



**Erie County Industrial Development Agency
Meeting of the Membership
December 18, 2024
At 12:00 p.m.**

**ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203**

1.0 Call to Order

1.1 Call to Order Meeting of the Membership

2.0 Approval of Minutes:

2.1 Approval of Minutes of the October 23, 2024 Meeting of the Membership (Action Item) (Pages 2-7)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 8-11)

3.2 2024 Tax Incentive Induced/Closing Schedule (Informational) (Pages 12-13)

3.3 Policy Committee Update (Informational)

4.0 Inducement Resolution:

4.1 Pfannenberg USA (Pages 14-54)

**ECIDA
Incentives
\$176,750**

**Private
Investment
\$11,500,000**

**Municipality
Alden**

5.0 Management Team Reports:

5.1

6.0 Adjournment- Next Meeting - Meeting January 22, 2025

**MINUTES OF THE MEETING
OF THE
MEMBERSHIP OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(ECIDA or AGENCY)**

DATE AND PLACE: October 23, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Rev. Mark Blue, Patrick Boyle, Hon. Joseph H. Emminger, Hon. John J. Gilmour, Michael P. Hughes, Hon. Brian Kulpa, Richard Lipsitz, Jr., Brenda McDuffie, Glenn R. Nellis, Hon. Brian Nowak, Hon. Christopher P. Scanlon and Kenneth A. Schoetz

EXCUSED: James Doherty, Thomas R. Emmerling, Dottie Gallagher, Tyra Johnson and Hon. Mark C. Poloncarz

OTHERS PRESENT: John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Daryl Spulecki, Assistant Loan Manager; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Michelle Moore, Compliance Associate; Elizabeth Hughes, General Counsel/Harris Beach PLLC and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Zachary Evans on behalf of Erie County; Daniel Castle on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of the Buffalo News; J. Dale Shoemaker on behalf of Investigative Post; and Michelle Siefert and Derek Litan on behalf of Hanes Supply Company

There being a quorum present at 12:00 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by the Chair, Ms. McDuffie.

MINUTES

The minutes of the September 25, 2024, meeting of the members were presented. Mr. Kulpa moved, and Mr. Blue seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the September financial reports. The balance sheet shows that the IDA ended the month with total assets of \$36.4M and net assets of \$19.6M. Overall assets and liabilities both increased slightly during the month. The monthly income statement shows a net income of \$3,000 in September. Operating revenue of \$195,000 was below the monthly budget by \$19,000, due mainly to administrative fees below our monthly budget. Operating expenses of \$232,000 were \$24,000 below our monthly budget. The variance in salaries and benefits is mostly due to differences in benefit costs from budget. After net non-operating revenue of \$44,000, there was net income of \$3,172 for the month. The year-to-date income statement shows operating revenues of \$1.7M, including administrative fee revenue of \$1.06M. We are at 59% of our annual budget through September. Other revenue lines are in line with the YTD budget. Operating expenses of \$2.3M are \$107,000 below budget. The negative \$91,000 variance on the salaries & benefits line is mostly due to the budget including room for performance incentives. Professional services are about \$31,000 below budget, due to lower than expected legal and consulting costs. Public Hearing and marketing is \$21,000 above budget due to additional marketing costs for RCP. Net special project grant expenses are \$20,000, and strategic initiatives year to date total \$326,000. After net non-operating revenue of \$354,000, there is currently a net loss of \$563,788 for the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic advised that the committee last met on September 17 and noted we are coming to the end of our 2025 budget process. The Board will be asked to vote on the 2025 budget today in order to meet the November 1 ABO deadline. Mr. Lipsitz directed that the report be received and filed.

Approval of 2025 Proposed Budget. Ms. Profic reviewed the Agency's 2025 proposed operating and capital budget. Ms. Profic reviewed the budget in detail at the last board meeting but for the benefit of the board members who could attend the previous meeting, she provided a high-level review of the budget. She reviewed the narrative discussing budget methodology and substantial changes from the prior year as well as the operational portion of the budget. Ms. Profic stated that when compared to the 2024 budget, we are looking at a 12% (\$336,000) increase for operating revenues and 4% (\$127,000) increase in expenses in 2025. Operating revenues are budgeted at \$3.1 million, which includes \$1.8 million of administrative fees. She further advised that the Agency is projecting around \$1.6 million of administrative fee revenues for 2024. The main reasons for the increase in the 2025 budget are an increase in affiliate management fees from ILDC and an increase in interest income. Total operating expense are budgeted at \$3.0 million, a 4% increase over the 2024 budget. In addition to budgeted increases of salaries and benefits costs, building operating costs is budgeted to increase due to the Agency's share of CAM charges at 95 Perry Street. Before depreciation and special projects, we are budgeting net income of \$97,500. She reviewed the proposed and potential uses of funds already on hand for special projects. Including all of these possibilities, the bottom line budgeted net loss is \$437,772. There have not been any changes to the budgeted figures since they were reviewed last month.

Ms. Profic further reviewed the 3 year forecast as required by the Authorities Budget Office. She outlined the proposed 5-year capital budget, including IT and facilities at 143 Genesee

and 95 Perry. The Finance & Audit Committee voted on September 17 to recommend approval of the proposed budget as presented.

Mr. Nellis moved and Mr. Blue seconded to approve of the 2025 proposed Budget. Ms. McDuffie then called for the vote and the motion was unanimously approved.

At this point in time, Mr. Scanlon joined the meeting.

Governance Committee Update. At this point in time, Mr. Murray left the meeting given the topic at hand. Ms. Profic then advised the Board that the Governance Committee met on October 18 to review the recommendations for professional legal services. She advised this was the culmination of about a 4-month process, as documented below:

- RFP developed with feedback from staff, Governance Committee, prior RFP
- RFP distributed in July via multiple channels to reach as many firms as possible
- 5 proposals were received – firms were invited to propose on any combination of positions, however no contingent proposals were permitted
- Staff committee reviewed and scored proposals based on the qualifications and experience of assigned attorneys as well as the firm overall, proposed hourly rates/fees, and M/WBE development.
- After the initial scoring, the committee interviewed 3 firms
- After the interviews were complete, the staff committee regrouped to discuss overall recommendations based on the results of the interviews.

