

APP Pharmaceuticals, Inc.
\$27,819,000
INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **32 Manufacturing**
- **Cluster Industry**

COMPANY INCENTIVES

- Approximately \$1,800,000 in property tax savings.
- Approximately \$916,000 in sales tax savings
- Up to \$278,190 in mortgage tax savings
- The project will generate approximately \$69,000 to the taxing jurisdiction which includes \$14,000 to the County, \$8,000 to the Town of Grand Island & \$47,000 to the Grand Island Central School District.



Project Title: APP Pharmaceuticals, Inc.
Project Address: 3159 Staley Road Grand Island, NY 14072
(Grand Island Central School District)
SIC/NAICS: 2835/325410

Agency Request

Sales tax, mortgage recording tax and real property tax abatements in connection with the expansion of the Grand Island facility.

New Building Construction	\$ 5,730,000
Renovations	14,353,000
Equipment	7,606,000
Other	130,000
Total Project Cost	\$27,819,000

Company Description

APP Pharmaceuticals, a company of the Fresenius Kabi Group, is a fully integrated pharmaceutical company that develops, manufactures and markets injectable pharmaceutical products. The primary focus is the anesthetic/analgesic, anti-infective, critical care and oncology markets. Through continuous expansion of a broad portfolio of products, in a range of therapeutic categories, APP provides affordable healthcare to millions of patients with critical and chronic illness in North America. Headquartered in Schaumburg, Illinois, APP has more than 1,800 employees. Approximately 37,000 sq. ft. of existing space will be renovated and a new 13,000 sq. ft. facility will be constructed. APP Pharmaceuticals, Inc., which was acquired by Fresenius Kabi Pharmaceuticals Holding, Inc., on September 10, 2008, is a company of the Fresenius Kabi Group. Fresenius Kabi Pharmaceuticals Holding, Inc., is a wholly owned subsidiary of Fresenius Kabi AG, which is a 100% subsidiary of Fresenius.

Project Description

APP Pharmaceuticals is in need of additional manufacturing capacity due to the pending closure of their Puerto Rico facility and lease expiration of a facility located in Chicago. The project can be located in Grand Island, NY, APP's Raleigh NC facility or one or more of the facilities worldwide that are owned by parent company Fresenius (example: Graz, Austria). The project will include the relocation of equipment from Puerto Rico and addition of equipment and utility systems and will include aseptic manufacturing of drug products both liquid and Lyophilized (freeze dried). The overall requirement for space is approximately 50,000 square feet.

Approximately 37,000 sq. ft. of existing space will be renovated and a new 13,000 sq. ft. facility will be constructed.

APP Pharmaceuticals, Inc.

Project Incentives

- Approximately \$1,800,000 in property tax savings.
- Approximately \$916,000 in sales tax savings
- Up to \$278,190 in mortgage tax savings

Project Benefit

The addition of 90 employees

The project will generate approximately \$69,000 to the taxing jurisdiction which includes \$14,000 to the County, \$8,000 to the Town of Grand Island & \$47,000 to the Grand Island Central School District.

Employment

Current:
575

Projected (3 Years)
665

Project History

- 05/16/11 Town of Grand Island, acting as lead agency, adopts a Negative Declaration in accordance with SEQRA
- 06/17/11 Public Hearing held. Transcript on file at ECIDA.
- 06/20/11 Lease/Leaseback Inducement Resolution presented to Board of Directors.

Company History

- 5/28/97 \$18,891,700 Lease Closed
- 5/27/99 \$2,450,000 Lease Closed
- 4/25/01 \$10,450,000 Lease Closed
- 5/24/04 \$1,041,643 Lease Closed
- 12/30/05 \$4,000,320 Lease Closed
- 2/26/09 \$12,000,000 Lease Closed