

**Moog, Inc.**  
**\$32,600,000**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 336410

**COMPANY INCENTIVES**

- Approximately \$2,000,000 in real property tax savings.
- Approximately \$1,575,000 in sales tax savings.

**PROJECT BENEFITS**

- The project will generate approximately \$535,951 of revenue to the local taxing jurisdictions over the abatement period representing \$131,379 to the County of Erie, \$5,598 to the Town of Elma, \$398,974 to the Iroquois Central School District

**EMPLOYMENT**

- Current Jobs = 251  
Projected Jobs = 293

**PROJECT HISTORY**

- 02/21/2017 - Public hearing held. No oral or written comments.
- 03/22/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.

**COMPANY HISTORY**

**Project Investment Totals:**

1973 - \$17,000,000  
 1981 - \$3,500,000  
 1983 - \$750,000  
 1983 - \$475,000  
 1997 - \$4,324,848  
 1997 - \$16,234,200  
 1999 - \$7,709,540  
 2006 - \$6,700,000  
 2007 - \$12,500,000  
 2008 - \$11,000,000  
 2011 - \$17,100,000

Project Title: Moog, Inc.  
 Project Address: 400 Jamison Road  
 Elma, New York 14059  
 (Iroquois CSD)

**Agency Request**

A sales tax and real property tax abatement in connection with the expansion of the company's Aircraft Division operations.

New Building Addition	\$21,500,000
Renovation	\$ 8,600,000
Manufacturing Equipment	\$ 500,000
Non-Manufacturing Equipment	\$ 1,500,000
Soft Costs/Other Costs	\$ 500,000

Total Project Cost \$32,600,000

85% \$27,710,000

**Company Description**

Moog is a worldwide designer, manufacturer and integrator of precision motion control products and systems. Moog's high-performance systems control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, industrial machinery, wind energy, marine applications and medical equipment.

66% of the company's sales are to customers located outside of New York State and 33% of customers are located outside of the United States.

**Project Description**

The proposed project consists of the addition of 95,000 sq. ft. to Moog's Aircraft Division operations. Approximately 75-80% of the addition will be used for mechanical and electronic assembly and test facilities for military and commercial aircraft flight control products. The remaining space will be utilized as mixed office space to include engineering, manufacturing support and administrative functions.

While Moog's overall employment reaches approximately 2,500, the Aircraft Division accounts for 251 existing jobs. This division will be adding an additional 42 employees as part of the project.

**New Tax Revenue Estimated**

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-Year Abatement Period	Additional City Revenue over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$541,800	\$131,000	\$404,000	\$255,000
Combined Tax Rate: \$471.00				

### PILOT Table

The project will generate approximately \$535,951 of revenue to the local taxing jurisdictions over the abatement period representing \$131,379 to the County of Erie, \$5,598 to the Town of Elma, \$398,974 to the Iroquois Central School District.

Year	% payment under PILOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$6,256	\$267	\$18,999	\$25,521	\$255,215	\$229,693
2	10%	\$6,256	\$267	\$18,999	\$25,521	\$255,215	\$229,693
3	10%	\$6,256	\$267	\$18,999	\$25,521	\$255,215	\$229,693
4	20%	\$12,512	\$533	\$37,998	\$51,043	\$255,215	\$204,172
5	20%	\$12,512	\$533	\$37,998	\$51,043	\$255,215	\$204,172
6	20%	\$12,512	\$533	\$37,998	\$51,043	\$255,215	\$204,172
7	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
8	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
9	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
10	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
<b>TOTAL PAYMENTS</b>		\$131,379	\$5,598	\$398,974	\$535,951	\$2,552,149	\$2,016,198

### 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. Total Project Amount = \$32,600,000 85% = \$27,710,000
Employment	Coincides with 10-Year PILOT	Maintain Base = 251 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment: 287
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 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 completion of project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has maintained 251 employees at the facility and created an additional 36 jobs iii) adhere to local labor policy and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.