Ms. Profic advised that the Governance Committee concurred with the staff committee's recommendations and requested the Board approve entering into contracts with the recommended firms and noted that the contracts will be for a period of three years, with 2 one-year extensions available (can be exercised with Governance Committee approval).

Ms. McDuffie then asked for a motion authorizing the President, Executive Vice President, Treasurer and/or Assistant Treasurer to enter into a contract for legal services with each of the following law firms as recommended by the Governance Committee: Harris Beach as General Counsel, Tax-Exempt Bond Counsel-conflict counsel and Loan Counsel-conflict counsel, Hodgson Russ as Tax-Exempt Bond Counsel; and Hurwitz & Fine as Loan Counsel and General Counsel-conflict counsel. Mr. Emminger moved, and Mr. Blue seconded, to engage the aforementioned law firms as noted. Ms. McDuffie called for the vote and the motion was unanimously approved. Mr. Murray then rejoined the meeting.

2024 Tax Incentives Induced/Closing Schedule. Mr. Cappellino provided this report. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update: Mr. Lipsitz provided a report on the last Policy Committee meeting and noted the Committee approved the Hanes Supply project that is before the Board at today's meeting. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

Hanes Supply Inc., 55 James E. Casey Drive, Buffalo, New York. Ms. O’Keefe reviewed this proposed sales and use tax and real property tax abatement benefits project consisting of the construction of a 56,575 SF addition at the rear of the existing 55,000 SF facility for additional warehouse/production uses.

General discussion ensued. The Project’s cost benefit ratio was reviewed, and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project’s contemplated community benefits were discussed and considered.

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company must covenant and agree that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$5,100,000 (which represents the product of 85% multiplied by \$6,000,000, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 87 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 95 FTE employees [representing the sum of (x) 87 Baseline FTE and (y) 8 FTE employees, being the product of 85% multiplied by 10 (being the 10 new FTE employee positions proposed to be created by the Company as stated in its Application)]. In an effort to confirm and verify the Company’s employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency’s “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.

- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.
- (vi) Construction Period Commitment – that the Company, in accordance with the EIP Policy, meets a 30% MWBE (25% MBE and 5% WBE) utilization rate, based upon total construction contract value, for construction activities.
- (vii) Post Construction Period Commitment – that the Company meets a 30% minority and women (minimum 20% minority and at least 30% minorities or women) job creation requirement within two years after Project completion and maintains those hires/percentages during the term of the PILOT Agreement and on an annual basis completes/implements at least two (2) of the EIP Policy Best Practices as described therein during the term of the PILOT Agreement.

Ms. Abbott moved and Mr. Blue seconded to approve the Project. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF HANES SUPPLY, INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

MANAGEMENT TEAM REPORT:

Mr. Cappellino thanked staff and the Governance Committee for their good work on the Legal RFP process.

Mr. Cappellino updated Board members on the 201 Ellicott-Braymiller Market project. Mr. Cappellino informed members that the company has not paid its most recent City of Buffalo PILOT payment and its failure to make the payment has resulted in a default and the Agency has

the ability to cancel the PILOT Agreement. Mr. Cappellino noted the owner called just this morning to confirm that he would make payment today to the City so if the PILOT is not paid by the end of business today, the Agency will proceed to terminate the PILOT immediately.

At this point in time, Mr. Hughes left the meeting.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:30 p.m.

Dated: October 23, 2024

Elizabeth A. O'Keefe, Secretary

Erie County Industrial Development Agency
Financial Statements
As of November 30, 2024

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

November 30, 2024

	November 2024	October 2024	December 2023
ASSETS:			
Cash and Equivalents *	\$ 6,301,101	\$ 6,542,042	\$ 7,476,867
Restricted Cash & Investments *	17,457,701	17,300,189	16,004,625
Due from Affiliates	4,556,585	4,527,705	4,819,702
Due from Buffalo Urban Development Corp.	124,666	112,078	125,210
Other Receivables	129,359	143,619	88,321
Total Current Assets	<u>28,569,412</u>	<u>28,625,633</u>	<u>28,514,725</u>
Grants Receivable	5,244,137	5,244,137	4,869,218
Lease Receivable	627,659	645,960	824,838
Venture Capital Investments, net of reserves	506,886	506,886	506,886
Capital Assets	1,444,214	1,465,872	1,506,504
Total Long-Term Assets	<u>7,822,897</u>	<u>7,862,854</u>	<u>7,707,447</u>
TOTAL ASSETS	<u><u>\$ 36,392,309</u></u>	<u><u>\$ 36,488,487</u></u>	<u><u>\$ 36,222,172</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 164,303	\$ 205,931	\$ 455,331
Lease Payable	396,943	408,516	521,642
Deferred Revenues	4,624,286	4,718,637	4,764,541
Funds Held on Behalf of Others	10,926,145	10,688,057	9,516,218
Total Liabilities	<u>16,111,677</u>	<u>16,021,141</u>	<u>15,257,732</u>
Deferred Inflows of Resources Related to Leases	627,659	645,960	824,838
Net Assets	<u>19,652,972</u>	<u>19,821,387</u>	<u>20,139,601</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 36,392,309</u></u>	<u><u>\$ 36,488,487</u></u>	<u><u>\$ 36,222,172</u></u>

* Cash and restricted cash is invested in interest bearing accounts at M&T Bank and obligations of the United States of America at Wilmington Trust. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution. Collateral is not required for U.S. government obligations.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement
Month of November 2024

