

Erie County Industrial Development Agency Annual Board of Directors Meeting

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

April 23, 2025 at 12:00 p.m.

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 March 26, 2025 Meeting of the Membership (Action Item) (Pages 2-11)
- 2.2 Policy Committee Update (Informational) (Pages 12-17)

3.0 Amendatory Inducement Resolution(s):

3.1 IMA Life Phase I (Pages 18-51)

4.0	Inducement Resolution(s):		ECIDA	Private	
			Incentives	Investment	Municipality
	4.1	IMA Life Phase II (Pages 52-94)	\$1,516,824	\$12,500,000	Town of Tonawanda
	4.2	Big Heart Pet Products, Inc. (Pages 95-134)	\$1,085,175	\$52,660,000	Buffalo
	4.3	Eaton Mission Systems (Pages 135-178)	\$1,309,348	\$21,600,000	Orchard Park

5.0 Reports / Action Items / Information Items:

- 5.1 Financial Report (Informational) (Pages 179-182)
- 5.2 2025 Tax Incentives Induced/Closing Schedule (Informational) (Pages 183-184)
- Nominating Committee Update (Informational)a) Election of Officers/Committee Appointments (Action Item) (Pages 185-187)

6.0 Compliance:

6.1 Sumitomo Recapture Discussion (Action Item) (Pages 188-208)

7.0 Management Team Reports:

7.1

8.0 Adjournment- Next Meeting – May 28, 2025

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

DATE AND PLACE: March 26, 2025, at the Erie County Industrial Development Agency,

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

PRESENT: Denise Abbott, Dr. LaVonne Ansari, Patrick Boyle, Thomas R.

Emmerling, Hon. Joseph H. Emminger, Dottie Gallagher, Tyra Johnson, Richard Lipsitz, Jr., Brenda McDuffie, Hon. Glenn R. Nellis, Hon. Brian Nowak, Kenneth A. Schoetz and Hon. Taisha St. Jean Tard

EXCUSED: Rev. Mark Blue, Hon. Brian Kulpa, Hon. Mark C. Poloncarz, and Hon.

Christopher P. Scanlon

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial

Officer; Beth O'Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Carrie Ann Hocieniec, Operations Assistant/ Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Brian Krygier, Director of Information Technology; Atiqa Abidi, Accounting Manager; Andrew Federick, Property and Business Development Officer; Robbie Ann McPherson, Director of Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris

Beach Murtha

GUESTS: Zaque Evans, Daniel Castle and Michael Szukala on behalf of Erie

County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of the Buffalo News, Annie Patnaude on behalf of Deckorators, Inc. and Randy Bernick, Greg Setter and Mike Driscoll on

behalf of Rosina

There being a quorum present at 12:06 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.

Ms. McDuffie introduced new ECIDA Board Member, Hon. Taisha St. Jean Tard, Chair of the Economic Development Committee of the Erie County Legislature.

At this point in time, Dr. Ansari and Mr. Nowak joined the meeting.

Ms. McDuffie also introduced Dr. LaVonne E. Ansari as a new ECIDA Board Member. Dr. Ansari is the new Chair of the Niagara Frontier Transportation Authority.

MINUTES

The minutes of the December 18, 2024, meeting of the members were presented. Mr. Lipsitz moved, and Ms. Gallagher seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

<u>Policy Committee Update.</u> Mr. Lipsitz updated members on the most recent Policy Committee meeting in which the Committee recommended to the Board the approval of the two projects before the Board for its consideration at today's meeting.

INDUCEMENT RESOLUTIONS:

Rosina Foods Products, Inc., 3100 Clinton Street, West Seneca, New York. Ms. O'Keefe reviewed this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits involving the 32,000 square-foot expansion of its existing 105,000 square-foot manufacturing facility. The expansion will allow Rosina to relocate out-of-state production from existing co-packers and to immediately produce up to 20 million pounds of product locally.

Ms. McDuffie and Ms. Gallagher both spoke in favor of the project.

Ms. St. Jean Tard queried as to where the company looks for employees.

Ms. McDuffie noted BOCES, St. Mary's High School, Erie County Community College, Niagara County Culinary College and Northland Training Center are all resources utilized by the Company for finding employees.

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 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 termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

(i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$25,500,000 (which represents the product of 85% multiplied by \$30,000,000, being the total project cost as stated in the Company's application for Financial Assistance).

- (ii) Employment Commitment that there are at least 184 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 employment at the Facility equal to 229 FTE employees [representing the sum of (x) 184 Baseline FTE and (y) 45 FTE employees, being the product of 85% multiplied by 53, (being the 53 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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.

Mr. Emminger moved and Ms. St. Jean Tard seconded to approve the Project as proposed. 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 ROSINA FOOD PRODUCTS, 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, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) 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

Deckorators, Inc., 300 Commerce Drive, Lackawanna, New York. Ms. O'Keefe reviewed this proposed sales and use tax and real property tax abatement benefits project involving the expansion of its manufacturing facilities on approximately 31 acres. The project consisting of the renovation of a 168,310 square-foot manufacturing space and a 19,000 square-foot addition for future manufacturing needs. A secondary 85,000 square-foot open wall space warehouse building will be considered for future development including additional capacity and growth opportunities.

Ms. Patnaude spoke on behalf of the Company. Ms. McDuffie spoke in favor of the project.

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 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 termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$65,641,695 (which represents the product of 85% multiplied by \$77,225,524, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment that there are at least 42 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 42 FTE employees [being the product of 85% multiplied by 50 (being the 50 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.

Ms. Gallagher moved and Mr. Emmerling seconded to approve the Project as proposed. 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 DECKORATORS, 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

REPORTS / ACTION ITEMS / INFORMATION ITEMS

<u>Financial Report.</u> Ms. Profic presented the February financial reports. The balance sheet shows that the IDA finished the month with total assets of \$36.8M, including unrestricted cash of \$6.6M available for Agency operations, and net assets of \$19.8M. Overall assets and liabilities remained consistent from the prior month. The monthly income statement shows a net loss of \$96,000 in February. Operating revenue of \$203,000 was below the monthly budget by \$15,000, due mainly to lower administrative fees received than our monthly budget. Operating expenses of \$237,000 were \$31,000 under budget, with most of that variance in salaries and benefits. Strategic

initiatives included payments to ILDC for special district taxes on ILDC owned properties. After net non-operating revenue of \$39,000, there was a net loss of \$95,783 for the month. The year-to-date income statement shows operating revenues of \$278,000, including administrative fee revenue of \$137,000. Operating expenses of \$482,000 are \$52,000 below budget. Net special project grant income is \$34,000, and strategic initiatives year-to-date total \$100,000. After net non-operating revenue of \$78,000, there is currently a net loss of \$191,495 for the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic introduced Mr. Szukala, Chair of the Finance & Audit Committee, to the Board. Ms. Profic provided members with an update on the most recent Finance & Audit Committee meeting. She advised that the Agency's auditors, Lumsden McCormick, presented a draft of the 2024 audited financial statements. Ms. Profic reviewed the three main points of the presentation were an unmodified (clean) opinion on the financial statements, there were no uncorrected audit adjustments, and there were no material weaknesses or significant deficiencies noted (no management letter comments). The Committee also reviewed and recommend the items listed under #2-#4 for approval or re-adoption: 2024 Public Authorities Report, 2024 Investment Reports, and Investment & Deposit Policy. The Committee also approved the Finance & Audit Committee Self-Evaluation and reviewed Management's Assessment of the Effectiveness of Internal Controls and Corporate Credit Card usage.

The Committee Self-Evaluation was provided in the Board package. Each year the Committee completes a self-evaluation, as required by the Committee Charter. In 2024, the Committee officially convened a total of five times and fulfilled its duties as documented. Ms. McDuffie directed that the report be received and filed.

Audited Financial Statements. Ms. Profic reviewed the draft 2024 audited financial statements, required communications, and management letter. Lumsden's required communications with those charged with governance, which documents the auditors' responsibility related to the financial statement audit, notes that there were no matters of concern that arose related to the significant risks identified, a summary of accounting estimates made within the financials, that there were no uncorrected audit adjustments, and no disagreements with management. Ms. Profic mentioned, an unmodified opinion was issued on the statements. Significant estimates for ECIDA include depreciation of capital assets, and valuation of leases receivable/payable and other assets. The management letter noting no significant deficiencies or material weaknesses. The Representation Letter will be signed once the audit is approved by the board. The draft financial statements were provided in the Board package. As a public authority, the Agency's financial statements are prepared based on Governmental Accounting Standards and include a Management's Discussion and Analysis section, which provides a condensed overview of the statements. The balance sheets show total assets of \$37.4M at December 31, 2024, an increase of \$1.2M from 2023. Most of the Agency's assets are current, with cash and investments being the largest portion at \$13.3M. There was a decrease in current assets of \$206,000 from 2023, which is due to decreases in cash and investments and affiliate receivables, offset by an increase in grants receivable. Ms. Profic also noted that the cash balance of \$6.8M is unrestricted. Noncurrent assets increased \$1.4M from 2023. Restricted cash and investments increased \$1.8M, which directly correlates to the increase in funds held on behalf of others under non-current

liabilities. The largest reason for the decrease in current liabilities is the unearned revenue as we recognize revenue related to grants awarded. Funds held on behalf of others at \$11.3M is an increase of about \$1.8M from 2023.

The Agency's net position is allocated into three categories: net investment in capital assets, restricted, and unrestricted. Total net position decreased from \$20.1M in 2023 to \$20.0M in 2024, due to a decrease in unrestricted net assets. The statements of revenues, expenses and changes in net position (income statements) shows how we arrived at the decrease in net position. 2024 Operating revenues were \$2.7M, due mostly to \$1.86M of administrative fee revenue. 2024 was the first year since 2021 that ECIDA surpassed our administrative fee budget. Operating expenses went up slightly in 2024, staying under \$3.1M. Salaries and benefits increased 10% overall as a result of a full complement of 18 employees for the whole year, salary increases and increased employee benefit costs. General and administrative expenses decreased \$183,000 (23%) due to project fees of \$175,000 refunded in 2023 that were not part of 2024's expenses. Before special project grants, there was an operating loss of \$407,000. Special project grants netted \$82,000 of expense in 2024, and non-operating revenue of \$375,000 reduced the decrease in net position to \$114,000. Taking the non-cash expenses out of the calculation would lead to net income of about \$149,586. The cash flow statement details the changes in cash from year to year. The large net decrease in cash is due to the Agency purchasing Treasury bill investments during the year of \$14.5M. The balance sheet and income statement are broken out between the general and UDAG funds. These drafts were reviewed and discussed in detail with the Finance & Audit Committee on March 20, and they recommended approval to the Board. Ms. McDuffie tanked staff for providing a clean audit.

Mr. Lipsitz moved and Mr. Nellis seconded to approve of the audited financial statements. Ms. McDuffie called for the vote and the audited financial statements were unanimously approved.

2024 Investment Report. Ms. Profic reviewed this report which is required by Public Authorities Law and includes ECIDA's investment guidelines, the results of the annual audit of these guidelines, and detail of investment income and fees for the year. The majority of cash and investment accounts are held on behalf of others and restricted for the purposes listed in the report. Interest income of \$829,000 was earned on these accounts during 2024, compared to \$591,000 in 2023, and no fees were paid. This report was reviewed by the Finance & Audit Committee at their March 20 meeting and recommended to the Board for approval.

Ms. Gallagher moved and Mr. Emminger seconded to approve of the 2024 Investment Report. Ms. McDuffie then called for the vote and the 2024 Investment Report was unanimously approved.

Governance Committee Update: Ms. McDuffie provided the Board members with an update on the most recent Governance Committee meeting and the self-evaluations of the Committee and the Board of Directors. Ms. McDuffie directed that the report be received and filed.

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

<u>5-Year Tax Incentive Project Report 2020-2024.</u> Mr. Cappellino provided this report to Board members. Ms. McDuffie directed that the report be received and filed.

Approval of Board Certification of Loan Administration Plan-CARES Act RLF. Mr. Manhard reviewed this resolution with Board members. Mr. Emminger moved and Ms. St. Jean Tard seconded to approve of the Board Certification of Loan Administration Plan-CARES Act RLF as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "RLF BOARD" OR "AGENCY") IN CONNECTION WITH AN ANNUAL CERTIFICATION TO BE MADE UNDER THE STANDARD TERMS AND CONDITIONS AND ADMINISTRATIVE MANUAL REQUIREMENTS OF THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION

<u>Compliance Assessment 2022-2023.</u> Ms. Hawramee reviewed the 2022-2023 Compliance Assessment. Ms. McDuffie directed that the report be received and filed.

<u>Tonawanda Towers Modification of Repayment Schedule.</u> Mr. Cappellino reviewed the proposed modification of payment requested.

