

## Steuben Foods, Inc. \$46,625,000 INDUCEMENT RESOLUTION

### HIGHLIGHTS

Eligibility: NAICS Section - **31 - manufacturing**

### COMPANY INCENTIVES

- Approximately \$1,300,000 in real property tax abatement
- Approximately \$422,000 in sales tax savings
- Up to \$96,500 in mortgage recording tax savings



Project Title:	Steuben Foods, Inc.
Project Address:	1150 Maple Road Elma, New York 14059 (Iroquois Central School District)
SIC/NAICS:	2026/311511

### Agency Request

Sales tax, mortgage recording tax and real property tax exemption in connection with the construction and/or renovation, expansion, upgrading and equipping of improvements to the existing facility and warehouse and utilities expansion to support added production lines and the acquisition and installation of machinery and equipment.

Plant Infrastructure	\$ 9,650,000
Process Infrastructure	4,800,000
Production Equipment	32,175,000
<b>Total Projects Costs</b>	<b>\$46,625,000</b>

### Company Description

Steuben Foods, Inc. is a high tech manufacturer of aseptically packaged and extended shelf life food and beverage products. Steuben Foods produces some of its own branded products and also acts as a contract manufacturer for national and international food and pharmaceutical companies.

The Elma plant is the sole manufacturing facility and both Steuben products and that of their customers are distributed throughout North America from this location. Steuben purchases over 40% of its supplies from New York State companies.

### Project Description

Steuben is preparing to embark upon an ambitious element of the expansion program which was initiated in 2005. Over \$30 million in capital investment has occurred between 2005 and 2009 resulting in a substantial increase in jobs (+30%) and production.

The company is investing \$46 million to add aseptic plastic bottles to its packaging options and to continue to add capacity in other package sizes and shapes that are rapidly increasing their market share. Investment is anticipated to occur over the next three years in plant and process infrastructure, as well as new fillers, with the largest investment targeted for the plastic bottle project.

In connection with the project, Steuben will be adding an additional 70,000 sq. ft. of manufacturing space to built out portion of the complex. In addition, certain renovations will be undertaken to accommodate the new equipment.

### Project Incentives

# Steuben Foods, Inc.

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- Approximately \$422,000 in sales tax savings
- Up to \$96,500 in mortgage recording tax savings

## Employment

<u>Current:</u>	<u>Year 1</u>	<u>By 2014</u>
466	466	566

## Site History

- Early 1970's - Western Electric began development of a 200 acre site in Elma, New York
- 1976 - Western Electric abandons site
- 1980 - Erie County IDA purchases site for \$500,000 in back taxes with money loaned to it by the Regional Development Corporation
- 1983 - ECIDA identifies Steuben as a potential tenant for 150 acres
- 1983 - \$5,500,000 Urban Development Action Grant used for site work and building renovations
- 1983 - \$700,000 EDA grant along with an Erie County grant for sewer facility
- 1983 - ECIDA and Steuben sign a 30 year lease for the property with two 30 year renewal options
- 2009 - Steuben exercises option to purchase the 150 acre site for \$6,000,000 less all of the rental payments made (excluding PILOT payments) paid by Steuben under the lease agreement.

## Project History

06/08/2010	Public hearing held. No oral or written comments. Transcript on file at ECIDA.
06/14/2010	Special Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
06/14/2010	\$46,625,000 Lease/Leaseback Inducement Resolution presented to Board of Directors.