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ -	\$ 150,000	\$ (150,000)
Management Fees - Affiliates and Others	39,033	39,100	(67)
Rental Income	18,371	18,433	(63)
Other Income	3,023	250	2,773
Total Revenues	<u>60,427</u>	<u>207,783</u>	<u>(147,357)</u>
EXPENSES:			
Salaries & Benefits	\$ 181,716	\$ 188,823	\$ (7,107)
General Office Expenses	23,550	21,508	2,042
Building Operating Costs	2,738	4,533	(1,795)
Professional Services	3,077	5,833	(2,756)
Public Hearings & Marketing	3,408	7,917	(4,508)
Travel, Mileage & Meeting Expenses	1,346	3,083	(1,738)
Depreciation and amortization	22,107	22,500	(393)
Other Expenses	5,874	1,396	4,478
Total Expenses	<u>243,817</u>	<u>255,594</u>	<u>(11,777)</u>
SPECIAL PROJECT GRANTS:			
Revenues	\$ 95,351	\$ 41,129	\$ 54,222
Expenses	(94,400)	(35,446)	(58,954)
	<u>951</u>	<u>5,683</u>	<u>(4,732)</u>
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS :			
	<u>(182,439)</u>	<u>(42,127)</u>	<u>(140,312)</u>
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Bethlehem Steel Industrial Park Grant	\$ (18,480)	\$ (8,333)	\$ (10,147)
Angola Ag Park Grant	(7,130)	(4,167)	(2,963)
	<u>(25,610)</u>	<u>(12,500)</u>	<u>(13,110)</u>
NET OPERATING INCOME/(LOSS) :			
	<u>(208,049)</u>	<u>(54,627)</u>	<u>(153,422)</u>
NON-OPERATING REVENUE:			
Interest Income	\$ 41,337	\$ 13,208	\$ 28,129
Interest Expense	(1,702)	(13,750)	12,048
	<u>39,635</u>	<u>(542)</u>	<u>40,177</u>
NET INCOME/(LOSS):			
	<u>\$ (168,414)</u>	<u>\$ (55,169)</u>	<u>\$ (113,245)</u>

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: November 30, 2024

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 1,494,905	\$ 1,650,000	\$ (155,095)	\$ 1,494,905	\$ 1,388,268	\$ 106,637
Affiliate Management Fees	431,242	431,975	(733)	431,242	427,692	3,550
Rental Income	311,104	309,767	1,338	311,104	309,410	1,694
Other Income	30,428	27,500	2,928	30,428	35,691	(5,264)
Total Revenues	2,267,678	2,419,242	(151,563)	2,267,678	2,161,061	106,617
EXPENSES:						
Salaries & Benefits	2,044,434	2,139,027	(94,593)	2,044,434	1,884,025	160,409
General Office Expenses	249,546	236,592	12,955	249,546	274,161	(24,615)
Building Operating Costs	41,320	49,867	(8,547)	41,320	70,369	(29,050)
Professional Services	59,504	94,567	(35,062)	59,504	79,882	(20,378)
Public Hearings & Marketing	107,930	87,083	20,847	107,930	77,512	30,419
Travel, Mileage & Meeting Expenses	29,725	33,917	(4,192)	29,725	23,180	6,545
Depreciation and amortization	243,182	247,500	(4,318)	243,182	220,611	22,571
Other Expenses	17,325	15,000	2,325	17,325	188,089	(170,764)
Total Expenses	2,792,967	2,903,552	(110,585)	2,792,967	2,817,829	(24,861)
SPECIAL PROJECT GRANTS:						
Revenues	731,935	452,420	279,515	731,935	425,740	306,195
Expenses	(751,805)	(389,903)	(361,902)	(751,805)	(366,587)	(385,218)
	(19,870)	62,517	(82,387)	(19,870)	59,152	(79,023)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS:						
	\$ (545,159)	\$ (421,794)	\$ (123,365)	\$ (545,159)	\$ (597,615)	\$ 52,456
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Bethlehem Steel Industrial Park Grant	\$ (116,544)	\$ (100,000)	\$ (16,544)	\$ (116,544)	\$ (164,061)	\$ 47,517
Angola Ag Park Grant	(19,675)	(50,000)	30,325	(19,675)	(46,270)	26,595
Bethlehem Steel Industrial Park Grant Reimb	-	300,000	(300,000)	-	-	-
Buffalo Urban Development Corporation	(100,000)	(100,000)	-	(100,000)	-	(100,000)
Other Strategic Initiatives	(140,525)	(75,000)	(65,525)	(140,525)	(103,975)	(36,550)
	(376,744)	(25,000)	(351,744)	(376,744)	(314,306)	(62,438)
NET OPERATING INCOME/(LOSS):	(921,904)	(446,794)	(475,110)	(921,904)	(911,921)	(9,982)
NON-OPERATING REVENUE:						
Interest Income	456,607	145,292	311,315	456,607	\$ 361,681	94,926
Interest Expense	(21,332)	(13,750)	(7,582)	(21,332)	(6,309)	(15,023)
	435,275	131,542	303,733	435,275	355,372	79,903
NET INCOME/(LOSS):	\$ (486,629)	\$ (315,252)	\$ (171,377)	\$ (486,629)	\$ (556,549)	\$ 69,920