Mr. Emmerling moved and Ms. Gallagher seconded to approve of Tonawanda Towers modification of repayment schedule as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION (A) APPROVING CERTAIN MODIFICATIONS RELATING TO THE MULTIFAMILY HOUSING REVENUE BONDS (OAHS TONAWANDA TC LLC PROJECT), SERES 2022A AND THE MULTIFAMILY HOUSING REVENUE BONDS (OAHS TONAWANDA TC LLC PROJECT), SERES 2022B PREVIOUSLY ISSUED BY ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER"), (B) THE EXECUTION AND DELIVERY BY THE ISSUER OF CERTAIN RELATED DOCUMENTS AND (C) MAKING A FINDING IN COMPLIANCE WITH THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT WITH RESPECT THERETO.

ANNUAL REPORTS & POLICIES

2024 Mission Statement, Performance Measures and Results. Ms. O'Keefe reviewed the 2024 Mission Statement, Performance Measures and Results. This statement and measures were reviewed by the Governance Committee at their meeting on March 19th and has been recommended to the Board for approval.

Ms. Johnson moved and Mr. Lipsitz seconded to approve of the 2024 Mission Statement, Performance Measures and Results. Ms. McDuffie called for the vote and the 2024 Mission Statement, Performance Measures and Results was unanimously approved.

2025 Mission Statement and Performance Measures. Ms. O'Keefe reviewed the 2025 Mission Statement and Performance Measures, This statement and performance measures were reviewed by the Governance Committee at their meeting on March 19th and has been recommended to the Board for approval.

Mr. Boyle moved and Ms. Abbott seconded to approve of the 2025 Mission Statement and Performance Measures. Ms. McDuffie called for the vote and the 2025 Mission Statement and Performance Measures was unanimously approved.

2024 Public Authorities Report. Ms. Profic reviewed the 2024 Public Authorities Report. Ms. Profic stated as a Public Authority of the State of New York, ECIDA and its affiliates are required to comply with the NYS Public Authorities Law and submit a comprehensive annual report including information on several topics. Several of the items are covered by other documents, like the operations and accomplishments and financial statements, which are note throughout the document. The third item, Mission Statement & Performance Measurements, is updated each year with actual results. Many of the items included are standard from year to year and are also approved or re-adopted by the Board annually and was updated for 2023 to update the work underway at ILDC-owned properties, the RDC's lending activity, and the approval of the Economic Inclusion Policy. Attachments include outstanding bond information, salary & benefit information, projects undertaken by each entity, our Property Report, Board Member attendance, and the Procurement Reports for each entity. Once approved, the certification will be signed by Mr. Cappellino and Ms. Profic and the report will be posted to the website. This report was reviewed by the Governance Committee at their meeting on March 20th and the Finance & Audit Committee at their meeting on March 21st and has been recommended to the Board for approval.

Mr. Schoetz moved and Mr. Nellis seconded to approve of the 2024 Public Authorities Report. Ms. McDuffie called for the vote and the 2024 Public Authorities Report was unanimously approved.

RE-ADOPT POLICIES AND CHARTERS

Ms. Profic noted that Items 4(d)-4(i) on the agenda are either re-adoptions of policies or approvals, as required by law. Harris Beach Murtha has reviewed each of the items for any pertinent updates and have communicated to us minor updates for items: (d) Airborne Infectious Disease Policy, (e) FOIL Policy, (f) Investment and Deposit Policy, (g) Property Disposition Guidelines; (h) Record Retention and Disposition Policy, and (i) Sexual Harassment Policy. All of the policies were reviewed with either the Governance or Finance & Audit Committee and recommended to the Board for approval. Mr. Schoetz moved and Ms. St. Jean Tard seconded to approve of the various policies and charters as itemized below. Ms. McDuffie called for the vote and the following policies were then unanimously approved:

- Airborne Infectious Disease Policy
- Freedom of Information Law (FOIL)
- Investment and Deposit Policy

- Property Disposition Guidelines
- Record Retention and Disposition Policy
- Sexual Harassment Policy

MANAGEMENT TEAM REPORTS

<u>2024 Year in Review.</u> Mr. Cappellino reviewed the 2024 annual report and thanked the Agency staff for all their outstanding work to complete the annual reports.

RCP Brownfield Cleanup Program. Mr. Cappellino provided members with an update on the RCP Brownfield Cleanup Program extension and legislation updated. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 1:18 p.m.

Dated: March 26, 2025

Elizabeth A. O'Keefe, Secretary

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

DATE AND PLACE: April 3, 2025 at the Erie County Industrial Development Agency,

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

PRESENT: A.J. Baynes, Rev. Mark E. Blue, Zachary Evans, Richard Lipsitz, Jr.,

Dr. Susan McCartney, Hon. Glenn R. Nellis, Laura Smith, and David

State

EXCUSED: Denise Abbott, Gregory R. Inglut, Brenda W. McDuffie, and Lavon

Stephens

OTHERS PRESENT: John Cappellino, President & CEO; 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; Robbie Ann McPherson, Director, Marketing & Communications; Andy Federick, Property and Business Development Officer; and Robert G. Murray, Esq., as General Counsel/Harris Beach

Murtha

GUESTS: Ryan McGinnis, Greg Bala, Kurt Wolfanger on behalf of Big Heart Pet

Brands; Kate Ritenour and Sue Vriesen on behalf of Eaton Mission Systems; Byron DeLuke and Marco Riccioni on behalf of IMA Life;

and Yessica Vasquez on behalf of the City of Buffalo;

There being a quorum present at 9:13 a.m., the Meeting of the Policy Committee was called to order by Chair Lipsitz.

MINUTES

The minutes of the March 13, 2025 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Mr. Baynes, 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

Big Heart Pet Products, 243 Urban Street, Buffalo, New York 14211. Ms. O'Keefe presented this proposed sales and use tax benefits project consisting of the 897 SF expansion of the company's 550,000 SF facility through the addition of a Soft n' Chewy processing line.

General discussion ensued.

Ms. O'Keefe confirmed that Big Heart Pet Products is seeking approximately \$1,085,175 in sales tax exemption assistance. Annual payroll at the site upon project completion is projected at \$194,643,166. The resulting cost benefit is 184:1 so for every \$1 of incentives the community benefit is \$184 in payroll & tax revenue. For Erie County, for every \$1 of incentives the community benefit is \$322 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
		Investment amount equal to or greater than
		85% of project amount.
		Total Project Amount = \$52,660,000
Total Investment	At project completion	85% = \$44,761,000
		Maintain Base = 283 FTE
		Create 85% of Projected
		Projected = 17 FTE
	2 years after project	85% = 9 FTE
Employment	completion	Recapture Employment = 292 FTE
		Adherence to policy including quarterly
Local Labor	Construction Period	reporting
	2 years after project	
Pay Equity	completion	Adherence to policy
	2 years after project	
Unpaid Tax	completion	Adherence to policy
	2 years after project	
Recapture Period	completion	Recapture of state and local sales taxes

Mr. Evans moved and Mr. 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.

Eaton Mission Systems Orchard Park / Eaton Corporation, 10 Cobham Drive, Orchard Park, New York 14127. Ms. O'Keefe presented this proposed sales and use tax and real property tax abatement benefits project involving the 50,000 SF expansion to its current facility to allow

the company to add additional production capacity on critical aerospace defense programs. The Company has also applied for inclusion within the Agency's Economic Inclusion Program.

Ms. O'Keefe confirmed that Eaton Mission Systems is seeking approximately \$1,309,348 in assistance including sales tax exemption and real property tax exemption. Total payroll is projected at \$958,226,322 which includes the direct and indirect jobs for both the temporary and ongoing positions over the life of the PILOT. Created jobs include 88 construction jobs. The resulting cost benefit is 713:1 so for every \$1 of incentives the community benefit is \$713 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$992 in benefits to the community.

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:

Condition	Term	Recapture Provision
		Investment amount equal to or greater than
		85% of project amount.
		Total Project Amount = \$21,600,000
Total Investment	At project completion	85% = \$18,360,000
		Maintain Base = 453 FTE
		Create 85% of Projected
		Projected = 77 FTE
	Coincides with 10-Year	85% = 65 FTE
Employment	PILOT	Recapture Employment = 518 FTE
		Adherence to policy including quarterly
Local Labor	Construction Period	reporting
	Coincides with 10-Year	
Pay Equity	PILOT	Adherence to policy
	Coincides with 10-Year	
Unpaid Tax	PILOT	Adherence to policy
	Coincides with 10-Year	Recapture of state and local sales taxes and
Recapture Period	PILOT	real property tax

Draft Recapture Material Terms

Mr. Baynes 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.

IMA Life North America/IMA Life Colvin Woods, 700 Colvin Woods Parkway, Tonawanda, New York 14150. Ms. O'Keefe reviewed this proposed amendment to the sales tax benefit.

Mr. DeLuke provided a presentation of the amended project to the Committee. General discussion ensued.

Ms. O'Keefe confirmed that IMA Life North America is seeking approximately \$3,614,444 in amended assistance including sales tax exemption and real property tax exemption. Total payroll is projected at \$259,982,586 which includes the direct and indirect jobs for both the temporary and ongoing positions over the life of the PILOT. Created jobs include 124 construction jobs. The resulting cost benefit is 74:1 so for every \$1 of incentives the community benefit is \$74 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$84 in benefits to the community.

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:

Condition Term Recapture Provision Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$33,681,290 Total Investment At project completion 85% = \$28,629,097 Maintain Base = 120 FTE Create 85% of Projected Projected = 30 FTECoincides with 10-Year 85% = 25 FTE **Employment** PILOT Recapture Employment = 145 FTE Adherence to policy including quarterly Local Labor Construction Period reporting Coincides with 10-Year PILOT Pay Equity Adherence to policy Coincides with 10-Year Unpaid Tax **PILOT** Adherence to policy Coincides with 10-Year Recapture of state and local sales taxes and Recapture Period PILOT real property tax

Draft Recapture Material Terms

Mr. Blue moved and Dr. McCartney 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.

IMA Life North America / IMA Group, 700 Colvin Woods, Tonawanda, New York 14150. Ms. O'Keefe presented this proposed sales and use tax and real property tax abatement benefits project involving the 36,500 SF expansion to the company's 80,000 SF facility to allow for additional production capacity.

Ms. O'Keefe confirmed that IMA Life North America is seeking approximately \$1,516,824 in assistance including sales tax exemption and real property tax exemption. Total payroll is projected at \$63,780,885 which includes the direct and indirect jobs for both the

temporary and ongoing positions over the life of the PILOT. Created jobs include 49 construction jobs. The resulting cost benefit is 45:1 so for every \$1 of incentives the community benefit is \$45 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$49 in benefits to the community.

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:

Condition Term Recapture Provision Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$12,500,000 Total Investment 85% = \$10.625.000 At project completion Maintain Base = 75 FTE Create 85% of Projected Projected = 40 FTECoincides with 10-Year 85% = 34 FTE Employment **PILOT** Recapture Employment = 109 FTE Adherence to policy including quarterly Local Labor Construction Period reporting Coincides with 10-Year Pay Equity PILOT Adherence to policy

Draft Recapture Material Terms

Ms. Smith moved and Mr. 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.

Adherence to policy

real property tax

Recapture of state and local sales taxes and

SUMITOMO RECAPTURE DISCUSSION

PILOT

PILOT

Unpaid Tax

Recapture Period

Coincides with 10-Year

Coincides with 10-Year

Mr. Cappellino reviewed the 2017 and 2021 Sumitomo projects, the facility closures, the applicable "recapture of financial assistance" material terms, the amount of sales tax and real property tax benefits claimed and potentially subject to recapture, the rationale for calculating the amount of sales tax and real property tax benefits that could be recaptured, and the community payment proposed from the Town of Tonawanda and the affected school districts as recommended in lieu of a sales tax recapture.

General discussion ensued regarding the real property tax benefit recapture and the sales tax benefit recapture concepts including the community payment option.

Mr. Baynes moved and Mr. Evans seconded to recommend that the real property tax abatement benefits be recaptured as applicable to the year in which the violation of the material factors occurred, and recommended the proposed "pro-rata" approach be applied to sales tax benefit amounts to be recaptured based on the percentage of time of non-compliance multiplied by the amount of benefit claimed, and further proposed that the "recaptured" sales tax amount be paid to the Town and Schools to be used for the Town's Cherry Farms Recreational Park improvements as school athletic fields improvements as proposed by the Towns and the School District, respectfully. Mr. Lipsitz called for the vote and the motion was then unanimously approved, and as such, the approved recapture proposal will be forward to the ECIDA Board of Directors for ultimate approval.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:25 a.m.

Dated: April 3, 2025

Elizabeth A. O'Keefe, Secretary

IMA Life North America / IMA Life Colvin Woods \$ 33,681,290

AMENDATORY INDUCEMENT RESOLUTION

ELIGIBILITY

NAICS Section – 333993

COMPANY INCENTIVES

 Original: Up to \$ 824,819 in sales tax savings
 Amended: Up to \$1,230,698 in

sales tax savings

 Approximately \$2,383,746 in real property tax savings.

