

IMA Life North America / IMA Life Colvin Woods

\$ 27,556,179

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 333993

COMPANY INCENTIVES

- Approximately \$ 2,383,749 in real property tax savings
- Up to \$ 824,819 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 120 FT
- Annual Payroll: \$ 12,405,821
- Projected new jobs: 30 FT
- Est. salary/yr. of FT jobs created: \$72,293
- Projected retained jobs: 120 FT
- Est. salary/yr. of FT jobs retained: \$82,705
- Total jobs after project completion: 150 FT

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
- NET Community Benefits: \$288,691,787
- Spillover Jobs: 356
- Construction Jobs: 110
- Total Payroll: \$271,708,435

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

Incentives: \$2,979,020
 Community Benefit: \$259,979,049
 Cost: Benefit Ratio
 • 1:87

Project Title: IMA Life
 Project Address: 700 Colvin Woods Parkway, Tonawanda, NY 14150
 (Ken-Ton Union Free School District)

Agency Request

A sales tax savings and a real property tax abatement in connection with the construction of an 80,000 sq ft new production and office facility on a vacant 15-acre parcel.

Land Acquisition	\$ 2,285,100
New Building Construction	\$ 16,853,019
Manufacturing Equipment	\$ 4,000,000
Non- Manufacturing Equipment	\$ 1,000,000
Soft Costs/Other	\$ 3,418,060
Total Project Cost	\$ 27,556,179
85%	\$ 23,422,752

Company Description

IMA Life North America is part of the IMA Group, headquartered in Bologna, Italy. IMA specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food and Automation, employ roughly 6,900 employees worldwide - 544 are based in the USA. IMA Life NA division has 171 employees of which 154 are based in the existing Tonawanda facility. Today, IMA Life NA ranks among the most respected companies worldwide to produce freeze-drying equipment serving customers in both domestic and international pharmaceutical markets.

Project Description

IMA Life NA has twice expanded its production and office space at their existing facility and has now utilized all the land available. With no further expansion possible at the existing location, IMA Life NA is planning to build a new 80,000 sq ft facility that will include 50,000 sq ft of production space and 30,000 sq ft of office space, as well as exterior parking, truck court, and dumpster areas. This new facility will include a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing, and shipping of Freeze Dryers for the pharmaceutical sector. It will also include corporate office space and be positioned to serve as the North America headquarters for IMA Group. Upon completion of the Project, 120 existing FTE will move to the new building, leaving 34 FTE at the existing site. IMA plans to hire an additional 30 FTE, bringing the total FTE at the new facility to 150 within two years of its completion.

* 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	\$2,383,749
	Sales	\$ 824,819
	Total	\$3,208,568
	Discounted at 2%	\$2,979,020

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 16,091,543
			Payroll Permanent	\$255,616,892
		Public	Property Taxes	\$ 595,937
			Sales Taxes	\$ 2,258,576
	New York State	Public	Income Taxes	\$ 12,226,879
			Sales Taxes	\$ 1,901,959
				Total Benefits to EC + NYS***
			Discounted at 2%	\$259,979,049

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

Discounted Cost \$2,979,020
 Discounted Benefit \$259,979,049
 Ratio 87:1

Conclusion: The Cost Benefit for this project is: 87:1. For every \$1 in costs (incentives), this project provides \$87 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$95 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Town Revenue Over abatement period	Additional School Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 21,071	\$2,998,000	\$ 108,635	\$ 283,357	\$ 414,652	\$ 319,039

Combined Tax Rate: \$ 106.42

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 = \$ 27,556,179 85% = \$ 23,422,752
Employment	Coincides with 10-year PILOT	Maintain Base = 120 FTE Create 85% of Projected Projected = 30 FTE 85% = 25 FTE Recapture Employment = 145 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
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 120 FTE jobs and created 25 FTE 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

- 7/27/23: Public hearing held.
- 9/27/2023: Inducement Resolution presented to Board of Directors - project in compliance with Full Environmental Impact Study FEIS – no further SEQR required.
- 9/27/2023: Lease/Leaseback Inducement Resolution presented to the Board of Directors