



Policy Committee

December 5, 2024

At 9:00 a.m.

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

1. Call Meeting to Order
2. Approval of the October 3, 2024 Policy Committee Meeting Minutes (Pages 2-5)
3. Project Matrix (Informational) (Page 6)
4. Project Presentation (Staff – Company Q&A)
a) Pfannenberg USA (Pages 7-36)
5. Management Team Report
6. Adjournment - Next Meeting January 9, 2025 at 9:00 a.m.

**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

DATE AND PLACE: October 3, 2024 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, A.J. Baynes, Rev. Mark E. Blue, Gregory R. Inglut, Richard Lipsitz, Jr., Dr. Susan McCartney, Brenda W. McDuffie, Hon. Glenn R. Nellis, Laura Smith and Lavon Stephens

EXCUSED: Hon. April Baskin, Hon. Byron W. Brown, Zachary Evans and David J. State

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

GUESTS: Yessica Vasquez on behalf of the City of Buffalo; Josh Veronica on behalf of Buffalo Niagara Partnership; William Hanes on behalf of Hanes Supply and Robert Kapilevich on behalf of Pfannenberger

There being a quorum present at 9:01 a.m., the Meeting of the Policy Committee was called to order by Chair Lipsitz.

Mr. Lipsitz welcomed new committee member, Greg Inglut, as a newly appointed Policy Committee member.

MINUTES

The minutes of the August 1, 2024 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Dr. McCartney, the Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino presented the project matrix to the Committee. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATION

Hanes Supply Inc., 55 James E. Casey Drive, Buffalo, New York 14206. Ms. O'Keefe presented this proposed sales and use tax and real property tax abatement benefits project consisting of the construction of a 56,575 SF addition to the existing 55,000 SF facility for additional warehouse/production uses as the company has outgrown their current space.

Ms. O'Keefe confirmed that Hanes Supply Inc. is seeking approximately \$776,535 in assistance including sales tax exemption and real property tax exemption. Annual payroll at the site upon project completion is projected at \$7,000,000. The resulting cost benefit is 141:1 so for every \$1 of incentives the community benefit is \$141 in payroll & tax revenue. For Erie County, for every \$1 of incentives the community benefit is \$182 in benefits to the community.

Ms. McDuffie queried about the company's anticipated participation in the EIP Program.

Mr. Hanes responded on behalf of the company.

At this point in time, Mr. Blue and Ms. Abbott joined the meeting.

Mr. Baynes queried if the Buffalo growth includes consolidating other facilities. Mr. Hanes responded that the Buffalo facility is growing on its own and without any consolidation with other facilities.

Mr. Stephens queried as to the types of new jobs that may be created and Mr. Hanes responded accordingly and noted it primarily relies on social media and word of mouth for hiring opportunities.

Mr. Stephens stated that Work Force Buffalo will be able to help locate potential new employees.

General discussion ensued.

Ms. Smith commended the company for its efforts to utilize the Agency's EIP policies.

Ms. O'Keefe stated that in exchange for providing the sales and use tax and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$6,000,000 85% = \$5,100,000
Employment	Coincides with 10-Year PILOT	Maintain Base = 87 FTE Create 85% of Projected Projected = 10 FTE 85% = 8 FTE Recapture Employment = 95 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-Year PILOT	Adherence to policy
Recapture Period	Coincides with 10-Year PILOT	Recapture of state and local sales taxes and real property tax

Ms. Smith moved and Mr. Nellis seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Mr. Lipsitz called for the vote and the motion was then unanimously approved.

Pfannenberg Realty USA Inc., 13595 Broadway, Alden, New York 14004. Ms. O’Keefe presented this proposed sales and use tax benefits project involving the moving of their facility to Alden and the renovation of an existing 143,000 square-foot manufacturing facility for office related uses and for renovation of manufacturing space for operations, testing lab purposes, and to accommodate operations and future growth including upgrades to loading docks and the creation of quality warehousing space.

Ms. O’Keefe confirmed that Pfannenberg Realty USA Inc. is seeking approximately \$176,750 in assistance including sales tax exemption. Total annual payroll is projected at \$7,000,000 upon project completion. The resulting cost benefit is 199:1 so for every \$1 of incentives the community benefit is \$199 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$349 in benefits to the community.

Ms. O’Keefe stated that in exchange for providing the sales and use tax benefit, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

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 = 104 FTE Create 85% of Projected Projected = 36 FTE 85% = 30 FTE Recapture Employment = 134 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
Recapture Period	2 years after project completion	Recapture of state and local sales taxes

Ms. Abbott moved and Rev. Blue seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Mr. Lipsitz called for the vote and the motion was then unanimously approved.

There being no further business to discuss, the meeting was adjourned at 9:38 a.m.

Dated: October 3, 2024

Elizabeth A. O'Keefe, Secretary

Pfannenberg Expansion / Pfannenberg USA
\$ 11,500,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 334512

COMPANY INCENTIVES

- Up to \$ 176,750 in sales tax savings

JOBS & ANNUAL PAYROLL

- 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

PROJECTED COMMUNITY BENEFITS*

- Term: 2 YEARS after project completion.
 - NET Community Benefits: \$41,996,261
 - Spillover Jobs: 27
- Total Payroll: \$39,607,438

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$176,750

Community Benefit: \$40,492,266

Cost: Benefit Ratio

- 1:229

Project Title: Pfannenberg Expansion / Relocation

Project Address 13595 Broadway, Alden, NY 14004
(Alden Central School District)

Agency Request

A sales tax abatement associated with the renovation of a vacant facility in Alden, NY.