JOBS & ANNUAL PAYROLL

• Current Jobs: 120 FT

• Avg salary/yr. - retained jobs FT = \$ 82,705

• Projected new jobs: 30 FT

• Avg salary/yr. – created jobs FT = \$ 72,293

 Total jobs after project completion: 150 FT

Annual Payroll: \$12,405,821

• Construction Jobs: 124

PROJECTED COMMUNITY BENEFITS*

• Term: 10 Years

• NET Community Benefits: \$276,258,720

Spillover Jobs: 333

• Total Payroll: \$259,982,586

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

Incentives: \$3,384,896

Community Benefit: \$249,182,785

Cost: Benefit Ratio

• 1:74

Project Title: IMA Life Phase I Colvin Woods

Project Address 700 Colvin Woods Parkway, Tonawanda, NY 14150

(Ken-Ton Union Free School District)

Amended Agency Request

To increase the sales tax benefit from \$824,819 to \$1,230,698 and the overall project investment from \$27,556,179 to \$33,681,290.

Agency Request

A sale tax, mortgage recording tax and property tax abatement in connection with the construction of an 80,000 SF manufacturing facility.

	Prior	Current
Land / Building Acquisition	\$ 2,285,100	\$ 2,285,100
New Building Construction	\$16,853,019	\$ 19,446,318
Manufacturing Equipment	\$ 4,000,000	\$ 5,498,619
Non- Manufacturing Equipment	\$ 1,000,000	\$ 2,397,326
Soft Costs/Other	\$ 3,418,060	\$ 4,053,927
Total Project Cost	\$27,556,179	\$ 33,681,290
85%	\$23,422,752	\$28,629,097

Company Description

IMA Life North America is part of the IMA Group, headquartered in Bologna Italy. IMA specializes in packaging and processing equipment for pharmaceutical companies as well as the food industry and the automation of industrial processes. The 3 divisions, Pharmaceutical, Food and Automation employ roughly 6,900 employees worldwide with 154 based in the existing Tonawanda facility. Today, IMA Life NA ranks amongst the most respected companies worldwide to produce freeze-drying equipment servicing customers in both domestic and international pharmaceutical markets.

Project Description

IMA Life NA had twice expanded its production and office space at their existing Military Rd, Tonawanda facility and has now utilized all the land available. With no further expansion possible at the site, IMA Life NA is constructing a new 80,000 SF facility: 50,000 SF of production space and 30,000 SF of office space as well as exterior parking, truck court and dumpster areas. The new facility will include a development laboratory, three production bays and warehouse space for the development sale, assembly, testing and shipping of Freeze Dryers for the pharmaceutical sector. It will also include corporate office space and be positioned to serve as the N America HQ for IMA Group. Upon completion of the project, 120 existing FTE will move to the new building leaving 34 FTE at the existing site. IMA plans to hire an additional 30 FTE bringing the total FE at the new facility to 150 FTE within 2 yrs of completion. Increased costs for the project include (but are not limited to): upgrades to the electrical services, fit-out and finishing of facility space and construction costs.

^{*} Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Eric 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*

	Tax Exemption	Amount
	Property	\$ 2,383,746
COSTS	Sales	\$ 1,230,698
Ö	Mortgage Recording	\$0
	Total	\$3,614,444
	Discounted at 2%	\$3,384,896

Benefit: Projected Community Benefit*

	Region	Recipient	Revenue Type	\$ Amount **
	Erie Individuals Par		Payroll Construction	\$ 18,974,889
	County		Payroll Permanent	\$241,007,697
S		Public	Property Taxes	\$ 595,934
BENEFITS			Sales Taxes	\$ 2,161,105
E		54	Other Muni Revenue (NFTA)	\$ 0
8	New York	Public	Income Taxes	\$ 11,699,216
	State		Sales Taxes	\$ 1,819,878
			Total Benefits to EC + NYS***	\$276,258,720
			Discounted at 2%	\$249,182,785

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

Discounted Cost \$ 3,384,896 Discounted Benefit \$249,182,785

Ratio 1:74

Conclusion: The Cost Benefit for this project is: 74:1. For every \$1 in costs (incentives), this project provides \$74 in benefits (payroll & tax revenue). Note: For Erie County, every \$1 in costs (incentives) provides \$84 in benefits to the community.

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 = \$33,681,290 85% = \$28,629,097
Employment	Coincides with 10-year PILOT	Maintain Base = 120 FT Create 85% of Projected Projected = 30 FT 85% = 25 FT Recapture Employment = 145 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 Real Property Tax and state and local sales taxes

Recapture applies to:

Real Property Tax 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 120 FT and created 30 FT 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

- 4/2/25: Public hearing held.
- 4/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 4/23/25: Amended Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 6/27/23: Original Approval: Public hearing held.
- 9/26/23: Original Approval: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 9/26/23: Original Approval: Lease/Leaseback Inducement Resolution presented to the Board of Directors

** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet-IMA Life 2025 Amendment

Dollar Value of	Estimated New	County Tax	Local Tax Rate	School Tax
Costs: New	Assessed Value	Rate/1000	(Town/City/Village)/1000	Rate/1000
Construction &	of Property			
Renovation	Subject to IDA*			
\$ 19,446,318	\$2,998,000	14.331801	37.382204	54.703368

^{*}Apply equalization rate to value

PILOT	%	County	Town	School	Total	Full Tax	Net
Year	Payment	PILOT	PILOT	PILOT	PILOT	Payment	Exemption
		Amount	Amount	Amount		w/o PILOT	
1	0.05	\$4,844	\$12,635	\$18,490	\$35,969	\$319,039	\$283,070
2	0.1	\$6,851	\$17,869	\$26,148	\$50,868	\$319,039	\$268,172
3	0.15	\$8,857	\$23,102	\$33,807	\$65,766	\$319,039	\$253,273
4	0.15	\$8,857	\$23,102	\$33,807	\$65,766	\$319,039	\$253,273
5	0.2	\$10,864	\$28,336	\$41,465	\$80,664	\$319,039	\$238,375
6	0.2	\$10,864	\$28,336	\$41,465	\$80,664	\$319,039	\$238,375
7	0.25	\$12,870	\$33,569	\$49,124	\$95,563	\$319,039	\$223,476
8	0.25	\$12,870	\$33,569	\$49,124	\$95,563	\$319,039	\$223,476
9	0.3	\$14,876	\$38,803	\$56,782	\$110,461	\$319,039	\$208,578
10	0.35	\$16,883	\$44,036	\$64,441	\$125,360	\$319,039	\$193,680
TOTAL		\$108,635	\$283,357	\$414,652	\$806,644	\$3,190,393	\$2,383,749

*** Estimates provided are based on current property tax rates and assessment value (current as of date of ORIGINAL application submission) and have been calculated by IDA staff

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (ESD Excelsior)
\$ 33,681,290	\$2,383,749	\$ 1,230,698	N/A	\$ 1,127,443

Note: special district taxes are not subject to PILOT abatement. Updated project costs and sales tax benefit are reflected above due to amendment. Property tax estimate as per original approval.

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortg Tax+ Other)/Total Project Costs: 14.1% (original application = 15.7%)

Erie County Industrial Development Agency MRB Cost Benefit Calculator



Date

March 10, 2025

Project Title

IMA Life Phase I - Amendatory

Project Location 700 Colvin Woods Parkway, Tonawanda, NY 14150

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

\$33,681,290

Temporary (Construction)

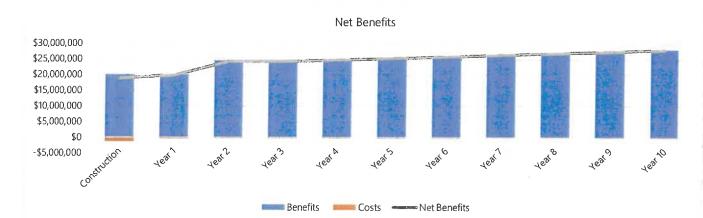
10	Direct	Indirect	Total
Jobs	124	111	235
Earnings	\$11,990,948	\$6,983,941	\$18,974,889
Local Spend	\$31,396,190	\$21,686,575	\$53,082,765

Ongoing (Operations)

Aggregate over life of the PILOT

0	Direct	Indirect	Total
Jobs	150	222	372
Earnings	\$125,815,182	\$115,192,515	\$241,007,697

Figure 1



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

Figure 2

Total Jobs

Temporary

Ongoing

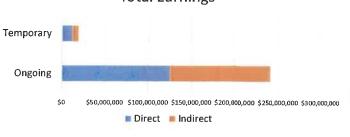
O 100 200 300 400

Direct Indirect

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Figure 3





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

Fiscal Impacts



Estimated Costs of Exemptions		Cost-Bi
	Nominal Value	Discounted Value*
Property Tax Exemption	\$2,383,746	\$2,154,198
Sales Tax Exemption Local Sales Tax Exemption State Sales Tax Exemption	\$1,230,698 <i>\$668,093</i> <i>\$562,605</i>	\$1,230,698 <i>\$668,093</i> <i>\$562,605</i>
Mortgage Recording Tax Exemption Local Mortgage Recording Tax Exemption State Mortgage Recording Tax Exemption	\$0 \$0 \$0	\$0 \$0 \$0
Total Costs	\$ 3,61 <i>4,444</i>	\$3,384,896

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$262,739,626	\$236,987,943
To Private Individuals	\$259,982,586	\$234,516,202
Temporary Payroll	\$18,974,889	\$18,974,889
Ongoing Payroll	\$241,007,697	\$215,541,312
Other Payments to Private Individuals	<i>\$0</i>	\$0
To the Public	\$2,757,039	\$2,471,741
Increase in Property Tax Revenue	\$595,934	\$522,325
Temporary Jobs - Sales Tax Revenue	<i>\$157,729</i>	\$157,729
Ongoing Jobs - Sales Tax Revenue	\$2,003,376	\$1,791,687
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$13,519,094	\$12,194,842
To the Public	\$13,519,094	\$12,194,842
Temporary Income Tax Revenue	\$853,870	\$853,870
Ongoing Income Tax Revenue	\$10,845,346	\$9,699,359
Temporary Jobs - Sales Tax Revenue	\$132,824	\$132,824
Ongoing Jobs - Sales Tax Revenue	\$1,687,054	\$1,508,789
Total Benefits to State & Region	\$276,258,720	\$249,182,785

Benefit to Cost Ratio

		Benefit*	Cost*	Ratio
	Local	\$236,987,943	\$2,822,291	84:1
	State	\$12,194,842	\$562,605	22:1
Grand Total		\$249,182,785	\$3,384,896	74:1

*Discounted at 2%

Additional Comments from IDA

This is a good project.

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

Yes

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IMA Life North America, Inc. 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 April 2, 2025 at 10:00 a.m., at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware Avenue, Kenmore, NY 14217

ATTENDANCE:

Byron DeLuke – Montante Construction Hon. Joseph Emminger - Town of Tonawanda Supervisor

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

Hearing Officer: Welcome. This public hearing is now open; it is 10:07 a.m. My name is Andrew Federick. I am Property and Business Development Officer 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 ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the {Company} 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 Wednesday, March 18, 2025.

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 on 700 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York and all other lands in the Town of Tonawanda where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the construction on the Land of a new office and manufacturing facility which will include 50,000 square feet of a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing and shipping of Freeze Dryers for the pharmaceutical section as well as 30,000 square-feet of corporate office space for the North American headquarters for IMA Group as well as exterior parking, truck court and dumpster areas (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, the "Facility"). The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes an increase in 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 the 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 April 22, 2025. 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 or less.

Byron DeLuke, Executive Director of Development for Montante Construction. I'm here today representing the applicant IMA Life which is seeking an increase in the previously approved sales tax benefit for its new office and production facility which is currently under construction at Colvin Woods here in the Town of Tonawanda. IMA Life is part of the IMA group which is headquartered in Bologna, Italy. The company specializes in pharmaceutical packaging, process equipment as well as the food industry and automation of industrial processes. They employ about 6,900 people worldwide and of that global workforce 154 work right here in Western New York at their existing Tonawanda facility. IMA Life has twice expanded their facility on Military Road. However, the existing site is no more room for growth and so the company examined sites in Western New York, and other states eventually settling on Colvin Woods Business Park as the best location for future growth. With the help of the ECIDA IMA was able to secure financing and proceed to construction on phase one of the project in this past year. They anticipate completion in May of 2025. Once up and running the new facility is going to enable them to retain 120 full-time jobs while also creating 30 new jobs. The previously approved benefit from the IDA was a critical piece of financing stack. It was absolutely necessary to ensure in this longterm future here in Towanda, and the company is incredibly grateful for that support. However,

since the initial budget was completed in June 2023, total project costs have risen by more than \$6 million or 20%. This has been driven by a number of items, specifically changes to the final design including non-manufacturing equipment, an increase in the finished square footage of the facility, increasing the cost of the main electrical service to the building and of course general material and labor increases in the market. And as a result, IMA is seeking an increase to the previously approved sales tax benefit in line with the increase in total project cost. Again, on behalf of the applicant, I want to express our sincere gratitude to the agency as it considers our request for additional assistance. And we look forward to working with the ECIDA to ensure that Towanda continues to be the best place for IMA to invest in these facilities and jobs.

