing plant will be constructed in the North Youngmann Commerce Center. In addition, over \$12,000,000 will be expended equipping the plant.</p>												

## PILOT Table

The project will generate approximately \$260,000 of revenue to the local taxing jurisdictions over the abatement period representing \$34,000 to the County of Erie, \$96,000 to the Town of Tonawanda and \$130,000 to the Kenmore-TTN UFSD.

Year	% payment under PI-LOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$1,606	\$4,553	\$6,228	\$12,387	\$123,871	\$111,484
2	10%	\$1,606	\$4,553	\$6,228	\$12,387	\$123,871	\$111,484
3	10%	\$1,606	\$4,553	\$6,228	\$12,387	\$123,871	\$111,484
4	20%	\$3,212	\$9,106	\$12,456	\$24,774	\$123,871	\$99,097
5	20%	\$3,212	\$9,106	\$12,456	\$24,774	\$123,871	\$99,097
6	20%	\$3,212	\$9,106	\$12,456	\$24,774	\$123,871	\$99,097
7	30%	\$4,818	\$13,659	\$18,684	\$37,161	\$123,871	\$86,709
8	30%	\$4,818	\$13,659	\$18,684	\$37,161	\$123,871	\$86,709
9	30%	\$4,818	\$13,659	\$18,684	\$37,161	\$123,871	\$86,709
10	30%	\$4,818	\$13,659	\$18,684	\$37,161	\$123,871	\$86,709
<b>TOTAL PAYMENTS</b>		\$33,726	\$95,613	\$130,788	\$260,127	\$1,238,707	\$978,578

## 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 = \$18,108,000 85% of total project amount = \$15,315,300
Employment	Coincides with 10-Year PILOT term	Projected Jobs: 25 85% of projected jobs = 21
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Recapture Period	Coincides with 10-Year PILOT term	Recapture of state and local sales taxes and real property taxes

Recapture applies to:

- State and local sales taxes
- Real property taxes

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA's Policy Committee to recapture the local portion of the sales tax and real property taxes.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create an additional 21 jobs (85% of 25) iii) confirm adherence to ECIDA local labor hiring policy.