

**Fisher Price**  
**\$8,000,000**  
**INDUCEMENT RESOLUTION**

**HIGHLIGHTS**

- Eligibility: NAICS Section - **33 Manufacturing**

**COMPANY INCENTIVES**

- Approximately \$568,000 in sales tax benefits



Project Title: Fisher Price  
 Project Address: 636 Girard Avenue, East Aurora, NY  
 (East Aurora Union Free School District)  
 SIC/NAICS: 3944/339932

**Agency Request**

The proposed project entails the purchase of non-production equipment including various building systems. The project is necessary to modernize the company’s East Aurora operation and maintain its operational level.

Renovations	\$1,500,000
Non-Manufacturing Equipment	\$5,000,000
Manufacturing Equipment	\$1,200,000
Soft Costs	\$ 300,000
<b>Total</b>	<b>\$8,000,000</b>

**Company Description**

Fisher Price, Inc. is a manufacturer of toys and children’s products which are sold worldwide. The company was established in East Aurora in 1930. This location is the corporate headquarters and research and development center for the world’s leading brand of infant and preschool toys that enhance early childhood development. Fisher Price’s Play Lab was the first child research center of its kind in the toy industry. Fisher price is also a leading developer of baby gear products (nursery monitors, infant swings, high chairs) and character-based toys.

Although diminished in size, Fisher Price remains among the top non-governmental employers in Western New York with 750 people working at the the East Aurora plant. In 1997, the company was acquired by Mattel, Inc., a publicly traded company headquartered in El Segundo, California.

Assembly of toys is done at plants in China and Mexico.

**Project Description**

The proposed project is necessary as it will enable the company to upgrade and modernize its buildings systems. IDA assistance in the form of a sales tax benefit over a 3-year period will augment the company’s capital budget proposed for the modernization of the facilities to aid the company in attracting and retaining new talent and will support research and development activities for new products for 2016 and beyond. The company will be acquiring and installing non-production equipment which includes a new phone system and office equipment as well as constructing renovations to the building.

**Project Incentives**

Sales tax savings of approximately \$568,000

**Employment**

<u>Year 1</u>	<u>Year 2</u>
750	750

# Fisher Price, Inc.

## Draft 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 = \$8,000,000 85% = \$6,800,000
Employment	See Recapture Period	Maintain 100% of base = 750
Local Labor	See Recapture Period	Adherence to policy including quarterly reporting
Recapture Period	The later of two years after project completion or termination of the Agent or Financial Assistance Agreement	Recapture of state and local sales taxes

### Recapture applies to:

State and Local Sales Taxes

### Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales tax 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 share of 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 has maintained 100% of its base employment and iii) confirm adherence to ECIDA local labor hiring policy.

### Project History

5/29/2014 Public Hearing Held. Transcript Attached

6/18/2014 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.

6/18/2014 Lease/Leaseback Inducement Resolution presented to Board.

### Company History

3/1/1977 \$1,000,000 Lease closed

5/13/1996 \$17,000,000 Lease closed

4/06/2000 \$5,500,000 Lease closed

5/19/2003 \$8,322,000 Lease closed

5/29/2009 \$17,298,000 Lease closed

8/1/2010 \$10,000,000 Lease closed