Joseph Emminger, Supervisor Town of Tonawanda. I'm here today to support this application for the increase in the sales tax benefit. IMA Life and Montante Construction have been great partners with this project in the Town. The ask that they're asking for considering the economic climate, the economic costs have gone up over the last couple years are certainly justifiable in my opinion. You have no further look than the increased costs at our new stadium that's going up and the cost increases that are going on there. And it's obviously impacting all projects that are going on in Western New York, including IMA Life Project at over at Colvin Woods. So, I'm just here to wholeheartedly support on behalf of the Town of Tonawanda.

△ 6. ADJOURNMENT:

As there are no further statements and/or comments, I will close the public hearing at 10:14 a.m.

SIGN IN SHEET

\April 2, 2025 at 10:00 a.m., at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware Avenue, Kenmore, NY 14217, regarding:

IMA Life North America, Inc. project and/or Individual(s), Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location:

700 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York (Sales Tax Increase)

Name	Company and/or Address	X box to speak/comment
Byron DeLuke	Montante Construction	
	2760 Kenmore Avenue	X X
	Tonawanda, New York 14150	
Hon. Joseph Emminger	Town of Tonawanda Supervisor	
	2919 Delaware Avenue	X
	Kenmore, NY 14217	
183-		

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AMENDATORY RESOLUTION

IMA LIFE NORTH AMERICA INC., 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, April 23, 2025 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZING (i) ADDITIONAL FINANCIAL ASSISTANCE TO IMA LIFE NORTH AMERICA INC. (THE "COMPANY") IN AMOUNTS EXCEEDING THE AMOUNTS PREVIOUSLY APPROVED BY THE AGENCY; AND (ii) THE EXECUTION OF 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, IMA LIFE NORTH AMERICA INC., 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 on 700 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York and all other lands in the Town of Tonawanda where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the construction on the Land of a new office and manufacturing facility which will include 50,000 square feet of a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing and shipping of Freeze Dryers for the pharmaceutical section as well as 30,000 square-feet of corporate office space for the North American headquarters for IMA Group as well as exterior parking, truck court and dumpster areas (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, the "Facility"). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, by resolution adopted on September 28, 2023 (the "Original Resolution") the Agency authorized financial assistance to the Company with respect to the Application in the form of (a) 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, (b) a mortgage recording tax exemption benefit for the financing related to the Project, and (c) a partial abatement from real property taxes benefit through a ten (10) year "payment in lieu of tax agreement" (the "PILOT Agreement") with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, the Agency received notification from the Company that Project costs have increased due to required upgrades to the Facility's electrical services, increased costs associated with fit-out and finishing of Facility space and general Project related construction cost increases and related thereto, on March 6, 2025, submitted an amended application for Financial Assistance (the "Amended Application") requesting an increase in New York State and local sales and use tax exemption benefits from \$824,819 up to an amount not to exceed \$1,230,698 (the "Revised Sales Tax Exemption Benefit"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on April 2, 2025, at 10:00 a.m., at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware Avenue, Kenmore, NY 14217, the Agency held a public hearing with respect to the Project and the Revised Sales Tax Exemption Benefit (as heretofore described) 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, The Company's request for the Revised Sales Tax Exemption Benefit, as described herein, constitutes a Type II Action pursuant to the New York State Environmental Quality Review Act, Article 8 of the New York State Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617.1 et. seq., as amended ("SEQRA") and therefore no findings or determination of significance are required; and

WHEREAS, the Agency desires to amend the Original Resolution with respect to the Revised Sales Tax Exemption Benefit and adopt a resolution authorizing (i) the increase in Sales and Use Tax Exemption Benefits to the Company and (ii) the execution and delivery of any documents necessary and incidental thereto.

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

Section 1. All recitals, findings and determinations of the Agency contained in the Original Resolution are hereby reaffirmed, ratified, restated and incorporated herein by reference as if set forth herein in their entirety, except as modified by this Resolution.

Section 2. With respect to the foregoing, and based upon the representations and warranties made by the Company in its Amended Application, Agency Policy Committee review of and recommendations related to the Project, as amended, and its April 3, 2025 resolution to recommend Agency approval of same, the Agency hereby authorizes and approves the Revised Sales Tax Exemption Benefit with respect to the Project and the increased Project costs.

Section 3. Based upon the representations and warranties made by the Company in its Amended Application, subject to the terms and conditions as described herein, and Agency Board member review, discussion and consideration of same, the Agency hereby finds, determines and hereby amends Section 3(A)(i) of the Original Resolution in its entirety to read as follows:

(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 estimated amount up to \$14,065,116, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$1,230,698. 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.

Section 4. Based upon the representations and warranties made by the Company in its Amended Application, subject to the terms and conditions as described herein, and Agency Board member review, discussion and consideration of same, the Agency hereby finds, determines and hereby amends Section 3(C)(i) of the Original Resolution in its entirety to read as follows:

(i) Investment Commitment – the total investment made with respect to the Project at the time of Project completion equals or exceeds \$28,629,097 (which represents the product of 85% multiplied by \$33,681,290, being the total project cost as stated in the Company's Amended Application).

<u>Section 5</u>. Unless otherwise amended pursuant to the terms contained herein, the terms of the Original Resolution shall remain unchanged.

Section 6. 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 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 7. All actions heretofore undertaken by the Agency and the Company as agent of the Agency are ratified and approved and the Agency and the Company, as agent of the Agency, are hereby authorized to continue to undertake the Project.

<u>Section 8</u>. These Resolutions shall take effect immediately.

Dated: April 23, 2025



IMA Life - Tax Incentive Application AMENDMENT

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 IMA Life- Colvin Woods

Project SummaryThis application amendment is to request an increase to the sales tax incentives due to

increased costs for the IMA Life- Colvin Woods project originally approved by the ECIDA Board of Directors on September 27, 2023. The IMA Life- Colvin Woods Project includes the development, construction and operation of an approximately 80,000 square foot new production and office facility, as well as associated parking, truck court, and dumpster areas for

IMA Life North America on vacant land at Colvin Woods Business Park in the Town of

Tonawanda.

Applicant Name IMA Life North America

Applicant Address 2175 Military Rd

Applicant Address 2

Applicant City Tonawanda
Applicant State New York
Applicant Zip 14150

Phone (716) 695-6354

Fax

E-mail Marco.Riccioni@ima.it

Website https://ima.it/pharma/brands/ima-life/

NAICS Code 333993

Business Organization

Type of Business

Corporation

Year Established

2005

State

Delaware

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

Byron DeLuke

Title

Ex Director

Address

2760 Kenmore Ave

Address 2

City

Tonawanda

State

New York 14150

Zip Phone

(716) 876-8899

Fax

E-Mail

BDeLuke@Montante.com

Company Contact- Authorized Signer for Applicant

No

Contact is same as

individual completing

application

Name

Marco Riccioni

Title

Assistant Treasurer and Assistant Secretary

Address

2175 Military Rd

Address 2

City

Tonawanda

State

New York

Zip

14150

Phone

(716) 695-6354

Fax

E-Mail

Marco.Riccioni@ima.it

Company Counsel

Name of Attorney Vince Hanley

Firm Name

Bond Schoeneck & King

200 Delaware Ave

Address

Address 2

City Buffalo

State

New York

Zip

14202

Phone

(716) 416-7022

Fax

(716) 416-7322

E-Mail

Vhanley@bsk.com

Benefits Requested (select all that apply)

Exemption from Sales Tax

Yes

Exemption from Mortgage Tax

No

Exemption from Real Property Tax

Yes

Tax Exempt Financing*

No

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%.

IMA Life North America is located in Tonawanda, NY. The Company is part of the IMA Group, which is headquartered in Bologna, Italy. There is an attachment submitted as part of this application, which includes a more detailed overview of the Company ownership structure. IMA specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food and Automation, closed the year 2022 with consolidated revenue of \$2.1 billion dollars while employing about 6,900 employees worldwide. Of IMA Group's global workforce, 544 are based in the USA. IMA Life NA has a total of 171 employees of which 154 are based in the existing Tonawanda facility. IMA acquired the former Edwards-Freeze Drying Division in 2008. Edwards Freeze Drying Division was started in Grand Island, NY in 1984 to produce freeze dryer equipment primarily designed for the pharmaceutical industry and moved into the existing Tonawanda facility in 1986. The freeze-drying process is a method to preserve delicate pharmaceutical substances like biological product, vaccines, small molecules like antibiotics, and blood fractions. Today, thanks to the dedication and contribution of our employees, IMA Life NA ranks among the most respected companies worldwide for the production of freeze-drying equipment. The equipment produced in IMA Life NA's Tonawanda facility serves customers in both domestic and international pharmaceutical markets. IMA Life NA has twice expanded its production and office space at the exisiting facility and has now utilized all the land available. No further expansions are possible at the existing location; however, the growing business needs additional space. To maintain the availability of the unique skills of our employees and to ensure continuity of the business, it is IMA Life NA's desire to remain in the Tonawanda area. As a result, IMA Life NA is pursuing the new facility at 700 Colvin Woods Parkway, which is the subject of this application. The new facility will consist of office area and production space to serve the highest demand for supply of freeze dryers by the pharmaceutical industry. If the Project moves forward, IMA Life NA is planning to operate both facilities, the existing location and the new one at 700 Colvin Woods Parkway. The new building would be owned by IMA Life NA. IMA Life NA would expect to increase its workforce proportionally to the business growth enabled by the new facility. See the IMA Life NA timeline attached to this application for an overview of the Company's history.

Estimated % of sales within Erie County 1 % Estimated % of sales outside Erie County but within New York State 5 % Estimated % of sales outside New York State but within the U.S. 65 %

Estimated % of sales outside the U.S.

29 %

(*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?

16

Describe vendors within Erie County for major purchases

Total vendor in 2022 (excluding employees) \$79.9MM and in Erie County \$13.0MM. The percentage will increase considering the proposed project to around 28% from the current 16%. Major vendors within Erie County include: Amherst Stainless Fabrication LLC, Goergen-Mackwirth Co., Inc., Allied Circuits, Inc., Coverco, Inc., AP Professionals of WNY, A&F Wholesale, Sean & Design Div., John J. Bonafacio, and Robert James Sales Inc.

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

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

700 Colvin Woods Pkwy

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Tonawanda Public Schools

Current Address (if different)

2175 Military Rd

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

SBL Number(s) for proposed Project

53.14-3-1.1

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

0

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

Land

\$ 6,255,600

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

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.)

The proposed 15-acre parcel located at 700 Colvin Woods Pkwy is currently vacant land, owned by Elmlawn Cemetery and Crematory Inc. However, it is in the process of being acquired by Ciminelli Properties LLC. Ciminelli, on behalf of the Cemetery, secured minor subdivision approval to create the parcel from the Tonawanda Town Board at the meeting held on March 14, 2023. The Cemetery has also received approval from the New York State Cemetery Board to sell the Site to Ciminelli. IMA Life NA has an executed Purchase and Sale Agreement for the parcel with Ciminelli. After Ciminelli acquires the parcel from the Cemetery, IMA Life NA will acquire the parcel from Ciminelli. Montante will manage construction for IMA Life NA.

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)

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

The Project includes the construction of a new office and manufacturing facility for IMA Life NA at Colvin Woods Business Park in Tonawanda NY. The Company is a leader in the field of aseptic and pharmaceutical equipment and a major supplier of equipment to the leading pharmaceutical companies like Pfizer, Merck, Eli Lilly, and Abbott. The equipment produced in IMA's Tonawanda facility is sold directly to businesses in both domestic and international pharmaceutical markets. IMA Life currently employs 154 FTE at an existing facility on Military Rd in Tonawanda, NY. It has expanded its capacity at this existing site through two new buildings; however, it has now utilized all the land space available and no further expansions are possible at this location. The Company leases the existing facility from Uniland Development Company and will continue to operate out of this existing facility after completion of the Project. IMA Life NA will utilize the new facility to expand its operations in Western New York. The new facility will include a development laboratory, three production bays and warehouse space for the development, sale, assembly, testing, and shipping of Freeze Dryers for the pharmaceutical sector. It will also include corporate office space and be positioned to serve as the North America headquarters for IMA Group. The Project will include 50,000 square feet of production space and 30,000 square feet of office space, as well as exterior parking, truck court, and dumpster areas. Upon completion of the Project, 120 existing FTE will move to the new building, leaving 34 FTE at the existing site. IMA will also hire an additional 30 new FTE, bringing the total FTE at the new facility to 150 within two years of its completion.

Municipality or Municipalities of current operations

Tonawanda

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

Ye:

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?

No

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?

No

(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?

Yes

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

The IMA Group owns 6 other companies together with IMA Life NA in the United States. All 6 of these companies are outside of New York State. IMA Group is in need of a flagship corporate office and IMA Life NA is competing with these other locations. This project will enable IMA Life NA to remain and grow its business here in Tonawanda, NY.

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

Yes

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

IMA Life NA has been contacted by Empire State Development regarding an Incentive Proposal for the project.

