

Pfannenberg Expansion / Pfannenberg USA \$ 11,500,000 PRIVATE INVESTMENT INDUCEMENT RESOLUTION		
ELIGIBILITY	Project Title: Pfannenberg Expansion / Relocation	
<ul style="list-style-type: none"><li>NAICS Section – 334512</li></ul>		
COMPANY INCENTIVES	Project Address 13595 Broadway, Alden, NY 14004 (Alden Central School District)	
<ul style="list-style-type: none"><li>Up to \$ 176,750 in sales tax savings</li></ul>		
JOBS & ANNUAL PAYROLL	Agency Request	
<ul style="list-style-type: none"><li>Current Jobs: 120 FT, 7 PT (123 FTE)</li><li>Est. salary/yr. of jobs retained: \$84,050</li><li>Projected new jobs: 23 FT, 0 PT (23 FTE)</li><li>Est. salary/yr. of jobs created: \$74,435</li><li>Total jobs after project completion: 146</li><li>Annual Payroll: \$ 10,335,959</li><li>Construction Jobs: 25</li></ul>	A sales tax abatement associated with the renovation of a vacant facility in Alden, NY.	
	Land / Building Acquisition	\$ 5,050,000
	Infrastructure	\$ 50,000
	Reconstruction/Renovation	\$ 5,000,000
	Manufacturing Equipment	\$ 600,000
	Non- Manufacturing Equipment	\$ 300,000
	Soft Costs/Other	\$ 500,000
Total Project Cost	\$11,500,000	
85%	\$ 9,775,000	
	Company Description	
PROJECTED COMMUNITY BENEFITS*	Pfannenberg is a global company HQ in Hamburg, Germany with the North American HQ located in Lancaster, NY. Pfannenberg is a manufacturer of Thermal Management, Liquid Cooling Solutions and Signaling Technologies. Pfannenberg Thermal Management products are used by some of the largest companies worldwide to keep their electronics cool and safe, protecting critical manufacturing processes. Liquid Cooling Solutions provide the critical cooling required for manufacturing processes including machine tooling, plastic injection molding equipment and many other uses. Their visual and acoustic signaling devices protect personnel and equipment satisfying numerous alarm, warning and induction requirements.	
<ul style="list-style-type: none"><li>Term: 2 YEARS after project completion.</li><li>NET Community Benefits: \$41,996,261</li><li>Spillover Jobs: 27</li><li>Total Payroll: \$39,607,438</li></ul>		
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*	Project Description	
Incentives: \$176,750  Community Benefit: \$40,492,266  Cost: Benefit Ratio <ul style="list-style-type: none"><li>1:229</li></ul>	Pfannenberg has plans to grow its business. Their current location at 68 Ward Road, Lancaster cannot accommodate an expansion due to the parcel size and existing wetlands on the property. Pfannenberg hired a commercial realtor in early 2023 to find a 100,000 – 150,000 SF facility within a 10 – 15 mile radius of their current facility. Pfannenberg is considering 13595 Broadway in the Town Alden for its new location. The company has complied with the Countywide Intermunicipal Move Policy	

\* 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	\$ 0
	Sales	\$176,750
	Mortgage Recording	\$ 0
	Total	\$176,750
	Discounted at 2%	\$176,750

### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 3,837,744
			Payroll Permanent	\$35,769,694
		Public	Property Taxes	\$ 0
			Sales Taxes	\$ 329,237
			Other Muni Revenue (NFTA)	\$ 0
	New York State	Public	Income Taxes	\$ 1,782,334
			Sales Taxes	\$ 277,252
			Total Benefits to EC + NYS***	\$41,996,261
			Discounted at 2%	\$40,492,266

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

Discounted Cost       \$ 176,750  
Discounted Benefit   \$40,492,266  
Ratio                    1:229

**Conclusion:** The Cost Benefit for this project is: 229:1. For every \$1 in costs (incentives), this project provides \$229 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$401 in benefits to the community.**

### 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
\$ 78,687	NA / limited value change expected	\$ n/a	\$ n/a	\$ n/a
Combined Tax Rate: \$				

### 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 = \$11,500,000 85% = \$ 9,775,000
Employment	2 years after project completion	Maintain Base = 123 FTE Create 85% of Projected Projected = 23 FTE 85% = 19 FTE Recapture Employment = 142 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	2 years after project completion	Adherence to Policy
Unpaid Tax	2 years after project completion	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of state and local sales taxes

#### Recapture applies to:

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 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 123 FTE jobs and created 23 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

- 10/01/24: Public hearing held.
- 12/18/24: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 12/18/24: Lease/Leaseback Inducement Resolution presented to the Board of Directors