Pfannenberg Expansion / Pfannenberg USA

\$ 11,500,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Pfannenberg Expansion / Relocation																
<ul style="list-style-type: none"> • NAICS Section – 334512 																	
COMPANY INCENTIVES	Project Address: 13595 Broadway, Alden, NY 14004																
<ul style="list-style-type: none"> • Up to \$ 176,750 in sales tax savings 	(Alden Central School District)																
JOBS & ANNUAL PAYROLL	Agency Request																
<ul style="list-style-type: none"> • Current Jobs: 120 FT, 7 PT (123 FTE) • Est. salary/yr. of jobs retained: \$84,050 • Projected new jobs: 23 FT, 0 PT (23 FTE) • Est. salary/yr. of jobs created: \$74,435 • Total jobs after project completion: 146 • Annual Payroll: \$ 10,335,959 • Construction Jobs: 25 	<p>A sales tax abatement associated with the renovation of a vacant facility in Alden, NY.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Land / Building Acquisition</td> <td style="text-align: right;">\$ 5,050,000</td> </tr> <tr> <td>Infrastructure</td> <td style="text-align: right;">\$ 50,000</td> </tr> <tr> <td>Reconstruction/Renovation</td> <td style="text-align: right;">\$ 5,000,000</td> </tr> <tr> <td>Manufacturing Equipment</td> <td style="text-align: right;">\$ 600,000</td> </tr> <tr> <td>Non- Manufacturing Equipment</td> <td style="text-align: right;">\$ 300,000</td> </tr> <tr> <td>Soft Costs/Other</td> <td style="text-align: right;">\$ 500,000</td> </tr> <tr> <td>Total Project Cost</td> <td style="text-align: right;">\$11,500,000</td> </tr> <tr> <td> 85%</td> <td style="text-align: right;"> \$ 9,775,000</td> </tr> </table> <p style="text-align: center;">Company Description</p> <p>Pfannenberg is a global company HQ in Hamburg, Germany with the North American HQ located in Lancaster, NY. Pfannenberg is a manufacturer of Thermal Management, Liquid Cooling Solutions and Signaling Technologies. Pfannenberg Thermal Management products are used by some of the largest companies worldwide to keep their electronics cool and safe, protecting critical manufacturing processes. Liquid Cooling Solutions provide the critical cooling required for manufacturing processes including machine tooling, plastic injection molding equipment and many other uses. Their visual and acoustic signaling devices protect personnel and equipment satisfying numerous alarm, warning and induction requirements.</p> <p style="text-align: center;">Project Description</p> <p>Pfannenberg has plans to grow its business. Their current location at 68 Ward Road, Lancaster cannot accommodate an expansion due to the parcel size and existing wetlands on the property. Pfannenberg hired a commercial realtor in early 2023 to find a 100,000 – 150,000 SF facility within a 10 – 15 mile radius of their current facility. Pfannenberg is considering 13595 Broadway in the Town Alden for its new location. The company has complied with the Countywide Intermunicipal Move Policy</p>	Land / Building Acquisition	\$ 5,050,000	Infrastructure	\$ 50,000	Reconstruction/Renovation	\$ 5,000,000	Manufacturing Equipment	\$ 600,000	Non- Manufacturing Equipment	\$ 300,000	Soft Costs/Other	\$ 500,000	Total Project Cost	\$11,500,000	 85%	 \$ 9,775,000
Land / Building Acquisition	\$ 5,050,000																
Infrastructure	\$ 50,000																
Reconstruction/Renovation	\$ 5,000,000																
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Non- Manufacturing Equipment	\$ 300,000																
Soft Costs/Other	\$ 500,000																
Total Project Cost	\$11,500,000																
 85%	 \$ 9,775,000																
PROJECTED COMMUNITY BENEFITS*																	
<ul style="list-style-type: none"> • Term: 2 YEARS after project completion. • NET Community Benefits: \$41,996,261 • Spillover Jobs: 27 <p>Total Payroll: \$39,607,438</p>																	
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*																	
<p>Incentives: \$176,750</p> <p>Community Benefit: \$40,492,266</p> <p>Cost: Benefit Ratio</p> <ul style="list-style-type: none"> • 1:229 																	

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$ 0
	Sales	\$176,750
	Mortgage Recording	\$ 0
	Total	\$176,750
	Discounted at 2%	\$175,750

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction	\$ 3,837,744	
			Payroll Permanent	\$35,769,694	
		Public	Property Taxes	\$ 0	
			Sales Taxes	\$ 329,237	
			Other Muni Revenue (NFTA)	\$ 0	
	New York State	Public	Income Taxes	\$ 1,782,334	
			Sales Taxes	\$ 277,252	
				Total Benefits to EC + NYS***	\$41,996,261
				Discounted at 2%	\$40,492,266

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period ***may not sum to total due to rounding

Discounted Cost \$ 175,750
 Discounted Benefit \$40,492,266
 Ratio 1:229

Conclusion: The Cost Benefit for this project is: 229:1. For every \$1 in costs (incentives), this project provides \$229 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$401 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 78,687	NA / limited value change expected	\$ n/a	\$ n/a	\$ n/a
Combined Tax Rate: \$				

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 = \$11,500,000 85% = \$ 9,775,000
Employment	2 years after project completion	Maintain Base = 123 FTE Create 85% of Projected Projected = 23 FTE 85% = 19 FTE Recapture Employment = 142 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	2 years after project completion	Adherence to Policy
Unpaid Tax	2 years after project completion	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of state and local sales taxes

Recapture applies to:

State and Local Sales Taxes

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 the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 123 FTE jobs and created 23 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 10/01/24: Public hearing held.
- 12/18/24: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 12/18/24: Lease/Leaseback Inducement Resolution presented to the Board of Directors

**EVALUATIVE CRITERIA
MANUFACTURING/WAREHOUSE/DISTRIBUTION**

Project: Pfannenburg – Renovation of Manufacturing Facility

Wage Rate (above median wage for area)	Estimated average salaries are above the median wage. Annual salaries for FT workers retained = \$84,050 and created = \$74,435.
Regional Wealth Creation (% sales/customers outside area)	99% of sales are outside of Erie County.
In Region Purchases (% of overall purchases)	17% of total annual supplies, raw materials and vendor services are purchased from firms in Erie County.
Research & Development Activities	25% of the company's operating expenses are attributed to R&D activities
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	Without financial support needed to allow for growth, company may consider options outside Erie County.
DEI Questionnaire	See Attached. Goal of 30% MWBE for construction – contractors & suppliers.
Workforce Access – Proximity to Public Transportation	The site is not within close proximity to public transportation.

