

Upstate Pharmacy, Ltd.
\$310,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 446110

COMPANY INCENTIVES

- Approximately \$27,125 in sales tax savings.

EMPLOYMENT

- Retained Jobs: 70
- New Jobs Projected - 10
- Total Jobs after 2 Years - 80

PROJECT HISTORY

- 9/16/2015 - ECIDA board approves Shevlin Land & Cattle project which consists of the construction of a 15,000 sq. ft., facility for lease to Upstate Pharmacy
- No public hearing required since estimated benefit amount is less than \$100,000
- 3/30/2016 - ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA.
- 03/30/2016 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Upstate Pharmacy, Ltd.

Project Address: 1900 North America Drive
West Seneca, New York 14224
(West Seneca Central School District))

Agency Request

A sales tax exemption in connection with the equipping of a newly constructed 15,000 sq. ft. facility.

Equipment \$310,000

Total Project Cost \$310,000

85% \$263,000

Company Description

Upstate provides pharmacy services to residential group homes for people with development disabilities and emotional challenges and pharmacy services to cancer patients referred to them by their oncologist or cancer care system like Roswell Park Cancer Institute. They are not a retail, walk-in pharmacy for consumers.

Since 1988, Upstate has provided pharmacy services and supplies to 230 residential group homes in the following counties: Chautauqua, Cattaraugus, Allegheny, Erie, Wyoming, Livingston, Niagara, Genesee, Orleans and Monroe. The company also services 1100 cancer patients in these counties referred to by local, physicians and the Roswell Park cancer Institute.

Project Description

This project represents the companion piece to the previously approved project for Shevlin Land and Cattle. In September, 2015 the ECIDA board unanimously approved incentives for the developer to construct the facility that Upstate would be occupying. That project is constructed and Upstate is in the process of moving into the facility. Shevlin is investing \$1,700,000 in the construction of that facility.

Upstate is relocating from 10,000 sq. ft. of leased space--also in West Seneca--into this newly constructed facility. ECIDA assistance is being requested to allow the company a sales tax exemption in connection with the equipping of the facility.

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 = \$310,000 85% of total project amount = \$263,500
Employment	See Recapture Terms	Maintain Base = 70 Create 85% of projected jobs = 10 85% = 8 Recapture Employment = 78
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	See Recapture Period	Adherence to Policy
Unpaid Tax	See Recapture Period	Adherence to Policy
Recapture Period	2 Years After Project completion	Recapture of State and Local Sales Taxes

Recapture applies to:

- State and local sales taxes

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA's Policy Committee to recapture the local portion of the sales tax.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create an additional 10 jobs (85% = 8) iii) confirm adherence to ECIDA local labor hiring policy iv) adherence to Pay Equity Policy and v) adherence to unpaid tax policy.