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

Company Description

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.

Project Description

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

* 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 Real Property Tax, Mortgage recording tax, 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)	Per capita income = \$36,530. Estimated average salaries are above the median wage. For jobs created & retained, the annual salary = \$70,000
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 near public transportation.

DATE OF INDUCEMENT: 12/18/2024

Erie County Industrial Development Agency

MRB Cost Benefit Calculator

Date November 5, 2024
Project Title Pfannenbergs USA
Project Location 13595 Broadway

MRB | group
Cost-Benefit Analysis Tool powered by MRB Group

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

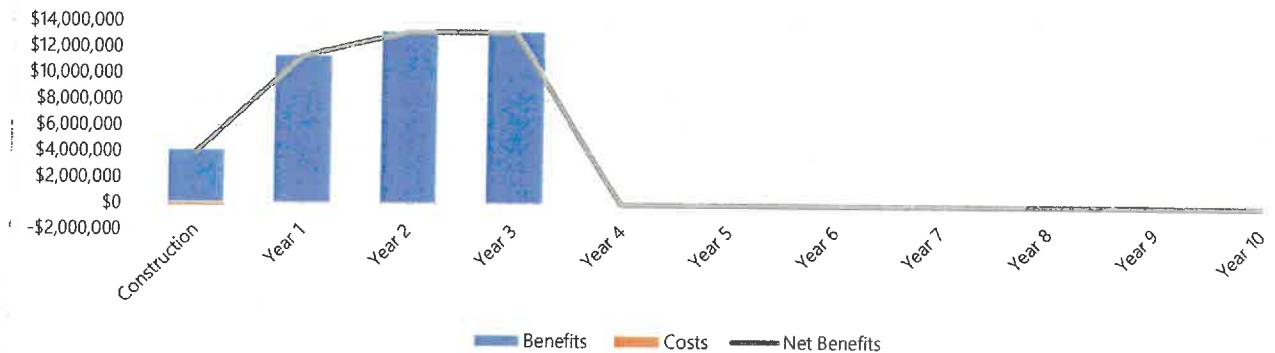
\$11,500,000

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)				
Aggregate over life of the PILOT				
	Direct	Indirect	Total	
Jobs	146	5	151	
Earnings	\$34,438,460	\$1,331,234	\$35,769,694	

Figure 1

Net Benefits

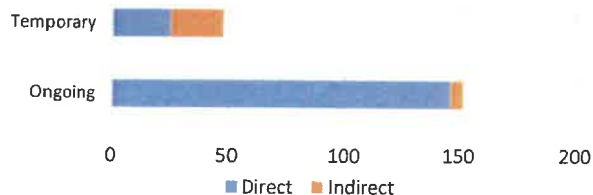


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

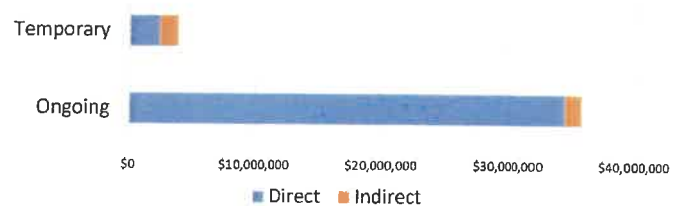
Figure 2

Figure 3

Total Jobs



Total Earnings



Ongoing earnings are all earnings over the life of the PILOT.

Fiscal Impacts

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	<u>\$39,607,438</u>	<u>\$38,188,992</u>
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	<u>\$329,237</u>	<u>\$317,446</u>
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	<u>\$2,059,587</u>	<u>\$1,985,828</u>
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

0

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

PUBLIC HEARING SCRIPT

**Pfannenberg 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 – Pfannenberg

☒ 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 Pfannenberg 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 Pfannenberg Manufacturing operations. Thank you to the Village of Alden and the ECIDA for allowing me to speak on behalf of Pfannenberg today. Pfannenberg 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. Pfannenberg 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 Pfannenberg 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 Pfannenberger 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.

**SIGN IN SHEET
PUBLIC HEARING**

October 1, 2024, at 9:00 a.m.
at the Village of Alden, located at 13336 Broadway, Alden, NY 14004
regarding:

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

Project Location: 13595 Broadway, Alden, New York 14004

Name	Company and/or Address	X box to speak/ comment
Robert Kapilevich	Pfannenberg 68 Ward Road Lancaster, New York 14086	X



Pfannenbergl

[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	Pfannenbergl INC & Pfannenbergl 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@pfannenberglusa.com
Website	https://www.pfannenberglusa.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%.**

Pfannenbergl 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's 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 grow 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 Pfannenbergs 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
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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
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Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 176,750
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** 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
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Have any of the above costs been paid or incurred as of the date of this Application?	No
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If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 11,500,000
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Bank Financing:	\$ 0
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Tax Exempt Bond Issuance (if applicable):	\$ 0
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Taxable Bond Issuance (if applicable):	\$ 0
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Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
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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
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Have you secured financing for the project?	No
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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 Genesee.

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	0	0	0
Part time	0	0	0
Total	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 Pfannenberger 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 Pfannenbergl INC.
Address 68 Ward Rd
Contact Person Robert Kapilevich
Phone (716) 510-7535
Fax
E-Mail robert.kapilevich@pfannenberglusa.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 docks 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