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:

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)

IMA Life NA has reached an important milestone for growth and is forced to consider relocating from their existing facilities. After examining alternative campus locations in New York and other states, IMA Life NA identified a 15-acre site within Colvin Woods Business Park in Tonawanda, NY. The Project will result in the relocation of some manufacturing and all office needs to the new facility, while accommodating for future growth. The new facility will also include the creation of new corporate offices in Tonawanda, NY. This will improve operating efficiencies and provide greater support to those managers and executives affected by the current space shortage and shuffling of space and personnel. It will put the Tonawanda facility in position to grow into the North American headquarters for the IMA Group. Given the nature of these jobs and the fact that IMA Life NA is competing for resources with 6 other companies located outside of New York State, the genuine threat to New York State and WNY is IMA Group's ability to pursue this project out-of-state. In light of this variable, IMA Life NA hopes to be able to work collaboratively with the ECIDA to ensure that Tonawanda, NY continues to be the best place to invest in new facilities and jobs. The requested incentives are a critical piece of the capital stack for the project and are necessary to move forward. Should the Project not move forward, it will result in a loss of approximately \$33.7 million investment, dozens of short-term construction-related jobs, and threaten the long term viability of 154 existing FTE.

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?

IMA Life NA has a total of 154 FTE that would be at risk if the project does not receive assistance and moves on in another State where the Applicant's Owner has other facilities. The region will also lose an approximately \$27.5 million investment and the creation of 30 new FTE.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

Yes, the site 1/2 Mile away from NFTA Bus Route 11, which is readily accessible from Colvin Blvd.

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.

August 2023

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

Yes

Describe the present zoning/land use

Presently the site is zoned B- 2nd Residential District and operates under a Special Use District dated 2004. All proposed uses are allowed as of right under the terms of the existing Special Use District Permit.

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

The Project site is in the process of being rezoned. The Town of Tonawanda Planning Board has recommended that the site be zoned Performance Standards District. The Town of Tonawanda Town Board is currently considering this recommendation. All proposed uses are allowed as of right under the Performance Standards District once site plan, subdivision, and performance standards review are complete.

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?

No

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.

Yes. IMA Life NA has an annual budget of \$2-\$4MM for R&D at the Tonawanda location. In 2022, IMA Life NA had total operating expenses of \$126.5MM, of which \$2.1MM was R&D cost- equal to 1.7%. In the 2023 Budget, out of a total operating expenses of \$141.4MM, IMA Life NA has budgeted \$4.0MM R&D cost- equal to 2.8%.

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	Yes 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	37,500 square feet	\$ 15,493,393	46%
Warehouse	5,500 square feet	\$ 2,357,690	7%
Research & Development	7,000 square feet	\$ 2,694,503	8%
Commercial	square feet	\$ 0	0%
Retail	square feet	\$ 0	0%
Office	30,000 square feet	\$ 13,135,704	39%
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>

< BLANK >

Yes

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

Will project result in significant utility infrastructure cost or uses

What is the estimated project timetable (provide dates)

Start date: acquisition of equipment or construction of facilities

1/1/2024

End date: Estimated completion date of project

5/30/2025

Project occupancy: estimated starting date of occupancy

6/1/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 2,285,100 square feet 15 acres

2.) New Building Construction

\$ 19,446,318 80,000 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 5,498,619

6.) Infrastructure Work

\$ 0

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

\$ 2,397,326

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

\$ 4,053,927

9.) Other Cost

\$0

Explain Other

Costs

Total Cost \$ 33,681,290

Construction Cost Breakdown:

Total Cost of Construction \$ 19,446,318 (sum of 2, 3, 4 and 6 in Project Information, above)

Cost of materials \$ 11,667,790

% sourced in Erie County 75%

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

\$ 14,065,116

Agency's sales and use tax exemption benefit

Estimated State and local Sales and Use Tax Benefit (product of

\$ 1,230,697

8.75% multiplied by the figure, above):

** 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

\$0

refinancing of existing debt only)

Have any of the above costs been paid or incurred as of the date of this Application?

Yes

If Yes, describe particulars:

A percentage of soft costs related to due diligence, environmental studies, architecture, engineering, and project management has been incurred to advance the project through design and

approvals.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 32,553,847

> **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 \$ 1,127,443

and tax credits):

ESD, Excelsior Award

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: Have you secured financing for the project? \$33,681,290

Yes

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.

<u>Percentage of Project Costs financed from Public Sector sources</u>: 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?

Ves

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

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	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	30	30
Part time	0	0	0	0
Total	120	120	30	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of <u>Full Time</u> Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of <u>Part Time</u> Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	8	\$ 175,428	\$ 66,693	0	\$0	\$ O
Professional	60	\$ 88,612	\$ 17,034	0	\$0	\$0
Administrative	45	\$ 89,047	\$ 19,452	0	\$0	\$ O
Production	37	\$ 63,605	\$ 12,066	0	\$0	\$ O
Independent Contractor	0	\$0	\$0	0	\$0	\$ O
Other	0	\$0	\$0	0	\$0	\$ O
Total	150			0		

^{**} 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.

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

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.

Address	2175 Military Rd., Tonawanda NY 14150		
Full time	154	0	0
Part time	0	0	0
Total	154	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

12,405,821

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

82,705

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

0

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

72,293

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

0

Estimated salary range of jobs to be created

From (Full Time) 60,760 To (Full Time) 87,315

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

700 Colvin Woods Pkwy, Tonawanda, NY 14150

Name and Address of Owner of Premises

IMA Life North America, 2175 Military Rd, Tonawanda, NY 14150

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

The Project is being constructed on vacant land that has been cleared and is dominated by small woody shrub and grasses.

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 natural topography will require some site work and grading, but the land is generally flat. No environmentally sensitive features exist and the site plan is designed to adhere to requirements for landscaped areas.

Describe all known former uses of the Premises

The site is vacant land and no previous uses are known. Historical aerial photographs show that the site has been undeveloped vacant land since 1938.

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

The parcel is currently owned by Elmlawn Cemetery and Crematory Inc.,

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

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

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

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 IMA Life North America

Address 2175 Military Rd Tonawanda, NY 14150

Contact Person Marco Riccioni

Phone (716) 695-6354

Fax

E-Mail Marco.Riccioni@ima.it

Federal ID #

SIC/NAICS Code 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

2175 Military Rd

City/Town

Tonawanda

State

New York

Zip Code

14150

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?

No

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:

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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.)

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?

No

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

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

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.

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

IMA Life North America / IMA Group \$ 12,500,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

• NAICS Section - 333993

COMPANY INCENTIVES

- Approximately \$ 1,140,574 in real property tax savings
- Up to \$ 376,250 in sales tax savings

JOBS & ANNUAL PAYROLL

- Projected new jobs: 40 FTE
- Est. salary/yr. of jobs created: \$76,574
- Annual Payroll: \$4,059,607
- Total jobs after project completion:40
- Construction Jobs: 49

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
- NET Community Benefits: \$71,047,945
- Spillover Jobs: 109

Total Payroll: \$63,780,885

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

Incentives: \$1,406,990

Community Benefit: \$63,954,830

Cost: Benefit Ratio
• 1:45

Project Title:

IMA Life Phase 2

Project Address

700 Colvin Woods, Tonawanda, NY 14150

(KenTon Union Free School District)

Agency Request

A sales tax and real property tax abatement for the construction of a 36,500 SF addition allowing for new production space for additional growth.

Building Addition	\$ 8,600,000
Manufacturing Equipment	\$ 3,700,000
Soft Costs/Other	\$ 200,000
Total Project Cost	\$ 12,500,000
85%	\$ 10,625,000

Company Description

IMA Life North America is part of the IMA Group HQ in Bologna, Italy. IMA specializes in packaging and processing equipment for pharmaceutical companies as well as the food industry and the automation of industrial processes. The 3 divisions, Pharmaceutical, Food and Automation, employ about 6,900 employees worldwide. Of all employed by IMA Group's global workforce, 154 are based in Tonawanda. The equipment produced in IMA Life NA's Tonawanda facility serves customers in both domestic and international markets.

Project Description

IMA is currently constructing an approx. 80,000 SF facility at 700 Colvin Woods Parkway with a completion date of May/June 2025. That initial \$ 27 M (Phase 1) project was brought before the ECIDA Board in Sept of 2023 (note: a modified application is forthcoming to request an increase in sales tax benefit due to a rise in project costs to \$33.7 M).

To serve the growing demand for supply of freeze dryers to the pharmaceutical industry, IMA is considering a Phase 2 Project adding 36,500 SF of production space to the facility. The scope of this new request also includes exterior parking and servicing. IMA will utilize the additional production space to expand its operations. Phase 2 would likely begin construction in June 2025 immediately upon the completion of Phase 1 to avoid remobilization costs.

^{*} 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

1	Tax Exemption	Amount
	Property	\$1,140,577
COSTS	Sales	\$ 376,250
Š	Mortgage Recording	\$ 0
	Total	\$1,516,827
	Discounted at 2%	\$1,406,990

Benefit: Projected Community Benefit*

	Region	Recipient	Revenue Type	\$ Amount **
	Erie	Individuals	Payroll Construction	\$ 7,554,615
	County		Payroll Permanent	\$56,226,270
BENEFITS		Public	Property Taxes	\$ 3,420,276
			Sales Taxes	\$ 530,179
			Other Muni Revenue (NFTA)	\$ 0
8	New York	Public	Income Taxes	\$ 2,870,140
525	State		Sales Taxes	\$ 446,466
			Total Benefits to EC + NYS***	\$71,047,945
			Discounted at 2%	\$63,954,830

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

Discounted Cost

\$ 1,406,990

Discounted Benefit

\$63,954,830

Ratio

1:45

Conclusion: The Cost Benefit for this project is: 45:1. For every \$1 in costs (incentives), this project provides \$45 in benefits (payroll & tax revenue). Note: For Erie County, every \$1 in costs (incentives) provides \$49 in benefits to the community.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value*	Additional County Revenue over abatement period	_	Revenue over	New Yearly Taxes Upon Expiration of Abatement Period*
\$21,071	\$4,275,500	\$ 39,358	\$ 98,138	\$ 147,649	\$477,156

Combined Tax Rate: \$ 111.60

^{*} includes estimated value of Phase 1 which is currently under construction

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 = \$12,500,000 85% = \$10,625,000
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 40 FTE 85% = 34 FTE Recapture Employment = 34 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 Real Property Tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes Real Property Tax

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 created 40 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

- 4/2/25: Public hearing held.
- 4/23/25: Inducement Resolution presented to Board of Directors adopting project conforms with FGEIS therefore no additional SEQRA action required
- 4/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

• 9/23/23: Construction of an 80K SF facility in the Town of Tonawanda (Phase 1) – Sales & property tax abatement in support of a \$26.8 M investment (note as of 3/7/25: a modified application for Phase 1 of this project is forthcoming. The modification is a request to increase the sales tax benefit due to a rise in project costs to \$33.7 M)

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits*** and Percentage of Project Costs financed from Public Sector sources

** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet-IMA Life - Phase 2

Dollar Value of New	Estimated New Assessed Value	County Tax Rate/1000	Local Tax Rate	School Tax
Construction	of Property	Kate/1000	(Town/City/Village)/1000	Rate/1000
and Renovation	Subject to IDA*			
Costs				
8,600,000	\$1,277,500	15.40426	38.410072	\$57.788125

^{*}Apply equalization rate to value

PILOT	%	County	Town	School	Total	Full Tax	Net
Year	Payment	PILOT Amount	PILOT Amount	PILOT Amount	PILOT	Payment w/o PILOT	Exemption
1	0.05	\$47,166	\$117,607	\$176,940	\$341,713	\$477,156	\$135,444
2	0.1	\$48,150	\$120,060	\$180,631	\$348,841	\$477,156	\$128,315
3	0.15	\$49,134	\$122,514	\$184,322	\$355,970	\$477,156	\$121,186
4	0.15	\$49,134	\$122,514	\$184,322	\$355,970	\$477,156	\$121,186
5	0.2	\$50,118	\$124,967	\$188,014	\$363,099	\$477,156	\$114,058
6	0.2	\$50,118	\$124,967	\$188,014	\$363,099	\$477,156	\$114,058
7	0.25	\$51,102	\$127,421	\$191,705	\$370,227	\$477,156	\$106,929
8	0.25	\$51,102	\$127,421	\$191,705	\$370,227	\$477,156	\$106,929
9	0.3	\$52,086	\$129,874	\$195,396	\$377,356	\$477,156	\$99,800
10	0.35	\$53,070	\$132,327	\$199,087	\$384,484	\$477,156	\$92,672
TOTAL		\$501,178	\$1,249,672	\$1,880,137	\$3,630,986	\$4,771,563	\$1,140,577

*** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$12,500,000	\$\$1,140,577	\$376,250	0	N/A

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 12%

EVALUATIVE CRITERIA MANUFACTURING/WAREHOUSE/DISTRIBUTION

Project: IMA Life / IMA Life Colvin Woods - Phase II

CRITERIA	COMMENTS
Wage Rate (above median wage for area) Per capita income* = \$41,560	Average salaries for jobs to be created = \$76,574
Regional Wealth Creation (% sales / customers outside area)	1% of sales are within Erie County. Remainder are: 2% in NYS, 77% in U.S and 20% are outside U.S.
In Region Purchases (% of overall purchases)	20% of total annual supplies, raw materials and vendor services are purchased from firms in Erie County. These purchases total > \$28M for 2024. Vendors include: Montante Construction, Amherst Stainless Fab, Georgen -Mackwirth, Independent Health, etc
Research & Development Activities	IMA's annual budget for $R&D = $3 - 4 M$. A new R&D lab is included in the Colvin Woods facility.
Investment in Energy Efficiency	N/A
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	Adjacent to Highly Distressed Census Tract.
LEED/Renewable Resources	N/A
Retention/Flight Risk	The IMA Group owns 6 other companies together with IMA Life NA in the U.S. All 6 companies are outside NYS
DEI Questionnaire	See attached Questionnaire. Note: construction of phase 1 project has surpassed 30% MWBE utilization. Similar goal of 30% MWBE utilization for Phase 2. Pursues workforce diversity through partnering w/ Northland & uses NYS job bank.
Workforce Access – Proximity to Public Transportation	Facility is ½ mile from NFTA Bus Route 11 (accessible from Colvin Blvd)
Onsite child daycare facilities on the project site.	N/A – "However we do have a Mom room with a fridge, comfortable, etc".

