

Rich Products Corporation \$4,000,000 INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **31 Manufacturing**

COMPANY INCENTIVES

- Approximately \$324,000 in sales tax savings



Project Title: Rich Products Corporation
 Project Address: One Robert Rich Way, Buffalo, New York 14213
 (Buffalo City School District)
 SIC/NAICS: 5140/311813

Agency Request

Sales tax exemption in connection with the construction of capital improvements and the acquisition & installation of machinery and equipment.

Renovations	\$ 600,000
Equipment	3,400,000
 Total Project Cost	 \$4,000,000

Company Description

Rich Products Corporation is a privately held, multinational food products corporation headquartered in Buffalo, New York. The company was founded in 1945 by Robert E. Rich, Sr., after his development of a non-dairy whipped topping based on soybean oil. Since then, the company has expanded its non-dairy frozen food offerings, and also supplies products to retailers, in-store bakeries, and foodservice providers. Rich's employs 7,200 associates worldwide, with manufacturing facilities in the United States, Australia, Brazil, Canada, China, Mexico, South Africa, Thailand, the United Kingdom and Viet Nam. The company sells more than 2,000 products in 73 countries.

Project Description

The overall proposed project focus at Rich's Buffalo world headquarters over the next few years is on the revitalization of the building and changes within the functional areas to accommodate the changing business environment. The headquarter revitalization includes both capital improvements and mechanical/interior upgrades. The reroofing of the One Robert Rich Way facility, a main electrical upgrade, and the need to upgrade HVAC systems will require an estimated capital outlay exceeding \$1 million. As an environmentally-responsible company, Rich's continuously strives to reduce its environmental footprint and continue to implement a variety of initiatives towards this objective. They have created a long-term sustainability strategy and Center of Excellence to raise awareness and prioritize actions across the company in supporting these initiatives. Their goal is to drive continuous improvements which are both beneficial to their business and the environment. Changes within Rich's functional areas to accommodate the changing business environment and business models include the following:

“C-3” (Creating a Connected Culture”), a significant work environment modernization, is proposed to be completed within the next 3-4 years. The modernization will improve the work environment for over 800 world headquarters associates.

The redevelopment of the Product Presentation Area will provide current and potential customers with the ability to view products and services.

Expansion of research and development capabilities and product testing areas.

Rich Products Corporation

Project Incentives

- Approximately \$324,000 in sales tax savings.

Project Benefit

Rich Products continues to face the challenges and opportunities associated with the potential relocation of their world headquarters functions closer to their other U.S. manufacturing operations. The support provided by these tax incentives will help to retain the company's headquarters presence in Buffalo.

Employment

<u>Current</u>	<u>Projected (2 Years)</u>
643 FT	643 FT
69 PT	69 PT

Project History

- 05/02/2011 Public Hearing held. No oral or written comments. Transcript on file at ECIDA.
- 05/16/2011 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
- 05/16/2011 Lease/Leaseback Inducement Resolution presented to Board of Directors.

Company History

- 1/1/79 \$1,800,000 Bond Closed
- 1/1/80 \$1,000,000 Bond Closed
- 1/1/80 \$500,000 Bond Closed
- 1/1/80 \$1,500,000 Bond Closed
- 11/24/87 \$7,500,000 Bond Closed
- 11/17/99 \$4,777,141 Lease Closed
- 7/22/03 \$5,666,400 Bond Closed