DATE OF INDUCEMENT: 12/18/2024

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: November 5, 2024
 Project Title: Pfannenberg USA
 Project Location: 13595 Broadway

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

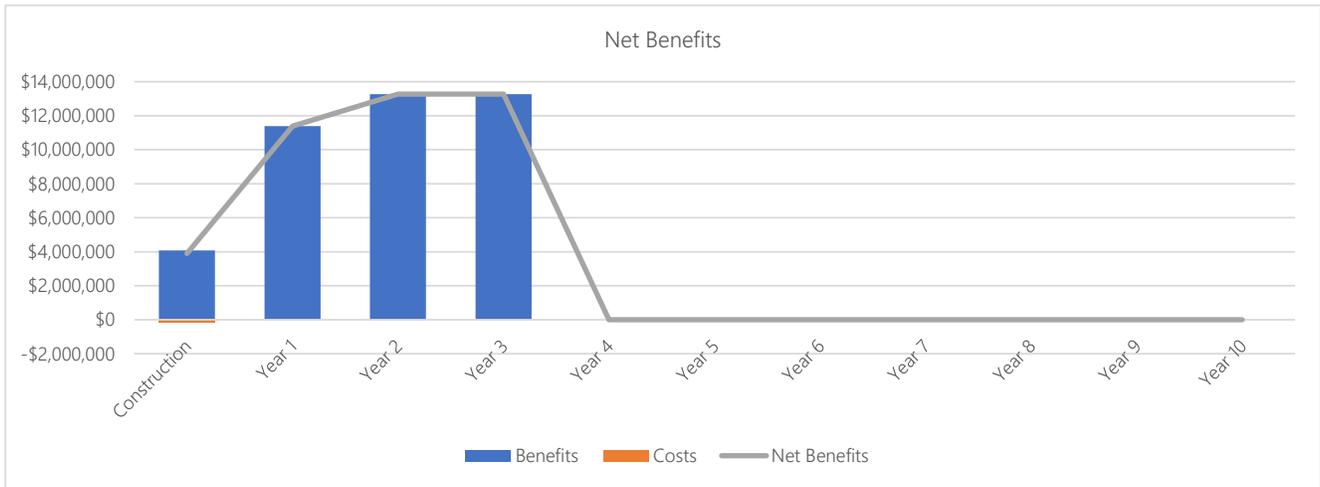
\$11,500,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		25	22	48
Earnings		\$2,425,215	\$1,412,529	\$3,837,744
Local Spend		\$6,350,000	\$4,386,193	\$10,736,193

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		146	5	151
Earnings		\$34,438,460	\$1,331,234	\$35,769,694

Aggregate over life of the PILOT

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

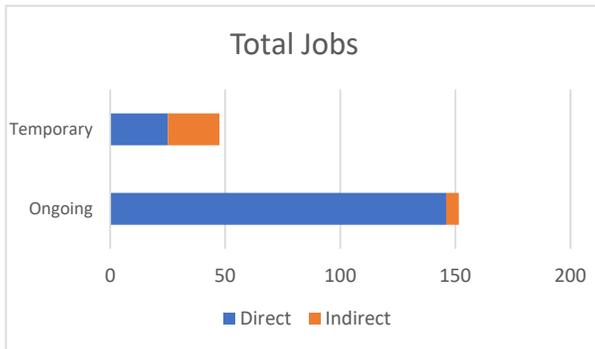
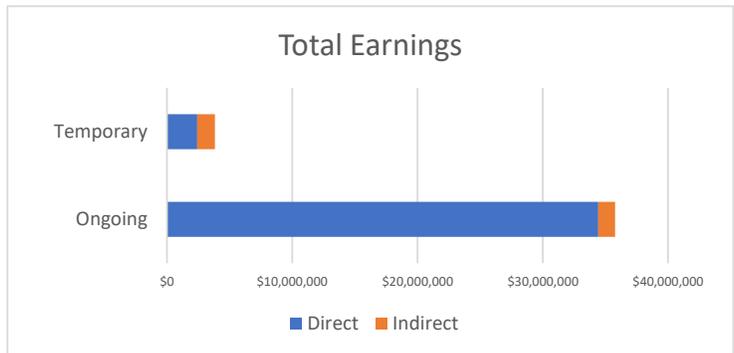


Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$176,750	\$176,750
Local Sales Tax Exemption	\$95,950	\$95,950
State Sales Tax Exemption	\$80,800	\$80,800
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$176,750	\$176,750

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$39,936,675	\$38,506,438
To Private Individuals	\$39,607,438	\$38,188,992
Temporary Payroll	\$3,837,744	\$3,837,744
Ongoing Payroll	\$35,769,694	\$34,351,248
Other Payments to Private Individuals	\$0	\$0
To the Public	\$329,237	\$317,446
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$31,901	\$31,901
Ongoing Jobs - Sales Tax Revenue	\$297,336	\$285,545
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$2,059,587	\$1,985,828
To the Public	\$2,059,587	\$1,985,828
Temporary Income Tax Revenue	\$172,698	\$172,698
Ongoing Income Tax Revenue	\$1,609,636	\$1,545,806
Temporary Jobs - Sales Tax Revenue	\$26,864	\$26,864
Ongoing Jobs - Sales Tax Revenue	\$250,388	\$240,459
Total Benefits to State & Region	\$41,996,261	\$40,492,266

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$38,506,438	\$95,950	401:1
State	\$1,985,828	\$80,800	25:1
Grand Total	\$40,492,266	\$176,750	229:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes



Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

- New York State MWBE Certified List: <https://nv.newnycontracts.com/>
- Erie County MWBE Certified List: <https://www3.erie.gov/eo/mbe-wbe-resourcelist>

Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

Pfannenbergl will make every effort to utilize minority and women contractors and vendors on our Alden project, striving to achieve a 30% rate of MWBE interests throughout the duration of this project. Employing contractors and vendors from the New York State certified MWBE directory and drawing upon their enterprise to complete our project.