^{*}U.S. Census Bureau

DATE OF INDUCEMENT: April 23, 2025

Erie County Industrial Development Agency MRB Cost Benefit Calculator

MRB group

Date Project Title March 10, 2025 IMA Life Phase II

Project Location

700 Colvin Woods Parkway, Tonawanda, NY 14150

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

\$12,500,000

Temporary (Construction)

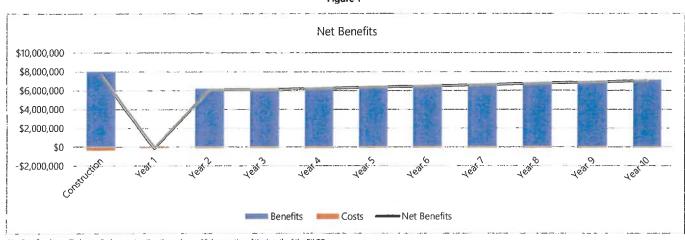
	Direct	Indirect	Total
Jobs	49	44	94
Earnings	\$4,774,046	\$2,780,569	\$7,554,615
Local Spend	\$12,500,000	\$8,634,238	\$21,134,238

Ongoing (Operations)

Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	40	65	105
Earnings	\$29,352,251	\$26,874,019	\$56,226,270

Figure 1



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

Figure 2

Total Jobs

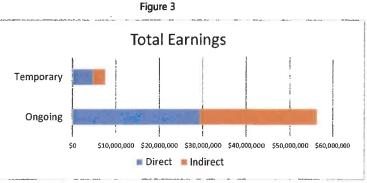
Temporary

Ongoing

0 20 40 60 80 100 120

Direct Indirect

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

Fiscal Impacts



Estimated Costs of Exemptions		
	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,140,574	\$1,030,740
Sales Tax Exemption	\$376,250	\$376,250
Local Sales Tax Exemption	\$204,250	\$204,250
State Sales Tax Exemption	\$172,000	\$172,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	<i>\$0</i>	\$0
Total Costs	\$1,516,824	\$1,406,990

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$67,731,339	\$60,968,716
To Private Individuals	\$63,780,884	\$57,425,285
Temporary Payroll Ongoing Payroll Other Payments to Private Individuals	\$7,554,615 \$56,226,270 \$0	\$7,554,615 \$49,870,671 \$0
To the Public Increase in Property Tax Revenue Temporary Jobs - Sales Tax Revenue Ongoing Jobs - Sales Tax Revenue Other Local Municipal Revenue	\$3,950,455 \$3,420,276 \$62,798 \$467,381 \$0	\$3,543,430 \$3,066,082 \$62,798 \$414,550 \$0
State Benefits	\$3,316,606	\$2,986,115
To the Public Temporary Income Tax Revenue Ongoing Income Tax Revenue Temporary Jobs - Sales Tax Revenue Ongoing Jobs - Sales Tax Revenue	\$3,316,606 \$339,958 \$2,530,182 \$52,882 \$393,584	\$2,986,115 \$339,958 \$2,244,180 \$52,882 \$349,095
Total Benefits to State & Region	\$71,047,945	\$63,954,830

Benefit to Cost Ratio

		Benefit*	Cost*	Ratio
	Local	\$60,968,716	\$1,234,990	49:1
	State	\$2,986,115	\$172,000	17:1
Grand Total	THE WATER	\$63,954,830	\$1,406,990	45:1
*Discounted at 2%				

Additional Comments from IDA

0

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

Yes

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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://ny.newnycontracts.com/
- Erie County MWBE Certified List: https://www3.erie.gov/eeo/mbe-wbe-resource-list

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.

IMA Life and its General Contractor, Montante Construction LLC committed to a goal of 30% MWBE utilization on the value of the ECIDA benefit for Phase 1, or about \$900,000. IMA Life and Montante have surpased this goal for Phase 1 of construction. IMA Life and Montante will again commit to a goal of 30% MWBE utilization on the value of the ECIDA benefit for Phase 2. The intention is to utilize the same subcontractors as Phase 1. This will enable a seamless transition from Phase 1 construction into Phase 2 without the need to wind down construction and incur additional costs to re-mobilize for Phase 2. It will also reduce the overall project timeline for Phase 2 due to streamlined bidding and buyout of the additional scope of work.

2. <u>Minority & Women Employment - Current Workforce & Hiring Practices</u>

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/employer-services
- New York State Job Bank: https://myjobsny.usnlx.com/
- Local Minority Newspapers: https://www3.erie.gov/eeo/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:

IMA Life does not have a formal DEI program in place. However, as a responsible employer, IMA Life North America rejects all forms of unlawful discrimination not only because it is against the law, but because it is wrong. This includes unlawful discrimination because of a person's sex, sexual orientation, transgender status, race, creed, color, religion, military status, gender, national origin, age, disability, arrest record, marital status, familial status, domestic violence victim status, status as an ex-offender, predisposing genetic characteristics or genetic information. Employment decisions are made without regard to unlawful considerations and IMA Life is always endeavoring to further diversify its current workforce through its recruitment and hiring practices. IMA currently works with Northland for hiring and training, and also publishes its new hire search in NY State Job Bank.

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.

PUBLIC HEARING SCRIPT

IMA Life North America, Inc. Phase II 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 April 2, 2025 at 10:30 a.m. at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware Avenue, Kenmore, NY 14217

ATTENDANCE:

Byron DeLuke - Montante Construction Hon. Joseph Emminger - Town of Tonawanda Supervisor

Hearing Officer: Welcome. This public hearing is now open; it is 10:31 a.m. My name is Andrew Federick. I am the Property and Business Development Officer 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 ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the IMA Life North America, Inc. 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 Wednesday, March 18, 2025.

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

<u>Hearing Officer:</u> The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 700 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York and all other lands in the Town of Tonawanda where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the construction on the Land of an approximately 36,500+/- square foot of additional production space to the existing 80,000+/- square foot facility, as well as associated parking (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, the "Facility"). The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

4. FORMAT OF HEARING: Review the rules and manner in which the hearing will proceed.

<u>Hearing Officer:</u> 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 April 22, 2025. 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.

Byron DeLuke, Executive Director of Development for Montante Construction and TM Montante Development. I am here today representing the applicant, IMA Life, the applicant which is seeking a PILOT and Sales Tax abatements for its proposed Phase 2 expansion to its new office and production facility, which is currently under construction at Colvin Woods here in Tonawanda NY. IMA is part of the IMA Group, headquartered in Bologna, Italy. They employ about 6,900 employees worldwide 154 of which work right here in Tonawanda. They twice expanded their existing facility and are proceeding with construction on the new facility to accommodate future growth here in town.

Phase 1 of that project is about 80,000 square feet of office and production space and is anticipated to be complete in May 2025. To serve the growing demand of the pharmaceutical industry, IMA's Corporate Board in Italy has conditionally approved a Phase 2 of the project which would entail an additional 36,500 square feet of production space and lead to 40 new fulltime jobs on top of those that are being created in phase 1. Given the nature of these jobs, and the fact that IMA is competing for resources with 6 other IMA Group companies located outside of New York State, it is important that they be allowed to proceed here with Phase 2 so that they can continue to grow their business here in Tonawanda. Construction costs have risen significantly since the project's conception in 2023 and the start of construction on Phase 1 in 2024. And as a result, the sales and real property tax abatements are absolutely necessary to secure the final approval to proceed with Phase 2. Should IMA Life secure the tax abatements necessary to proceed with Phase 2, it intends to begin construction immediately upon completion of Phase 1 in June 2025. This will result in an about a \$12.5 million investment, dozens of short-term construction jobs, and 40 new full-time jobs.

On behalf of IMA Life, I again want to express our sincere gratitude to the Agency for its assistance with Phase 1. We hope to be able to work collaboratively with the ECIDA to ensure that the Town of Tonawanda is selected for the additional investment needed to complete the proposed Phase 2 expansion. Thank you.

Joseph Emminger - Supervisor, Town of Tonawanda. I'm here this morning on behalf of the Town of Tonawanda to fully support the application for the Phase II construction of IMA Life. They have been a great corporate partner of the Town already at there existing facility over on Military Road. The phase I project and now the phase II expansion of the project shows their commitment to Western New York and the Town of Tonawanda, to say nothing of the 40 jobs that are being added. And they're not only 40 jobs, but they are also 40 good paying jobs that are coming into the community, averaging between \$75,000-\$80,000 for the individuals. The Town wholeheartedly supports this application and we look forward to working with them for many years to come. Thank you.

⋈ 6. ADJOURNMENT:

As there are no further statements and/or comments, I will close the public hearing at 10:37 a.m.

SIGN IN SHEET PUBLIC HEARING

April 2, 2025 at 10:30 a.m. at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware Avenue, Kenmore, NY 14217, regarding:

IMA Life North America, Inc. Phase II project and/or Individual(s), Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location:

700 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Byron DeLuke	Montante Construction 2760 Kenmore Avenue Tonawanda, New York 14150	Х
Hon. Joseph Emminger	Town of Tonawanda Supervisor 2919 Delaware Avenue Kenmore, NY 14217	X

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY INDUCEMENT RESOLUTION

IMA LIFE NORTH AMERICA INC., 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, April 23, 2025 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 IMA LIFE NORTH INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, "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

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, IMA LIFE NORTH AMERICA INC. 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

on 700 Colvin Woods Parkway, Town of Tonawanda, Erie County, New York and all other lands in the Town of Tonawanda where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), (ii) the construction on the Land of an approximately 36,500+/- square foot of additional production space to the existing 80,000+/- square foot facility, as well as associated parking (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, the "Facility"). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on April 2, 2025, at 10:30 a.m., at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware Avenue, Kenmore, NY 14217, 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) negotiate and enter into a lease agreement (the "Lease Agreement") and related leaseback agreement (the "Leaseback Agreement") with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) 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, and (b) a partial abatement from real property taxes benefit through a ten (10) year "payment in lieu of tax agreement" (the "PILOT Agreement") with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, the Project is located within the Town of Tonawanda (the "Town") Colvin Woods Business Park (the "CWBP"); and

WHEREAS, on May 24, 2004, the Town adopted an amended Findings Statement (the "Findings Statement") as so related to a Final Generic Environmental Impact Statement (the "FGEIS"), said FGEIS dated December 22, 2003, for the CWBP as being consistent with the applicable requirements of Article 8 of the New York Environmental Conservation Law, and the regulations promulgated therein at 6 N.Y.C.R.R. Part 617 (collectively referred to as "SEQRA"); and

WHEREAS, Section 617.10(d)(1) of the SEQR regulations states that when a FGEIS has been filed, no further SEQR compliance is required if the subsequent proposed action will be carried out in conformance with the conditions and thresholds established for such actions in the FGEIS or the Findings Statement, such that additional SEQR compliance is only required if the

subsequent proposed action was not addressed or was not adequately addressed in the FGEIS or the Findings Statement, or if the subsequent action has one or more significant adverse environmental impacts that were not analyzed in the generic process; and

WHEREAS, by resolution adopted April 2, 2025, the Planning Board of the Town of Tonawanda (the "Planning Board") determined that, pursuant to Section 617.10(d)(1) of the SEQR regulations, no further SEQR compliance is required because the proposed Project conforms with the conditions and thresholds established in the FGEIS and related Findings Statement prepared and approved by the City (the "SEQR Consistency Determination"); 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 the Project and its April 3, 2025 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project's cost benefit ratio, 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, 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, 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 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 satisfactorily 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 is in substantial compliance with all provisions of the Act; and
- (I) The Agency adopts, ratifies, and confirms the Town Planning Board's SEQR Consistency Determination; 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): Average salaries for jobs to be created = \$76,574.
 - (ii) Regional Wealth Creation (% sales/customers outside area): 1% of sales are within Erie County. Remainder are 2% in NYS, 77% in U.S. and 20% are outside U.S.
 - (iii) In Region Purchases (% of overall purchases): 20% of total annual supplies, raw materials and vendor services are purchased from firms in Erie County. These purchases total > \$28M for 2024. Vendors include: Montante Construction, Amherst Stainless Fab, Georgen-Mackwirth, Independent Health, etc..
 - (iv) Research & Development Activities: IMA's annual budget for R&D = \$3M-\$4M. A new R&D lab is included in the Colvin Woods facility.
 - (v) Investment in Energy Efficiency: N/A.
 - (vi) Locational Land Use Factors, Brownfields or Locally Designated Development Areas: Adjacent to highly distressed census tract.

