

IMA Life North America / IMA Group
\$ 12,500,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 333993

COMPANY INCENTIVES

- Approximately \$ 1,140,574 in real property tax savings
- Up to \$ 376,250 in sales tax savings

JOBS & ANNUAL PAYROLL

- Projected new jobs: 40 FTE
- Est. salary/yr. of jobs created: \$ 76,574
- Annual Payroll: \$4,059,607
- Total jobs after project completion:40
- Construction Jobs: 49

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$71,047,945
 - Spillover Jobs: 109
- Total Payroll: \$63,780,885

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

- Incentives: \$1,406,990
- Community Benefit: \$63,954,830
- Cost: Benefit Ratio
- 1:45

Project Title: IMA Life Phase 2

Project Address: 700 Colvin Woods, Tonawanda, NY 14150
(KenTon Union Free School District)

Agency Request

A sales tax and real property tax abatement for the construction of a 36,500 SF addition allowing for new production space for additional growth.

Building Addition	\$ 8,600,000
Manufacturing Equipment	\$ 3,700,000
Soft Costs/Other	<u>\$ 200,000</u>
Total Project Cost	\$ 12,500,000
85%	\$ 10,625,000

Company Description

IMA Life North America is part of the IMA Group HQ in Bologna, Italy. IMA specializes in packaging and processing equipment for pharmaceutical companies as well as the food industry and the automation of industrial processes. The 3 divisions, Pharmaceutical, Food and Automation, employ about 6,900 employees worldwide. Of all employed by IMA Group’s global workforce, 154 are based in Tonawanda. The equipment produced in IMA Life NA’s Tonawanda facility serves customers in both domestic and international markets.

Project Description

IMA is currently constructing an approx. 80,000 SF facility at 700 Colvin Woods Parkway with a completion date of May/June 2025. That initial \$ 27 M (Phase 1) project was brought before the ECIDA Board in Sept of 2023 (note: a modified application is forthcoming to request an increase in sales tax benefit due to a rise in project costs to \$33.7 M).

To serve the growing demand for supply of freeze dryers to the pharmaceutical industry, IMA is considering a Phase 2 Project adding 36,500 SF of production space to the facility. The scope of this new request also includes exterior parking and servicing. IMA will utilize the additional production space to expand its operations. Phase 2 would likely begin construction in June 2025 immediately upon the completion of Phase 1 to avoid re-mobilization costs.

* 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	\$1,140,577
	Sales	\$ 376,250
	Mortgage Recording	\$ 0
	Total	\$1,516,827
	Discounted at 2%	\$1,406,990

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 7,554,615
			Payroll Permanent	\$56,226,270
		Public	Property Taxes	\$ 3,420,276
			Sales Taxes	\$ 530,179
			Other Muni Revenue (NFTA)	\$ 0
	New York State	Public	Income Taxes	\$ 2,870,140
			Sales Taxes	\$ 446,466
			Total Benefits to EC + NYS***	\$71,047,945
			Discounted at 2%	\$63,954,830

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

Discounted Cost \$ 1,406,990
 Discounted Benefit \$63,954,830
 Ratio 1:45

Conclusion: The Cost Benefit for this project is: 45:1. For every \$1 in costs (incentives), this project provides \$45 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$49 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	\$4,275,500	\$ 39,358	\$ 98,138	\$ 147,649	\$477,156
Combined Tax Rate: \$ 111.60					

* includes estimated value of Phase 1 which is currently under construction

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 = \$12,500,000 85% = \$ 10,625,000
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 40 FTE 85% = 34 FTE Recapture Employment = 34 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, 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 created 40 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

- 4/2/25: Public hearing held.
- 4/23/25: Inducement Resolution presented to Board of Directors adopting project conforms with FGEIS therefore no additional SEQRA action required
- 4/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

- 9/23/23: Construction of an 80K SF facility in the Town of Tonawanda (Phase 1) – Sales & property tax abatement in support of a \$26.8 M investment (note as of 3/7/25: a modified application for Phase 1 of this project is forthcoming. The modification is a request to increase the sales tax benefit due to a rise in project costs to \$33.7 M)