

Deckorators, Inc / UFP Industries, Inc \$ 77,225,524 PRIVATE INVESTMENT INDUCEMENT RESOLUTION		
ELIGIBILITY	Project Title:	PROJECTGONY2025
<ul style="list-style-type: none"> • NAICS Section – 326199 	Project Address	300 Commerce Dr., Lackawanna, NY 14218 Lackawanna City School District
COMPANY INCENTIVES	Agency Request	
<ul style="list-style-type: none"> • Approximately \$291,385 in real property tax savings • Up to \$ 1,531,250 in sales tax savings 	A sales and real property tax abatement related to the renovation of an existing 168,310 SF building and a 19,000 SF addition allowing for additional manufacturing capacity.	
JOBS & ANNUAL PAYROLL	Acquisition of Land & Building	\$ 6,750,000
<ul style="list-style-type: none"> • Annual Payroll: \$ 3,600,000 • Projected new jobs: 50 FT • Est. salary/yr. of jobs created: \$90,000 • Total jobs after project completion: 50 FT • Construction Jobs: 248 	Building Addition	\$ 2,678,013
	Building Renovations	\$ 6,225,299
	Infrastructure	\$ 7,572,212
	Manufacturing Equipment	\$45,000,000
	Non- Manufacturing Equipment	\$ 7,500,000
	Soft Costs/Other	\$ 1,500,000
	Total Project Cost	\$77,225,524
PROJECTED COMMUNITY BENEFITS*	85%	\$65,641,695
<ul style="list-style-type: none"> • Term: 10 YEARS • NET Community Benefits: \$125,393,094 • Spillover Jobs: 282 <p>Total Payroll: \$118,191,807</p>	Company Description	
	Deckorators, Inc. founded in 1998, is a well-established company within the building materials industry, specializing in decking and railing products. The company was acquired by UFP Industries in 2005. Deckorators, Inc offers a wide variety of products designed to enhance outdoor living spaces and has built a reputation for innovation and quality, making them a trusted name in the decking and railing industry. Their product lineup includes decking, railing, post caps, porch flooring, fasteners, deck balusters, outdoor lighting, and plastic lattice. Their customers include contractors, builders, retailers and distributors.	
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*	Project Description	
<p>Incentives: \$1,794,576</p> <p>Community Benefit: \$115,780,066</p> <p>Cost: Benefit Ratio</p> <ul style="list-style-type: none"> • 1:65 	<p>Deckorators, Inc is seeking to expand its manufacturing facilities into the northeast U.S. The applicant's affiliate , UFP Real Estate LLC will purchase the proposed project facility which consists of 2 buildings on approximately 31 acres. The main building is 168,310 SF of manufacturing space and a 19,000 SF addition is planned to handle future manufacturing needs. A secondary 85,000 SF open wall space warehouse building is on the site and will be considered for future development including additional capacity and growth opportunities. The applicant's processes require high quantities of rail cars for inbound raw materials while outbound truck freight is the primary method for distribution of finished goods. The applicant will install a multi branch rail spur with additional plans to significantly enhance the driveways that support inbound / outbound traffic. Outdoor storage is planned on the site. The manufacturing process will require large volumes of natural gas and electricity and therefore, electrical and gas upgrades are needed. This project will need 50 FT workers including highly skilled production, administrative, professional and management employees.</p>	

* 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	\$ 291,386
	Sales	\$1,531,250
	Mortgage Recording	\$ 0
	Total	\$1,822,636
	Discounted at 2%	\$1,794,576

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 38,060,465
			Payroll Permanent	\$ 80,131,342
		Public	Property Taxes	\$ 72,844
			Sales Taxes	\$ 982,470
			Other Muni Revenue (NFTA)	\$ 0
	New York State	Public	Income Taxes	\$ 5,318,631
			Sales Taxes	\$ 827,342
			Total Benefits to EC + NYS***	\$125,393,094
			Discounted at 2%	\$115,780,066

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

Discounted Cost \$ 1,794,576
Discounted Benefit \$115,780,066
Ratio 1:65

Conclusion: The Cost Benefit for this project is: 65:1. For every \$1 in costs (incentives), this project provides \$65 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$101 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional City Revenue Over abatement period	Additional School Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$163,817	\$5,745,000	\$ 9,763	\$ 36,626	\$ 26,457	\$ 200,240
Combined Tax Rate: \$ 34.85					

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 = \$77,225,524 85% = \$65,641,695
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 50 FTE 85% = 42 FTE Recapture Employment = 42 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 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 created 50 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

- 3/14/25 and 3/25/25: Public hearings held.
- 3/26/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 3/26/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors