

**Rosina - Protein Operation Expansion**  
**\$58,000,000**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 311612

**COMPANY INCENTIVES**

- Approximately \$1,443,750 in sales tax savings
- Approximately \$1,325,000 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$210,000

**EMPLOYMENT**

- Retained Jobs - 100
- Projected New Jobs - 40
- Total Jobs After Project Completion: 140
- Annual payroll: \$4,945,000
- Estimated salary of jobs to be created: \$38,600
- Estimated salary of jobs to be retained: \$34,010
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**PROJECT HISTORY**

- 08/20/2019 - Public hearing held. Transcript attached.
- The Town of West Seneca adopts a Negative Declaration in accordance with SEQRA.
- 10/23/2019 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Rosina - Protein Operation Expansion

Project Address: 3100 Clinton Street  
 West Seneca, New York 14224  
 (West Seneca Central School District)

**Agency Request**

A sales tax, mortgage recording tax and real property tax exemption in connection with the construction of a 105,000 sq. ft. manufacturing facility.

New Building Construction	\$28,500,000
Infrastructure	\$ 4,000,000
Manufacturing Equipment	\$15,500,000
Non-Manufacturing Equipment	\$ 500,000
Soft Costs	\$ 4,500,000
Other Costs (Remediation)	\$ 5,000,000
Total Project Cost	\$58,000,000
85%	\$49,300,000

**Company Description**

Rosina Food Products was founded in 1963 and is a manufacturer of frozen foods such as pre-cooked meatballs, sausages and pasta.

Rosina markets its products to retail and food service industries throughout North America as well as internationally. The company sells to 95% of the nation's largest supermarkets including Wegmans and Publix. Sixty nine percent of its products are sold to companies located outside of New York State.

**Project Description**

The proposed project known as "the Protein Operation Expansion" entails the construction of a 105,000 sq. ft. protein plant including a new high-speed, state of the art production line for the manufacture of a variety of frozen meatballs, sliced sausages and toppings.

The new facility will be adjacent to Rosina's other West Seneca plant that produces pastas and entrees.

At maximum capacity, the new production plant in West Seneca will be able to produce 40 million pounds annually (some of which is presently co-packed in Chicago) and will be replacing an outdated processing line currently located at the 75 Industrial Parkway facility in Cheektowaga that has a current capacity of only 20 million pounds annually.

The company will also be purchasing new production equipment as part of the project.

There is a high possibility of this expansion representing one phase of a multi-phased development at the project site.

Since the project results in the transfer and retention of approximately 100 employees from Cheektowaga to a location in West Seneca, we are following our Inter-Municipal Move Policy and have notified the Supervisors of both the Town of Cheektowaga and West Seneca.

Rosina stated that if this project does not proceed the company will be forced to outsource more production functions to their Chicago co packer as the outdated line will be shut down; potentially resulting in more than 100 employees being laid off. Additionally, 40 new jobs would not be created locally.

Rosina currently has production facilities at the following locations: 75 and 109 Industrial Parkway and 170 French Road in the Town of Cheektowaga and 75 Empire Drive in the Town of West Seneca. Along with the retention of 100 jobs, 40 new jobs are associated with this expansion project. The Cheektowaga operation will continue to employ 166 people.

### New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$2,140,000	\$58,000	\$294,000	\$167,000
Combined Tax Rate: \$78				

### 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 = 58,000,000 85% = \$49,300,000
Employment	Coincides with 10-year PILOT	Maintain base: 100 Create 85% of Projected Projected = 40 85% = 34 Recapture Employment = 134
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 Mortgage recording tax, state and local sales taxes

Recapture applies to:  
State and Local Sales Taxes  
Real Property Tax  
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 100 FTE and created 40 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.