

**Unifrax 1, LLC North Youngman
\$26,000,000
INDUCEMENT RESOLUTION**

ELIGIBILITY

- NAICS Section - 321999

COMPANY INCENTIVES

- Approximately \$879,000 in real property tax savings
- Approximately \$371,437 in sales tax savings

PROJECT BENEFITS

- The project is will generate approximately \$240,000 of revenue to the local taxing jurisdictions over the abatement period representing \$34,000 to the County of Erie, \$79,000 to the Town of Tonawanda & \$127,000 to the Kenmore-TTN UFSD.

EMPLOYMENT

- Current - 0
- New Jobs Projected - 25
- Total Jobs after project completion - 25
- Additional Company Employment in Tonawanda:
- 360 Fire Tower Drive-319
600 Riverwalk-116

PROJECT HISTORY

- 9/17/2014 - The Project is consistent with the mitigation measures set forth in the DGEIS, FGEIS, and the Findings Statement that were prepared for the Project and as such, no further SEQR review is required for the Project pursuant to 6 N.Y.C.R.R. Section 617.10(d)(1).
- 3/20/2017– Public hearing held. Transcript attached.
- 4/26/2017– Lease/Leaseback Inducement Resolution presented to the Board of Directors.

PROJECT INVESTMENT TOTAL

Project Investment Totals:
1988 - \$4,250,000
2000 - \$2,200,000
2011 - \$3,035,000
2015 - \$13,000,000

Project Title: Unifrax 1, LLC
Project Address: North Youngmann Commerce Center Business Park
Tonawanda, New York 14150
(Kenmore-TTN UFSD)

Agency Request

A sales tax and real property tax abatement in connection with the construction of an 83,000 sq. ft. manufacturing facility in the North Youngmann Commerce Center.

New Construction	\$5,700,000
Infrastructure	600,000
Manufacturing Equipment	15,800,000
Non-Manufacturing Equipment	150,000
Soft Costs	1,750,000
 Total Project Cost	 \$24,000,000
 85%	 \$20,400,000

Company Description

Unifrax is a manufacturer of high-temperature insulation products. Unifrax fiber products are used to solve application problems in the ferrous and non-ferrous metals, industrial chemicals, petroleum products, power generation, ceramic, glass, automotive, fire protection, aerospace, appliance and other industries.

With corporate headquarters in Tonawanda, Unifrax has three U.S. manufacturing facilities—Tonawanda and Sanborn, New York and New Carlisle, Indiana.

Unifrax acquired three leading North American vacuum forming businesses in 2011 with manufacturing facilities in Ohio and specializing in the development, manufacture and sale of fiber-based value add shapes.

The company employs more than 2,200 people worldwide with 23 manufacturing facilities and various regional and sales locations in the US, Europe, Asia, South Africa and Latin America.

Project Description

Unifrax has been making a polycrystalline fiber product which is currently being manufactured in Japan and demand for this product is outpacing production capacity. After consideration was given to expanding in the UK or Czech Republic to site a new plant at one of the company's other global locations, it was decided to construct the new plant at the Tonawanda location which is adjacent to the company's existing operations.

A new 83,000 sq. ft. manufacturing plant will be constructed in the North Youngmann Commerce Center. In addition, over \$15,000,000 will be expended equipping the plant.

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 = \$24,000,000 85% of total project amount = \$20,400,000
Employment	Coincides with 7-Year PILOT term	Projected Jobs: 25 85% of projected jobs = 21
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Unpaid Taxes	Same as Recapture Period	Adherence to Policy
Pay Equity	Same as Recapture Period	Adherence to policy
Recapture Period	Coincides with 7-Year PILOT term	Recapture of Real Property Taxes, State and Local Sales Taxes

Recapture applies to:

- Real property taxes
- State and Local Sales Taxes

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 the anticipated project amount proposed ii) confirm that company will create 21 jobs iii) adhere to local labor policy during construction phase and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.