2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

- Northland Workforce Training Center:
<https://northlandwtc.org/employers/>
- Workforce Buffalo:
<https://www.workforcebuffalo.org/business-services/employerservices>
- New York State Job Bank: <https://mviobsnv.usnlx.com/>
- Local Minority Newspapers:
<https://www3.erie.gov/eo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

Pfannenbergs is and has been committed to fostering a diverse and inclusive workforce. Our hiring strategy emphasizes equal opportunity and actively seeks to eliminate discrimination based on race, gender, age, sexual orientation, disability, or any other characteristic. We believe that a diverse team enhances our innovation and success.

3. Economic Inclusion Program

The ECIDA's Economic Inclusion Program (EIP) is a voluntary "opt in" program providing an enhanced real property tax abatement to applicants who commit to implementing and meeting MWBE utilization and minority and women employment goals. The mission of the EIP is to enhance the beneficial public impact of projects receiving ECIDA assistance and to further the ECIDA's goal of advancing opportunities for MWBE businesses and minorities and women, in general, in the Erie County workforce. Please note, for a company to be considered an MWBE under the EIP it must be certified as an MWBE by New York State or Erie County.

Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a voluntary opt-in program providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.

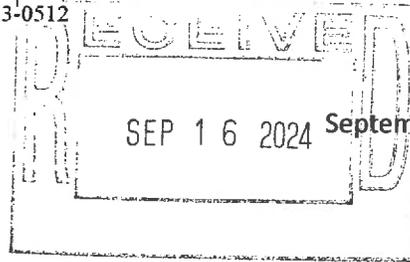


Town of Lancaster

OFFICE OF THE SUPERVISOR

21 Central Avenue
Lancaster, New York 14086
(716) 683-1610
Fax: (716) 683-0512

ROBERT E. LEARY
Supervisor



Erie County Industrial Development Agency
Attention: Elizabeth A. O'Keefe, Vice President
95 Perry Street, Suite 403
Buffalo, New York 14203

Re: Intermunicipal Move Notification for Pfannenberg

Dear Ms. O'Keefe:

The Town of Lancaster has received the above referenced notification.

We are disappointed to learn that Pfannenberg will be relocating outside of the Town of Lancaster; especially after they have utilized the benefits of the Town of Lancaster Industrial Development Agency. However, we wish the company success and hope that they will continue to employ Lancaster residents at their new facility.

The Town of Lancaster further hopes that the Ward Road, Lancaster facility will be occupied quickly by a new business.

Sincerely,

Cc: Kevin Lemaster, LIDA Chairmen

PUBLIC HEARING SCRIPT

**Pfannenbergs US Realty LLC project
and/or Individual(s), Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf**

Public Hearing to be held on October 1, 2024 at 9:00 a.m.,
at the Village of Alden, located at 13336 Broadway, Alden, NY 14004

ATTENDANCE:

Robert Kapilevich – Pfannenbergs

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the Director of Business Development for the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Pfannenbergs US Realty LLC project and/or Individual(s), Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf. 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 Thursday, September 19, 2024.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located at 13595 Broadway, Village of Alden, Erie County, New York and all other lands in the Village of Alden where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the renovation on the Land of an existing 143,000 square-foot manufacturing facility for office and office related uses and for renovation of manufacturing space for operations, testing lab purposes, and to accommodate operations and future growth as well as upgrades to loading docks and the creation of quality warehousing space

(the “Improvements”), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land, and the Improvements and the Existing Improvements, the “Facility”).

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption 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. Everyone who has registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes at 4:00 p.m. on October 22, 2024. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or 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 statements and/or comments to 5 minutes, and if possible, 3 minutes.

Robert Kapilevich- President of the Pfannenbergs Manufacturing operations. Thank you to the Village of Alden and the ECIDA for allowing me to speak on behalf of Pfannenbergs today. Pfannenbergs has purchased a property in Alden, NY with 143,000 sq ft of manufacturing and office space. Our plan is to upgrade the facilities and to establish a state-of-the-art manufacturing operation in our new home in Alden. This exciting milestone marks the start of our expansion in the region, as we continue to invest in the future of our production capabilities and community involvement. Pfannenbergs is an international company that recently celebrated the 70th anniversary since its founding. We are a recognized leader within the Electrotechnology industry, including thermal management, liquid cooling and signaling technologies. Alden is a wonderful community and we could not be more excited to establish the home of our North American headquarters here and to build upon our three-decade long presence in Western New York. Our company is growing and we're thrilled about the opportunities that will be enabled by our new location. The expanded operation will be critical in meeting the growing demand for our products.

Statement from Earl Rogalski, President – Americas: As Pfannenbergs expands its operations, we are committed to becoming an integral part of the Alden community. We look forward to

establishing roots here and contributing to the local economy. Our goal is to not only grow our business but also create new opportunities for local talent as we build for the future.

To add to Earl's point, I will mention that Pfannenberg is currently recruiting for multiple production, shipping and office positions, offering competitive benefits and career growth opportunities. Interested candidates are encouraged to apply via our website, www.CoolJobUSA.com Thank you for your time and for this opportunity.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:05 a.m.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**PFANNENBERG US REALTY LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, December 18, 2024 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF PFANNENBERG US REALTY LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iii) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT; AND (iv) AUTHORIZING THE NEGOTIATION AND EXECUTION OF AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the “Act”), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, PFANNENBERG US REALTY LLC or on behalf of an affiliated entity formed or to be formed (the “Company”) has submitted an application to the Agency (the “Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located at 13595 Broadway, Village of Alden, Erie County, New York and all other lands in the Village of Alden where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the “Land”), (ii) the renovation on the Land of an existing 143,000 square-foot manufacturing facility for office and office related uses and for renovation of manufacturing space for operations, testing lab purposes, and to accommodate operations and future growth as well as upgrades to loading docks and the creation of quality warehousing space (the “Improvements”), and (iii) the acquisition by the Company in and

around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and, together with the Land, and the Improvements and the Existing Improvements, the “Facility”). The Facility will be initially owned and operated by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on October 1, 2024, at 9:00 a.m., at Village of Alden, located at 13336 Broadway, Alden, NY 14004, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) provide Financial Assistance to the Company in the form of an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility (“Financial Assistance”); and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s Application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to and its October 3, 2024 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, the Amended Application and associated documents submitted by the Company and provided to Policy Committee members subsequent to the October 3, 2024 Policy Committee meeting, a letter summarizing the changes included within the Amended Application, and also based on no further Policy Committee review or recommendation related to the Amended Application, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the “State”) to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company’s Application, as amended, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application, as amended, necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application, as amended, is in substantial compliance with all provisions of the Act; and

