

MOOG
\$ 76,750,800
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 336410

COMPANY INCENTIVES

- Approximately \$ 900,920 in real property tax savings
- Approximately \$ 2,000,000 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 180 FT
- Annual Payroll: \$ 164,075,000
- Est. salary/yr. of jobs retained: \$114,000
- Total jobs after project completion: 180 FT
- Construction Jobs: 335

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$298,359,562
 - Spillover Jobs: 320
- Total Payroll: \$ 279,096,922

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$2,814,160

Community Benefit: \$272,711,112

Cost: Benefit Ratio

- 1:97

Project Title: Advanced Integrated Manufacturing (AIM) Center

Project Address: 400 Jamison Rd, Elma, NY 14059
(Iroquois Central #1 School District)

Agency Request

A sales tax and real property tax abatement in connection with the construction & equipping of a 150,000 sq ft manufacturing facility.

New Building Construction	\$ 34,300,000
Infrastructure	\$ 5,000,000
Manufacturing Equipment	\$ 34,000,000
Non- Manufacturing Equipment	\$ 700,000
Soft Costs/Other	\$ 2,750,000
Total Project Cost	\$76,750,000
85%	\$ 65,237,500

Company Description

Moog is a worldwide designer, manufacturer and integrator of precision control components and systems. Moog’s high-performance systems control military and commercial aircraft, satellites, and space vehicles, launch vehicles, missiles, automated industrial machinery, marine and medical equipment. Moog Inc. is a publicly traded company. Ownership greater than 20% is not applicable for Moog A shares. Moog B shares 20% ownership is as follows: Moog Inc. Retirement Savings Plan – 41.2 % of B shares, Moog Inc Employees Retirement Plan 23.5% of B shares.

Project Description

The Advanced Integrated Manufacturing (AIM) Center Phase 1 project would provide a new 150,000 sq ft standalone building to expand the Elma campus manufacturing footprint. The new facility will be dedicated to machining capabilities in support of Moog’s current Aircraft Group – primarily military aerospace content. This project includes a significant investment in new manufacturing equipment that will help improve the Aircraft Group’s operational performance by reducing lead times and improving product quality.

This application is the first of 3 potential phases of construction. Each additional phase is expected to add another 150,000 sq ft of production space to the campus. It is also anticipated that phases 2 & 3 would result in new jobs being created. Phase 1 has an estimated completion date of YE 2025 – no firm completion dates have been established for the 2nd and 3rd phases of this project.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	900,920
	Sales	2,000,000
	Mortgage Recording	0
	Total	2,900,920
	Discounted at 2%	\$2,814,160

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$49,251,072
			Payroll Permanent	\$229,845,850
		Public	Property Taxes	\$2,429,608
			Sales Taxes	\$2,319,994
			Other Muni Revenue (NFTA)	\$0
	New York State	Public	Income Taxes	\$12,559,361
			Sales Taxes	\$1,953,679
			Total Benefits to EC + NYS***	\$298,359,562
			Discounted at 2%	\$272,711,112

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period *** may not sum to total due to rounding

Discounted Cost \$ 2,814,160
 Discounted Benefit \$272,711,112
 Ratio 1:97

Conclusion: The Cost Benefit for this project is: 97:1. For every \$1 in costs (incentives), this project provides \$97 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$137 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated Increase in Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	Additional School Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$309,685	\$216,000	\$ 52,846	\$ 2,544	\$ 169,840	\$ 422,300
Combined Tax Rate: \$ 521.37					

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 = \$76,750,000 85% = \$ 65,237,500
Employment	Coincides with 10-year PILOT	Maintain Base = 180 FT Projected (new/created) = 0 FTE Recapture Employment = 180 FTE
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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property 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 180FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 2/7/23: Public hearing held.
- 3/22/23: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 3/22/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

ECIDA history with Moog dates back to 1973. The following are active ECIDA projects:

- 03/22/17: Tax incentives for \$ 44.3 M, 95,000 sq ft expansion of Aircraft Division operations
- 08/15/11: Tax incentives for \$17.1 M, 65,000 sq ft new construction - Corporate HQ
- 04/14/08: Tax incentives for \$ 11M, 44,500 sq ft expansion of Plant 11
- 8/13/07: Tax incentives for \$12.5 M, 25,400 sq ft expansion of Plant 20
- 2/13/06: Tax incentives for \$ 6.7 M, 17,000 sq ft expansion of Plant 6A and 2C