

Flexo Transparent, LLC
\$6,150,000
INDUCEMENT RESOLUTION

ELIGIBILITY
<ul style="list-style-type: none"> • NAICS Section - 326111
COMPANY INCENTIVES
<ul style="list-style-type: none"> • Approximately \$115,000 in real property tax savings • Approximately \$201,250 in sales tax savings • Up to 3/4 of 1% of the final mortgage amount. It is estimated the mortgage will be \$5,000,000 for a savings of \$37,500
PROJECT BENEFITS
The project will generate approximately \$31,400 of revenue to the local taxing jurisdictions over the abatement period representing \$5,100 to the County of Erie, \$26,300 to the City of Buffalo.
EMPLOYMENT
<ul style="list-style-type: none"> • Retained Jobs = 115 • New Jobs Projected = 6 • Total Jobs 2 Years after project completion = 121
PROJECT HISTORY
<ul style="list-style-type: none"> • Public hearing held. Transcript attached • 12/21/2016 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA. • 12/21/2016 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Flexo Transparent, LLC

Project Address: 1146 Seneca Street
Buffalo, New York 14210
(Buffalo City School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with an expansion of the company's existing operations.

New Building Construction	\$1,600,000
Infrastructure/Renovation	\$ 800,000
Manufacturing Equipment	\$3,600,000
Non-Manufacturing Equipment	\$ 50,000
Soft Costs	\$ 100,000

Total Project Cost	\$6,150,000
85%	\$5,227,500

Company Description

Flexo Transparent was founded in 1954 and provides multi-colored flexible packaging products including roll stock, bags, pouches and sleeves/shrink sleeves for food grade and retail customer products.

Flexo also provides prepress and computer graphic work to support the end use packaging.

Project Description

Flexo currently operates out of a 120,000 sq. ft. of space at 28 Wasson Street in the City of Buffalo. The current project consist of the construction of a 16,200 sq. ft. addition to the existing facility along with the purchase of a new, state of the art 10-color printing press and ancillary production and storage equipment.

The expansion and acquisition of the new printing press will allow Flexo to maintain its competitive position within the industry and is necessary to support rapid customer growth and increasing supply demands in the industry.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-Year Abatement Period	Additional Local Revenue Over 7-Year PILOT Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$650,000	\$5,100	\$26,000	\$21,000
Combined Tax Rate: \$33.00				

PILOT Table

The project will generate approximately \$31,400 of revenue to the local taxing jurisdictions over the abatement period representing \$5,100 to the County of Erie, \$26,300 to the City of Buffalo.

Year	% payment under PI-LOT	Est. County PILOT	Est. City PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	1	\$343	\$1,754	\$2,097	\$20,969	\$18,872
2	1	\$343	\$1,754	\$2,097	\$20,969	\$18,872
3	2	\$685	\$3,509	\$4,194	\$20,969	\$16,775
4	2	\$685	\$3,509	\$4,194	\$20,969	\$16,775
5	3	\$1,028	\$5,263	\$6,291	\$20,969	\$14,678
6	3	\$1,028	\$5,263	\$6,291	\$20,969	\$14,678
7	3	\$1,028	\$5,263	\$6,291	\$20,969	\$14,678
TOTAL PAYMENTS		\$5,138	\$26,315	\$31,454	\$146,783	\$115,330

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 = \$6,150,000 85% = \$5,227,500
Employment	Construction Phase and PILOT Term	Maintain Base = 115 Create 85% pf Projected Projected = 6 85% = 5 Recapture Employment = 120
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-Year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-Year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-Year PILOT term	Recapture of state and local sales taxes, mortgage recording tax and real property taxes

Recapture applies to:

- State and Local Sales Taxes
- Real Property Taxes
- Mortgage Recording 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 project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company will create 5 additional jobs (85% of 6) iii) confirm adherence to ECIDA local labor /unpaid tax & pay equity policy.