TOWN OF WEST SENECA



Gary A. Dickson Supervisor's Office TOWN SUPERVISOR
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March 16, 2022

Mr. John Cappellino Chief Executive Officer Erie County Industrial Development Agency 95 Perry Street, Suite 403 Buffalo NY 14203

Re: Worksport Ltd

Dear Mr. Cappellino,

The Town of West Seneca supports the application by Worksport Ltd for their project located at 2500 North America Drive, West Seneca. This facility will be used to manufacture truck covers and for light shipping. The added employment and eventual increased property taxes will benefit the town. If you have any questions, please do not hesitate to contact me.

Gary A. Dickson

Town Supervisor

Town of West Seneca

1250 Union Road

West Seneca, NY 14224

716-558-3203

gdickson@twsny.org

PUBLIC HEARING SCRIPT

Worksport Ltd. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf **Project**

Public Hearing to be held on March 21, 2022 at 9:00 a.m., at the Town of West Seneca Community Center & Library, Community Room, 1300 Union Road, West Seneca, New York 14224

ATTENDANCE:

Grant Lesswing – ECIDA Susan Kims - West Seneca Resident Cheri Forsythe - WSCC

1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: Welcome. This public hearing is now open; it is 9:05 a.m. My name is Andrew Federick. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Worksport, Ltd. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, March 11, 2022.

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 2500 N. America Drive, Town of West Seneca, Erie County, New York (the "Land"), (ii) the renovation on the Land of an approximately 222,000 square-foot facility to be utilized for manufacturing, warehousing and offices with extra space/acres to allow for expansion in the future (the "Improvements"), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption benefits (in compliance with Agency's uniform tax exemption policy).

Hearing Officer: All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has registered will be given an opportunity to make statements and/or comments on the Project.

> If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on April 26, 2022. There are no limitations on written statements or comments.

∑ 5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

☐ <u>Hearing Officer</u>: Note that no one in attendance wished to make a statement or comment.

⋈ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:08 a.m.

SIGN IN SHEET PUBLIC HEARING

March 21, 2022 at 9:00 a.m., at the Town of West Seneca Community Center & Library, Community Room, 1300 Union Road, West Seneca, New York 14224 regarding:

Worksport Ltd. and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location:

2500 N. America Drive, Town of West Seneca, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Grant Lesswing	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Susan Kims		
Cheri Forsythe	WSCC 1300 Union Road West Seneca, New York 14224	

Erie County IDA Public Hearing – March 21, 2022 Worksport Ltd.

Worksport Ltd is a manufacturer of tonneau covers – the covers that sit on the top of pickup truck beds to protect the bed's contents from environmental and physical damage as well as theft. Worksport has manufactured its goods in China while operating from Canada since its current ownership began in 2011, but it is now looking to bring its manufacturing to the USA; specifically, Worksport sees itself making a home for itself in West Seneca, NY.

In the interest of lowering production costs, freight costs, and exposure to geopolitical risks, Worksport sees North American manufacturing as the logical evolution of our company. As international ocean freight, trucking, and last mile delivery prices all keep rising, we need to cut costs where possible in order to maintain competitive. By on-shoring manufacturing, not only will we be able to lower many of our production and freight costs, but we will have direct supervision over our manufacturing process, which is critical towards our sustainable growth and maintenance of our current and developing business relationships.

We have sought manufacturing facilities in Ontario, northern Mexico, and northern USA – each presenting their own pros and cons. We see the northern USA as the best mix of low production costs, low taxes, and close proximity to our current network of distributors, personnel, and third-parties. New York, specifically, is a fantastic location given Worksport's 3PL distributor in Buffalo and close proximity to Worksport's Canadian office. And while the location is great, the building itself is even better; 222,000 square feet is enough room to not only begin production but also to grow into over several years. We already know several renovation projects we will need to complete, including a few large ones that will be dealt with over the next few years. For the most part, however, the building already has what we're looking for: ample manufacturing room, offices, truck doors, and even an Automated Storage/Retrieval System. The building is in a fantastic location and will meet our needs for many years to come.

The facility we are seeking to purchase is expected to cost \$8.125M (approximately, as a potential and slight discount is still being discussed). Worksport has already invested \$1.28M into manufacturing equipment and machinery, and we intend to invest an additional \$4M over the next few years into building repairs – primarily the roof and the Automated Storage/Retrieval System. Aside from those two big projects, we intend to invest \$700k into building renovations in year 1 and an additional \$600k into building renovations in subsequent years. These costs aggregate to more than \$15M. Between our mortgage and local intended year 1 spends, we would greatly benefit from mortgage and sales tax incentives. Such incentives would greatly benefit our financial health and allow us to invest more readily into renovations and repairs – investing right back into the greater Erie County community. Further, lower costs would allow us to grow more quickly, allowing us to hire more part time and full time workers for our new facility.

Given the higher costs we face as a publicly traded company approaching its growth stage, we have enough money to begin operations but not enough to comfortably and sustainably invest in best-in-class employees, contractors, and third-party services. Without adequate sales tax incentives, we will invest in ourselves and employees at a slower rate than we otherwise would. Whether or not we receive incentives, we intend to make West Seneca our new home. We've had the pleasure of working with many of you in the ECIDA as well as members of the Town of West Seneca. Steven Rossi and Christopher Bernaudo had

a great time visiting your town last month, and our employees and shareholders are all excited for this great opportunity. We thank you for considering us for your incentives program, and we hope to get to know you and other West Seneca and Erie County organizations much better in proceeding years.

Thank you,