- (vii) LEED/Renewable Resources: N/A.
- (viii) Retention/Flight Risk: The IMA Group owns 6 other companies together with IMA Life NA in the U.S. All 6 companies are outside NYS.
- (ix) DEI Questionnaire: Construction of Phase I project has surpassed 30% MWBE utilization. A similar goal of 30% MWBE utilization for Phase 2 has been established. The Company pursues workforce diversity through partnering with Northland and uses NYS job bank.
- (x) Workforce Access-Proximity to Public Transportation: The Facility is ½ mile from NFTA Bus Route 11 (accessible from Colvin Blvd.).
 - (xi) Onsite child daycare facilities on the project site: N/A.
- <u>Section 2</u>. 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 authority to appoint the Company to act as agent of the Agency, if said appointment is not duly made, as herein expressed, 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. <u>Financial Assistance.</u> With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, 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 \$4,300,000, 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 \$376,250, 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; and

- (ii) authorizes and approves that the real property tax abatement benefits ("PILOT benefits") to be provided over the term of the PILOT Agreement are estimated to be approximately \$1,140,574, resulting in estimated total PILOT payments of \$3,630,986 over the term of the PILOT Agreement.
- Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the B. 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, and/or partial abatements from real property taxes 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 for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes 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. and/or the partial abatement from real property taxes 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. <u>Commitments.</u> 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 termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:
 - (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$10,625,000 (which

- represents the product of 85% multiplied by \$12,500,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment that there are at least 34 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 34 FTE employees [being the product of 85% multiplied by 40 (being the 40 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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 (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. 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 any mortgage, assignment of leases and rents, security

agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. 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 7. 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 8. 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: April 23, 2025



IMA Life Phase 2

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 IMA Life Phase 2

Project Summary

The IMA Life Phase 2 Project includes the development, construction and operation of

approximately 36,500 square feet of new production space at IMA Life North America's new

facility, located at Colvin Woods Business Park in the Town of Tonawanda.

Applicant Name IMA Life North America

Applicant Address 2175 Military Rd

Applicant Address 2

Applicant City Tonawanda
Applicant State New York
Applicant Zip 14150

Phone (716) 695-6354

Fax

E-mail marco.riccioni@ima.it

Website https://ima.it/pharma/brands/ima-life/

NAICS Code 333993 Manufacturing Packaging Machinery

Business Organization

Type of Business

Corporation

Year Established

2005

State

Delaware

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

Byron DeLuke

Title

Executive Director

Address

2760 Kenmore Ave

Address 2

City

Tonawanda

State

New York

Zip

14150

Phone

(716) 876-8899

Fax

E-Mail

bdeluke@montante.com

Company Contact- Authorized Signer for Applicant No

Contact is same as

individual completing

application

Name

Marco Riccioni

Title

Finance Mangager

Address

2175 Military Rd

Address 2

City

Tonawanda

State

New York

Zip

14150

Phone

(716) 695-6354

Fax

E-Mail

marco.riccioni@ima.it

Company Counsel

Name of **Attorney** Vince Hanley

Firm Name

Bond Schoeneck & King

Address

200 Delaware Ave

Address 2

City

Buffalo

State

New York

Zip

14202

Phone

(716) 416-7022

Fax

E-Mail

vhanley@bsk.com

Benefits Requested (select all that apply)

Exemption from Sales Tax

Yes

Exemption from Mortgage Tax

No

Exemption from Real Property Tax

Yes

Tax Exempt Financing*

No

<u>Applicant Business Description</u>

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%.

IMA Life North America is located in Tonawanda, NY. The Company is part of the IMA Group, which is headquartered in Bologna, Italy. There is an attachment submitted as part of this application, which includes a more detailed overview of the Company ownership structure. IMA specializes in packaging and process equipment for pharmaceutical companies, as well as the food industry and the automation of industrial processes. The three divisions, Pharmaceutical, Food and Automation, employ about 6,900 employees worldwide. Of IMA Group's global workforce, 154 are based in the existing Tonawanda facility. IMA acquired the former Edwards- Freeze Drying Division in 2008, which was started in Grand Island, NY in 1984 to produce freeze dryer equipment primarily designed for the pharmaceutical industry and moved into the existing Tonawanda facility in 1986. Today, thanks to the dedication and contribution of our employees, IMA Life NA ranks among the most respected companies worldwide for the production of freeze-drying equipment. The equipment produced in IMA Life NA's Tonawanda facility serves customers in both domestic and international markets. IMA Life NA has twice expanded its production and office space at the existing facility and has now utilized all the land available. To ensure continuity of the business, IMA is currently constructing an approximately 80,000 square foot new facility at 700 Colvin Woods Parkway in Tonawanda. This new facility will consist of new office and production space and is scheduled for completion in May 2025. To serve the growing demand for supply of freeze dryers to the pharmaceutical industry, IMA has also conditionally approved a Phase 2 Project, which is the subject of this application and would entail an additional 36,500 square feet of production space. It is IMA's intent to begin construction on the Phase 2 Project immediately upon completion of Phase 1 in June 2025. See the IMA Life NA timeline attached to this application for an overview of the Company's history.

Estimated % of sales within Erie County

1 %

Estimated % of sales outside Erie County but within New York State

2 %

Estimated % of sales outside New York State but within the U.S.

77 %

Estimated % of sales outside the U.S.

20 %

(*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?

20

Describe vendors within Erie County for major purchases

Total spending to vendors in Erie County for 2024 was about \$28 million. Major vendors included: Montante Construction LLC for construction; Amherst Stainless Fabrication for steel fabrication; Georgen-Mackwirth Co., Inc. for steel fabrication and contractor labor; Independent Health for health insurance; CPI Process Systems, Inc. for valves; Ryan Specialty Valve Products for valves; Allied Circuits Inc for electrical cabinets and contractor labor; Coverco, Inc. for contractor labor; Seal & Design Div. for gasket and o-ring materials; and Uniland Development for building rent.

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

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

700 Colvin Woods, Tonawanda NY 14150

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Tonawanda Public Schools

Current Address (if different)

2175 Military Rd

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

SBL Number(s) for proposed Project

53.14-3-1.1

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

С

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

Land

\$ 6,255,600

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?

No

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

The expansion is proposed to be constructed on a vacant 8-acre parcel immediately west of the new office and manufacturing facility located at 700 Colvin Woods Pkwy.

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)

The Project includes the development and construction of approximately 36,500 square feet of new production space, as well as associated parking and servicing for IMA Life at Colvin Woods Business Park in the Town of Tonawanda. The Project is an expansion to Phase 1 of the new production and office facility, which is currently under construction at the site. Phase 1 included approximately 50,000 square feet of production space and 30,000 square feet of office space, as well as exterior parking and servicing. Phase 1 will be completed in May 2025 and is the subject of an existing PILOT Agreement with the ECIDA. The Phase 2 Expansion Project is the sole subject of this application for further inducement. Phase 2 is proposed to add approximately 36,500 square feet of additional production space to IMA Life's new facility at Colvin Woods, as well as exterior parking and servicing. IMA will utilize the new production space to expand its operations. Phase 2 would begin construction immediately upon the completion of Phase 1 in June 2025 to avoid re-mobilization costs. Construction is anticipated to be completed in Spring 2026. The Phase 2 Project would result in 40 new FTE after the transition of production to the new facility. Together with Phase 1, a total of 190 FTE would work at IMA Life's new facility within two years of the Phase 2 completion.

Municipality or Municipalities of current operations

Tonawanda

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

Yes

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?

No

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?

Nο

(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?

Yes

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

The IMA Group owns 6 other companies together with IMA Life NA in the United States. All 6 of these companies are outside of New York State. The Phase 2 Project would allow IMA Life to further expand its operations in WNY, making it more competitive long term relative to competing locations in other states.

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:

N/A

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)

IMA Life has reached an important milestone for growth and is forced to consider relocating from their existing facilities. After examining alternative campus locations in New York and other states, IMA Life identified a 15-acre site within Colvin Woods Business Park in Tonawanda, NY. The Phase 1 project will address operating inefficiency resulting from IMA Life's current space shortage and shuffling of space and personnel. The Phase 2 Project, which is the subject of this inducement application, would set the stage for additional growth in Tonawanda and Erie County. Given the nature of these jobs, however, and the fact that IMA Life NA is competing for resources with 6 other companies located outside of New York State, the genuine threat is IMA Group's ability to decide to grow its business out-of-state should project costs be too high at the Colvin Woods site. Indeed, construction costs continue to rise and as a result, the sales and real property tax abatements available through the ECIDA are absolutely necessary to secure the final approval to proceed from IMA Life's corporate board in Italy. In light of this variable, IMA Life hopes to be able to work collaboratively with the ECIDA to ensure that Tonawanda, NY is selected for the additional investment necessary to complete the proposed Phase 2 expansion. Should the Phase 2 Project move forward, it will result in an \$12.5 million investment, dozens of short-term construction-related jobs, and approximately 40 new FTE after 2 years.

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?

The Applicant would not move forward with the \$12.5 million, 36,500 square foot expansion of its production space. This would prevent IMA Life from expanding its production capacity in Tonawanda, jeopardizing its ability to expand the business and preventing it from hiring 40 new ETF.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

Yes, the site 1/2 Mile away from NFTA Bus Route 11, which is readily accessible from Colvin Blvd.

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

Yes

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.

No SEQR determination yet- ECIDA to be Involved Agency

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

Yes

Describe the present zoning/land use

The Site is governed by the Town of Tonawanda Code. Zoning is mixed-use industrial. The proposed use is allowed as of right.

Describe required zoning/land use, if different

N/A

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

N/A

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?

Νo

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.

IMA has an annual budget of \$3-\$4M for R&D. A new R&D laboratory is included in the new facility at Colvin Woods.

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	Yes 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	36,500 square feet	\$ 12,500,000	100%
Warehouse	square feet	\$ 0	0%
Research & Development	square feet	\$ 0	0%
Commercial	square feet	\$ 0	0%
Retail	square feet	\$ 0	0%
Office	square feet	\$ 0	0%
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

Provide estimate of additional construction cost as a result of

LEED certification you are seeking

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

6/1/2025

End date: Estimated completion date of project

2/28/2026

Project occupancy: estimated starting date of occupancy

3/31/2026

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 8,600,000 36,500 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 3,700,000

6.) Infrastructure Work

\$0

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

\$0

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

\$ 200,000

9.) Other Cost

\$0

Explain Other

Costs

Total Cost \$ 12,500,000

Construction Cost Breakdown:

Total Cost of Construction \$ 8,600,000 (sum of 2, 3, 4 and 6 in Project Information, above)

Cost of materials \$4,300,000

% sourced in Erie County 75%

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 \$ 4,300,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 376,250

** 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.

\$0

Project refinancing estimated amount, if applicable (for

refinancing of existing debt only)

Have any of the above costs been paid or incurred as of the date Yes

of this Application?

If Yes, describe particulars:

A portion of the soft costs have been incurred for design, land use,

SEQR review, utility confirmations

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$12,500,000

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 \$ 0

and tax credits):

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: \$12,500,000

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.

<u>Percentage of Project Costs financed from Public Sector sources</u>: 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?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

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	0	0	40	40
Part time	0	0 .	0	0
Total	0	0	40	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of <u>Full Time</u> Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of <u>Part Time</u> Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	0	\$0	\$0	0	\$0	\$ O
Professional	14	\$ 886,120	\$ 17,034	0	\$0	\$ O
Administrative	8	\$ 89,047	\$ 19,452	0	\$0	\$0
Production	18	\$ 63,605	\$ 12,066	0	\$0	\$0
Independent Contractor	0	\$0	\$0	0	\$0	\$0
Other	0	\$0	\$0	0	\$0	\$0
Total	40			0		

^{**} 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.

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

Address	2175 Military Rd., Tonawanda NY 14150		
Full time	154	0	0
Part time	0	0	0
Total	154	0	0

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.

Payroll Information

Annual Payroll at Proposed Project Site upon completion

4,059,607

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

0

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

C

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

76,574

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

0

Estimated salary range of jobs to be created

From (Full Time) 63,000

To (Full Time) 89,000

From (Part Time)

To (Part Time)

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

700 Colvin Woods, Tonawanda NY 14150

Name and Address of Owner of Premises

IMA Life North America, 2175 Military Rd., Tonawanda NY 14150

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

The Project is being constructed on vacant land that has been cleared and is dominated by dirt and grasses.

