

Niagara Power Transformer LLC \$ 71,203,457 PRIVATE INVESTMENT INDUCEMENT RESOLUTION																					
ELIGIBILITY	Project Title: Niagara Power 50																				
• NAICS Section – 335311																					
COMPANY INCENTIVES	Project Address 1755 & 1746 Dale Road, Cheektowaga, NY 14225 (Cheektowaga Central School District)																				
• Approx \$ 467,351 in real property tax savings • Up to \$ 1,726,913 in sales tax savings																					
JOBS & ANNUAL PAYROLL	Agency Request A sales and real property tax abatement associated with the renovation of 41,000 SF of existing buildings and a 55,000 SF expansion to two existing buildings in Cheektowaga. The additional space will be used for manufacturing and warehouse space. <table><tr><td>Land / Building Acquisition</td><td>\$ 5,417,218</td></tr><tr><td>Building Construction</td><td>\$ 18,845,291</td></tr><tr><td>Reconstruction/Renovation</td><td>\$ 14,048,307</td></tr><tr><td>Manufacturing Equipment</td><td>\$ 16,375,575</td></tr><tr><td>Non-Manufacturing Equipment</td><td>\$ 415,035</td></tr><tr><td>Soft Costs</td><td>\$ 13,426,153</td></tr><tr><td>Other Cost</td><td>\$ 2,675,878</td></tr><tr><td colspan="2"> </td></tr><tr><td>Total Project Cost</td><td>\$ 71,203,457</td></tr><tr><td>85%</td><td>\$ 60,522,938</td></tr></table>	Land / Building Acquisition	\$ 5,417,218	Building Construction	\$ 18,845,291	Reconstruction/Renovation	\$ 14,048,307	Manufacturing Equipment	\$ 16,375,575	Non-Manufacturing Equipment	\$ 415,035	Soft Costs	\$ 13,426,153	Other Cost	\$ 2,675,878			Total Project Cost	\$ 71,203,457	85%	\$ 60,522,938
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85%	\$ 60,522,938																				
• Current Jobs: 146 FT; 1 PT (146 FTE) • Est. salary/yr. of jobs retained: \$79,532 • Projected new jobs: 73 FT • Est. salary/yr. of jobs created: \$79,532 • Total jobs after project completion: 219 FTE • Annual Payroll: \$17,380,594 • Construction Jobs: 256																					
PROJECTED COMMUNITY BENEFITS*	Company Description Niagara Power Transformer has been part of Western New York’s manufacturing base for more than 100 years. The company evolved from Niagara Transformer Corp., which began by repairing transformers and rewinding electric motors before expanding into the design and manufacture of power transformers. The company was incorporated in 2008 to focus on serving the electric utility industry and was acquired by Quanta Services, Inc. in 2024, which is now its sole owner. Niagara Power Transformer designs and manufactures custom liquid-filled substation power transformers for electric utilities, renewable energy developers, and industrial customers. Project Description The Niagara Power 50 Initiative (NP50) is a six-phase, two-year expansion of Niagara Power Transformer’s existing 121,500 SF manufacturing campus in Cheektowaga. The project will redevelop adjacent properties and add approximately 55,000 SF of new manufacturing space and renovate 41,000 SF of existing properties. The expansion will provide additional manufacturing and warehousing capacity, new production areas and equipment, expanded material handling capabilities, and upgraded utility infrastructure. These improvements will enhance production flow and manufacturing capabilities, increasing annual output from approximately 90 to 140 custom power transformers, a 50% increase in manufacturing capacity. The project is also expected to create at least 73 new full-time positions, including 57 IBEW union jobs. The expanded facility will continue to manufacture custom liquid-filled substation power transformers that support electric utilities, municipalities, electric cooperatives, renewable energy projects, and industrial customers throughout New York and across the United States.																				
• Term: 10 YEARS • NET Community Benefits: \$331,603,058 • Spillover Jobs: 368 • Total Payroll: \$312,630,681																					
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*																					
Incentives: \$2,149,260 Community Benefit: \$300,690,672 Cost: Benefit Ratio: 1:140																					
* 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	\$ 467,351
	Sales	\$ 1,726,913
	Total	\$ 2,194,264
	Discounted at 2%	\$ 2,149,260

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 40,186,560
			Payroll Permanent	\$272,444,121
		Public	Property Taxes	\$ 116,839
			Sales Taxes	\$ 2,598,743
			Other Muni Revenue (NFTA)	\$ 0
	New York State	Public	Income Taxes	\$ 14,068,380
			Sales Taxes	\$ 2,188,415
			Total Benefits to EC + NYS***	\$331,603,058
			Discounted at 2%	\$300,690,672

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

Discounted Cost \$2,149,260
Discounted Benefit \$300,690,672
Ratio 1:140

Conclusion: The Cost Benefit for this project is: 140:1. For every \$1 in costs (incentives), this project provides \$140 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$210 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
\$111,579	\$6,688,450	\$20,263	\$30,344	\$66,231	\$169,998
Combined Tax Rate: \$ 25.42					

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 = \$ 71,203,457 85% = \$ 60,522,938
Employment	Coincides with 10-year PILOT	Maintain Base = 146 FTE Create 85% of Projected Projected = 73 FTE 85% = 62 FTE Recapture Employment = 208 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 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 146 FTE jobs and created 73 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

- 8/25/26: Public hearing held.
- 9/23/26: Inducement Resolution presented to Board of Directors adopting a Neg Dec in accordance with SEQRA
- 9/23/26: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

- 5/16/2011: \$8M Construction of 24,000 SF manufacturing facility. Property, Mortgage Recording, & Sales Tax Incentives – Cheektowaga (Inactive)