(I) The Project involves a “Type II action” as said term is defined in under the State Environmental Quality Review Act (“SEQRA”) and therefore no other determination or procedures under SEQR are required; and

(J) The Project qualifies for Agency Financial Assistance as it meets the Agency’s evaluative criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) *Wage Rate (above median wage for area):* Per capita income = \$36,530. Estimated average salaries are above the median wage. For jobs retained, the annual salary = \$80,050 and for jobs to be created, the annual salary = \$74,435.

(ii) *Regional Wealth Creation (% sales/customers outside area):* 99% of sales are outside of Erie County.

(iii) *In Region Purchases (% of overall purchases):* 17% of total annual supplies, raw materials and vendor services are purchased from firms in Erie County.

(iv) *Research & Development Activities:* 25% of the company's operating expenses are attributed to R&D activities.

(v) *Investment in Energy Efficiency:* N/A.

(vi) *Locational Land Use Factors, Brownfields or Locally Designated Development Areas:* N/A.

(vii) *LEED/Renewable Resources:* N/A.

(viii) *Retention/Flight Risk:* Without financial support needed to allow for growth, company may consider options outside Erie County.

(ix) *DEI Questionnaire:* Goal of 30% MWBE for construction – contractors & suppliers.

(x) *Workforce Access-Proximity to Public Transportation:* The site is not in close proximity to public transportation.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the appointment of the Company as agent of the Agency, if utilized, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its Application, as amended, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$2,020,000, and,

therefore, the value of the sales and use tax exemption benefits (“sales and use tax exemption benefits”) authorized and approved by the Agency cannot exceed \$176,750, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

B. Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its Application, as amended; (v) the New York State and local sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

C. Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the conclusion of the later of two (2) years following either (i) the construction completion date, or (ii) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$9,775,000 (which represents the product of 85% multiplied by \$11,500,000, being the total project cost as stated in the Company's Application, as amended).
- (ii) Employment Commitment – that there are at least 123 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's Application, as amended (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 142 FTE employees [representing the sum of (x) 123 Baseline FTE and (y) 19 FTE employees, being the product of 85% multiplied by 23 (being the 23 new FTE employee positions proposed to be created by the Company as stated in its Application, as amended)]. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver, on behalf of the Agency, the Agent Agreement, a sales tax exemption letter (the “Sales Tax Exemption Letter”), a bill of sale (the “Bill of Sale”) whereby the Agency at the completion of the installation period transfers to the Company title to the Equipment acquired during the installation period by the Company as agent of the Agency, and related documents.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the

purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 7. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: December 18, 2024



Pfannenber

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	Big Foot
Project Summary	Purchase New facility for relocation of manufacturing operations and America's Sales HQ
Applicant Name	Pfannenber INC & Pfannenber US Reality LLC
Applicant Address	68 Ward Rd
Applicant Address 2	
Applicant City	Lancaster
Applicant State	New York
Applicant Zip	14086
Phone	(716) 685-6866
Fax	
E-mail	Douglas_Horsmon@pfannenberusa.com
Website	https://www.pfannenberusa.com/
NAICS Code	334512

Business Organization

Type of Business

Corporation

Year Established

2016

State

New York

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name Douglas Horsmon
Title Controller
Address 68 Ward Rd
Address 2
City Lancaster
State New York
Zip 14086
Phone (716) 685-6866
Fax
E-Mail Douglas_Horsmon@pfannenbergsusa.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Robert Kapilevich
Title President
Address 68 Ward Rd
Address 2
City Lancaster
State New York
Zip 14086
Phone (716) 685-6866
Fax
E-Mail robert.kapilevich@pfannenbergsusa.com

Company Counsel

Name of Attorney Kevin Talbot
Firm Name Hodgson Russ LLP
Address The Guaranty Building | 140 Pearl Street, Suite 100
Address 2
City Buffalo
State New York
Zip 14021
Phone (716) 856-4000
Fax
E-Mail ktalbot@hodgsonruss.com

Benefits Requested (select all that apply)

Exemption from Sales Tax Yes
Exemption from Mortgage Tax No

Exemption from Real Property Tax No

Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Pfannenberg is a Global Manufacturer of Thermal Management, Liquid Cooling Solutions and Signaling Technologies. Our Thermal Management products are used by some of the largest companies worldwide to keep their electronics cool and safe, protecting critical manufacturing processes. Our Liquid Cooling solutions provide the critical cooling required for manufacturing processes including machine tooling, plastic injection molding equipment, food & beverage extrusion equipment and x-ray/vision systems, to name a few. Our visual and acoustic signaling devices protect personnel and equipment satisfying numerous alarm, warning, and indication requirements, including: machinery operating status, process monitoring, system startup, and building or area evacuation due to fire, toxic gas leak, chemical spill, or intruder alert. We are global, with our international Headquarters located in Hamburg, Germany and our North-American Headquarters located in Lancaster, NY.

