

PUBLIC HEARING SCRIPT

Derrick Corporation Project

Public Hearing to be held on June 2, 2014 at 10:00 a.m.,
at the Town of Cheektowaga Town Hall located at 3301 Broadway
(Council Office Conference Room-Room 208), Cheektowaga, New York 14227

ATTENDANCE

Richard Schechter, Pyramid Brokerage Company

Dan Ronan, Derrick Corporation

John Cappellino, ECIDA

☒ 1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: *Welcome. This public hearing is now open; it is 10:00 a.m. My name is Grant Lesswing I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.*

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Derrick Corporation project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on May 23, 2014.*

☒ 3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *The proposed project (the "Project") consists of: (i) a leasehold interest in a parcel of land located at 590 Duke Road, Town of Cheektowaga, Erie County, New York (the "Land") to be improved thereon with a new 31,200+/- SF office addition; the renovation, upgrading and equipping of existing garage space into a training room; and minor renovations on several existing offices (the "Improvements"),*

and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

☒ 4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: *All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on June 17, 2014. There are no limitations on written comments.*

☒ 5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.*

The Hearing Officer calls on those who raise their hand.

Dan Ronan, VP of Finance for Derrick Corporation. Just a few comments on the project. What we are looking at is a 31,200 sq. ft. addition to the west side of our existing corporate headquarters at 590 Duke Road in the Town of Cheektowaga. Our current office space is about 21,000 sq. ft. So this addition would more than double the existing space we have. Our last expansion was about 20 years ago so we are hoping that this expansion will last us for at least 10 years.

The budgeted cost associated with this project is about \$9.75M. \$8.25M is new construction, \$600,000 in renovations and \$850,000 in furniture, equipment and soft costs. The renovations will include a conference training center for our employees.

The demand for additional space is the consequence of a 130,000 sq. ft. manufacturing addition we did in 2011 with the support of the ECIDA. The office designs that we have from our architect we are using the same tilt wall construction so they will have the same look and feel. The total office space will be 380,000 sq. ft.

We would like to start construction by the end of June and anticipate the project being completed in January or February 2015. We have signed a construction agreement with Lehigh Construction from Orchard Park, New York that is contingent upon ECIDA inducement. In our discussions with Lehigh they assured us that meeting the local labor requirements would not be a problem as they work almost exclusively with local sub contractors.

The new office is intended to house research and development, engineering and administrative departments. We expect the project to add an additional 10 jobs to our workforce, a mix of professional and administrative positions with salaries ranging from \$30,000 to \$90,000 per year. This current location currently has 477 full time jobs so this would take us to 487 full time employees.

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 10:25 a.m.

The Town of Cheektowaga



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MARY F. HOLTZ
Town Supervisor

May 30, 2014

John Cappellino
Director of Business Development
Erie County Industrial Development Agency
143 Genesee Street
Buffalo, NY 14203

Dear John:

Derrick Corporation has submitted a proposal seeking ECIDA financial assistance in the form of real property tax abatement, sales tax savings and a mortgage recording tax savings for its property located at 590 Duke Road, in the Town of Cheektowaga, which will allow, primarily, for an office expansion project. This project follows Derrick's 2011 manufacturing expansion and will double the company's office space, allowing for future growth.

The Derrick Corporation has been located on Duke Road, in Cheektowaga, for 57 years and has regularly invested in the company since its first expansion project there, in 1981. Derrick's plan to continue improvements bodes well not only for the company, but for this community as well. It continues to hold the promise of more good paying jobs for our area.

I am writing to express my strong support of this project and urge its full and positive consideration.

Sincerely,

Mary F. Holtz
Supervisor
Town of Cheektowaga