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	3 %
Estimated % of sales outside New York State but within the U.S.	91 %
Estimated % of sales outside the U.S.	5 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

17

Describe vendors within Erie County for major purchases

Wendel Companies will sub-contract the \$5M building renovation Sheet Metal Corrugate Seals & Gaskets

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

13595 Broadway Alden, NY 14004

Town/City/Village of Project Site

Alden

School District of Project Site

Alden

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

119.08-3-15

What are the current real estate taxes on the proposed Project Site

104,335

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Existing Building & Land Prior manufacturing site

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

Renovate existing Office spaces to accommodate full work staff along with creating a cafeteria space for staff. The manufacturing space is in need of renovation to accommodate our operations and setup for future growth. Examples of renovation are loading dock upgrades and full creation of a graded dock that trucks can back into. There are areas of demolition needed, 2 large scaffold areas along with a testing lab, and creation of manufacturing/ quality/ warehousing. The site will be gutted and rebuilt to suite Pfannenbergs need.

Municipality or Municipalities of current operations

Lancaster

Will the Proposed Project be located within a Municipality identified above?

No

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

Yes

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

Yes

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

If yes, please indicate the Agency and nature of inquiry below

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Current Ownership evaluating various scenario's and locations for future operations. Assistance would help guarantee the manufacturing stays in Erie county and we can continue to grew and expand our operations.

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Without assistance Pfannenbergl potentially will not be able to add the needed expansion to manufacturing lines/ capabilities and create the needed warehousing space required to operate to future needs to stay competitive and viable in this industry.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

Potential Move to area providing financial support.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Forklifts 5 year term

Site Characteristics

Is your project located near public transportation?

No

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

No

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

September 2024

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Manufacturing/ Industrial

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

Yes

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

No

If yes, describe the efficiencies achieved

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

25%

Select Project Type for all end users at project site (you may check more than one)

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
---------------------	----	-----------------	----

Please check any and all end uses as identified below.

- | | | |
|--|---------------------------|-------------------------------------|
| No Acquisition of Existing Facility | No Assisted Living | No Back Office |
| No Civic Facility (not for profit) | No Commercial | No Equipment Purchase |
| No Facility for the Aging | No Industrial | No Life Care Facility (CCRC) |
| No Market Rate Housing | No Mixed Use | No Multi-Tenant |
| No Retail | No Senior Housing | Yes Manufacturing |
| No Renewable Energy | No Other | |

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	50,000 square feet	\$	1,767,500	35%
Warehouse	64,000 square feet	\$	2,272,500	45%
Research & Development	4,000 square feet	\$	151,500	3%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	25,000 square feet	\$	858,500	17%
Specify Other	square feet	\$	0	0%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

10/31/2024

End date : Estimated completion date of project

9/30/2025

Project occupancy : estimated starting date of occupancy

10/1/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 5,050,000 143,000 square feet 12 acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 5,000,000 127,200 square feet

5.) Manufacturing Equipment

\$ 600,000

6.) Infrastructure Work

\$ 50,000

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 300,000

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 400,000

9.) Other Cost

\$ 100,000

Explain Other Costs	Enviromental
Total Cost	\$ 11,500,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 5,050,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 2,020,000
% sourced in Erie County	95%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 2,020,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 176,750

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only)	\$ 0
Have any of the above costs been paid or incurred as of the date of this Application?	No
If Yes, describe particulars:	

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 11,500,000
Bank Financing:	\$ 0
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	
Total Sources of Funds for Project Costs:	\$11,500,000
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing).

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency’s PILOT benefit (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Forklifts 5 year term

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	120	120	23	23
Part time	7	7	0	0
Total	127	127	23	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	16	\$ 149,450	\$ 47,840	0	\$ 0	\$ 0
Professional	47	\$ 102,851	\$ 32,912	0	\$ 0	\$ 0
Administrative	23	\$ 65,145	\$ 19,250	0	\$ 0	\$ 0
Production	57	\$ 58,683	\$ 16,405	7	\$ 26,500	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	143			7		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address	Full time	Part time	Total
	0	0	0
	0	0	0
	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

10,335,959

Estimated average annual salary of jobs to be retained (Full Time)

84,050

Estimated average annual salary of jobs to be retained (Part Time)

26,500

Estimated average annual salary of jobs to be created (Full Time)

74,435

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time)	45,000	To (Full Time)	100,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

13595 Broadway Alden, NY 14004

Name and Address of Owner of Premises

Broadway Alden LLC

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

Land with structures

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The full building will be getting renovated with all existing walls and structures being demolished. This site will be a multi use site that will be the primary location for manufacturing, warehousing for all USA produced items. It will also be home to the Pfannenbergs America's Sales group who will fully be operating out of this site. This is also home for the customer care and service centers.

Describe all known former uses of the Premises

Manufacturing

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Town of Alden waste water management system

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

None

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name PfannenberG INC.
Address 68 Ward Rd
Contact Person Robert Kapilevich
Phone (716) 510-7535
Fax
E-Mail robert.kapilevich@pfannenberGusa.com
Federal ID # 16-1531241
SIC/NAICS Code 811412

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

68 Ward Rd

City/Town

Lancaster

State

New York

Zip Code

14086

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

Yes

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Pfannenbergs has outgrown the square footage capacity of the current facility and in order to remain competitive, needs a larger office and production space to support current and future growth. Pfannenbergs has spent more than a year looking at various options to expand within the current location, including building an addition within the current property and acquiring neighbor properties. These efforts were not successful and therefore a decision was made to relocate to the different location, which offers more than 2X the amount of production and office space

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

Yes

Within Erie County

Yes

If Yes to either question, please, explain

Moving from one town in Erie county to another, we did explore expansion opportunities but current site does not allow for needed growth,

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

More square footage to expand manufacturing lines. Increased warehouse space with higher ceilings. More office space to expand sales & service along with support of expanded operations.

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

Yes

What factors have lead the project occupant to consider remaining or locating in Erie County?

Geographical location of existing work force

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Selling on open Market

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

68 Ward Rd Lancaster NY- Too small for current operations

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No