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

Construction is slated to begin, should financing be secured, in June of 2025. The Phase 2 Project includes an approximately 36,500 square foot addition to the new facility being constructed on the site. The addition will house additional production space for freeze dryers for the pharmaceutical industry.

Describe all known former uses of the Premises

There are no known previous users.

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?

Νo

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

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

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

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 IMA Life North America

Address 700 Colvin Woods, Tonawanda NY 14150

Contact Person Marco Riccioni

Phone (716) 695-6354

Fax

E-Mail marco.riccioni@ima.it

Federal ID # 20-3265112

SIC/NAICS Code 333993

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

2175 Military Rd

City/Town

Tonawanda

State

New York

Zip Code

14150

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?

No

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

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:

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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.)

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?

No

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

Excellent and skilled local labor force, continuity of operations, proximity to international border, local infrastructure

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

N/A

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.

Phase 2 is an expansion of the Phase 1 project at the same location.

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 multifamily 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

Big Heart Pet Brands / J. M. Smucker Company \$ 52,660,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

NAICS Section – 311111

COMPANY INCENTIVES

• Up to \$ 1,085,175 in sales tax savings

JOBS & ANNUAL PAYROLL

• Current Jobs: 283 FT

• Est. salary/yr. of jobs retained: \$71,397

Projected new jobs: 17 FT

• Est. salary/yr. of jobs created: \$64,272

 Total jobs after project completion: 300

• Annual Payroll: \$ 21,297,987

· Construction Jobs: 208

PROJECTED COMMUNITY BENEFITS*

- Term: 2 YEARS after project completion.
- NET Community Benefits: \$206,382,582
- Spillover Jobs: 837

Total Payroll: \$194,643,166

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

Incentives: \$1,085,175

Community Benefit: \$199,643,206

Cost: Benefit Ratio
• 1:184

Project Title: Buffalo Facility Expansion (Project Domino)

Project Address 243 Urban Street, Buffalo, NY 14211

(Buffalo City School District)

Agency Request

A sales tax abatement for a company project to modernize their facility and provide environmental and food safety advantages. The project also will include the addition of a Soft n' Chewy processing line.

В	uilding Addition	\$ 10,210,000
M	Ianufacturing Equipment	\$ 42,450,000
T	otal Project Cost	\$ 52,660,000
83	5%	\$ 44,761,000

Company Description

Big Heart Pet Brands is a wholly owned subsidiary of J. M. Smuckers Company which is an American manufacturer of food and beverage products originally founded in 1897 and headquartered in Orrville, OH. The J. M. Smucker Company employs nearly 9,000 employees with approximately \$8.5 billion in net sales (as of 2023). Their four major business units: frozen handhelds and spreads, pet foods, sweet baked snacks and coffee. More than 80% of U.S. homes have Smucker products in their panty. In March 2015, Smucker acquired Big Heart Pet Brands whose portfolio consists of: Meow Mix, Milk Bone, Pup-Peroni, Canine Carry Outs and Milo's Kitchen.

Project Description

The proposed project would add approximately 897 SF to the existing 550,000 SF building through the addition of a Soft n' Chewy processing line. The addition of this line will increase the overall plant capacity by converting the existing Soft n' Chewy process line. The expansion would include the purchase and commissioning of several pieces of equipment to achieve the proposed increase in production.

Phase 1 would bring attention to Soft n' Chewy production with additional capacity. Phase 2 would convert the current Soft n' Chewy oven and dryer to produce biscuit volume and add additional biscuit capacity. The Project will also include a Freezer Expansion.

^{*} 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

	Tax Exemption	Amount	
S	Property	\$ 0	
COSTS	Sales	\$1,085,175	
8	Mortgage Recording	\$ 0	
	Total	\$1,085,175	
	Discounted at 2%	\$1,085,175	

Benefit: Projected Community Benefit*

	Region	Recipient	Revenue Type	\$ Amount **	
	Erie	Individuals	Payroll Construction	\$ 31,826,08	30
	County		Payroll Permanent	\$ 162,817,08	36
S		Public	Property Taxes	\$	0
BENEFITS			Sales Taxes	\$ 1,617,97	<u>'1</u>
Ê			Other Muni Revenue (NFTA)	\$	0
8	New York	Public	Income Taxes	\$ 8,758,94	3
	State		Sales Taxes	\$ 1,362,50	3
			Total Benefits to EC + NYS***	\$206,382,58	2
			Discounted at 2%	\$199,643,20	6

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

Discounted Cost

\$ 1,085,175

Discounted Benefit

\$199,643,206

Ratio

1:184

Conclusion: The Cost Benefit for this project is: 184:1. For every \$1 in costs (incentives), this project provides \$184 in benefits (payroll & tax revenue). Note: For Eric County, every \$1 in costs (incentives) provides \$322 in benefits to the community.

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 = \$ 52,660,000 85% = \$ 44,761,000	
Employment	2 years after project completion	Maintain Base = 283 FTE Create 85% of Projected Projected = 17 FTE 85% = 9 FTE Recapture Employment = 292 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	

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 283 FTE jobs and created 17 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

- 3/31/25: Public hearing held.
- 4/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 4/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors

EVALUATIVE CRITERIA AGRICULTURAL, FOOD PROCESSING

Project: Big Heart Pet Brand / Project Domino

CRITERIA	COMMENTS
Wage Rates (above median wage for area) Per capita income = \$41,560	Average annual wages are above the median. Retained FT jobs = \$71,397 To be Constant FT in the \$60,4272
Regional Wealth Creation (% of sales/customers outside area)	To be Created FT jobs = \$64,272 % of sales outside the region = 99%:
	 In NYS (outside EC) = 3% Within USA (outside NYS) = 95% International sales = 1%
In Region Purchases (% of purchases from local growers)	In region purchases = 20%: Approx. \$28 M annually is spent with Erie County suppliers
Research & Development Activities	N/A
Investments in Energy Efficiency	Energy efficiency benefits are expected with various purchases to be made:
	Due to the age of the facility, energy efficiency upgrades will be engineered into the project in the form of LED lighting, variable frequency drive, and other energy efficient equipment.
Locational Land Use Factors, Proximity to Supporting Local Agricultural Production	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	N/A
DEI Questionnaire	See attached.
Workforce Access – Proximity to Public Transportation	Site is accessible by two City of Buffalo bus lines: #23 (Fillmore Hertel) and # 24 Genessee Line
Onsite child daycare facilities on the project site	N/A
110.0	

^{*}U.S.Census Bureau

DATE OF INDUCEMENT: April 23, 2025

Erie County Industrial Development Agency MRB Cost Benefit Calculator

Date Mai

March 3, 2025

Project Title Big Heart Pet Brands / J. M. Smucker Company

Project Location 243 Urban Street, Buffalo, NY 14211



Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

\$52,660,000

Temporary (Construction)

100	Direct	Indirect	Total
Jobs	208	186	394
Earnings	\$20,112,101	\$11,713,980	\$31,826,080
Local Spend	\$52,660,000	\$36,374,319	\$89,034,319

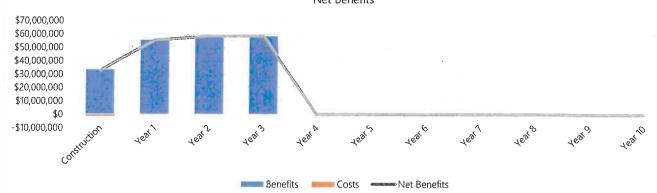
Ongoing (Operations)

Aggregate over life of the PILOT

100	Direct	Indirect	Total
Jobs	300	651	951
Earnings	\$62,801,301	\$100,015,785	\$162,817,086

Figure 1



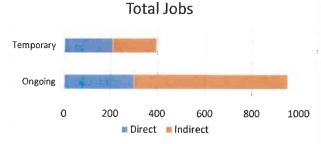


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3

Total Earnings



Temporary :

\$50,000,000

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

\$150,000,000

\$200,000,000

\$100,000,000

■ Direct ■ Indirect

Fiscal Impacts



		Cost-Be	enefit Analysis T
Estimated Costs of Exemptions	Nominal Value	Discounted Value*	-
Property Tax Exemption	Noninal value	Discounted value*	
Sales Tax Exemption Local Sales Tax Exemption State Sales Tax Exemption	\$1,085,175 <i>\$589,095</i> <i>\$496,080</i>	\$1,085,175 <i>\$589,095</i> <i>\$496,080</i>	
Mortgage Recording Tax Exemption Local Mortgage Recording Tax Exemption State Mortgage Recording Tax Exemption	\$0 \$0 \$0	\$0 \$0 \$0	
Total Costs	\$1,085,175	\$1,085,175	
State and Local Benefits			
	Nominal Value	Discounted Value*	
Local Benefits	\$196,261,137	\$189,852,275	
To Private Individuals Temporary Payroll Ongoing Payroll Other Payments to Private Individuals	\$194.643.166 \$31,826,080 \$162,817,086 \$0	\$188,287,138 \$31,826,080 \$156,461,058 \$0	
Fo the Public Increase in Property Tax Revenue Temporary Jobs - Sales Tax Revenue Ongoing Jobs - Sales Tax Revenue Other Local Municipal Revenue	\$1,617,971 \$0 \$264,554 \$1,353,417 \$0	\$1.565.137 \$0 \$264,554 \$1,300,583 \$0	
State Benefits	\$10,121,445	\$9,790,931	
Fo the Public Temporary Income Tax Revenue Ongoing Income Tax Revenue Temporary Jobs - Sales Tax Revenue Ongoing Jobs - Sales Tax Revenue	\$10,121,445 \$1,432,174 \$7,326,769 \$222,783 \$1,139,720	\$9.790,931 \$1,432,174 \$7,040,748 \$222,783 \$1,095,227	
otal Benefits to State & Region	\$206,382,582	\$199,643,206	
Benefit to Cost Ratio			
<u> </u>	Benefit*	Cost*	Ratio
Local	\$189,852,275	\$589,095	322:1
State	\$9,790,931	\$496,080	20:1
Grand Total	\$199,643,206	\$1,085,175	184:1

Additional Comments from IDA

0

*Discounted at 2%

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

Ye

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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://ny.newnycontracts.com/
- Erie County MWBE Certified List: https://www3.erie.gov/eeo/mbe-wbe-resource-list

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.

Big Heart Pet Brands, Inc. uses a standardized procurement process to evaluate all eligible vendors. The Company encourages the submission of bids from local vendors as well as qualified MWBE firms and is committed to using a diverse array of vendors. The two MWBE certified links above will be utilized, in connection with the Project's general contractor, when completing contractor and supplier outreach.

2. <u>Minority & Women Employment - Current Workforce & Hiring Practices</u>

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/employer-services
- New York State Job Bank: https://myjobsny.usnlx.com/
- Local Minority Newspapers: https://www3.erie.gov/eeo/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:

We believe having an inclusive culture and the expertise of diverse professionals across our business that reflects our consumers is critical to our success and is in alignment with our basic belief, Thrive Together.

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.

PUBLIC HEARING SCRIPT

Big Heart Pet Brands, Inc. 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 March 31, 2025 at 9:00 a.m., at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203

ATTENDANCE:

Beth O'Keefe – ECIDA Brian Krygier – ECIDA Gregory Bala - JM Smucker/Milk Bone/Big Heart Pet Foods Ryan McGinnis - JM Smucker/Milk Bone/Big Heart Pet Foods Kurt Wolfanger - JM Smucker/Milk Bone/Big Heart Pet Foods Jeff Panza – LeChase Construction Grant Dimbleby - Ernst & Young

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 ecidany.com.

2. PURPOSE: Purpose of the Hearing.

<u>Hearing Officer:</u> We are here to hold the public hearing on the Big Heart Pet Brands, Inc. 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 Wednesday, March 19, 2025.

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

Hearing Officer: The proposed project (the "Project") consists of: (i) the construction on the Land of an approximately 897+/- square-foot addition to the existing 550,000+/- square foot building for a Soft n' Chewy processing line to increase overall plant capacity (the "Improvements"), and (ii) 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.

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 the 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 April 22, 2025. 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.

Gregory Bala, Plant Engineer, Buffalo Milk Bone Bakery. I'd like to say the facility has been part of the Buffalo community since the 1920s at our facility at 243 Urban Street where we produce our Milk-Bone products. Today, our 280 employees manufacture the most popular dog brand on the market, delivering on the needs of consumers and their pets across the country. To support our production, the Company spends approximately \$28 million annually with suppliers in Erie County and strives to use local suppliers whenever possible. In addition to being a leading employer and business, we are proud to support the local community and have numerous partnerships to help us deliver on the needs of area residents. This includes our work with organizations such as Go Bike Buffalo, the Buffalo and Erie County Public Library System, Re-Tree Western New York and Feed More WNY among many others. As we continue to invest in the growth of our business, workforce and community we are evaluating the potential expansion of our local manufacturing facility. Due to the age of the facility, the project would implement modern environmental and food safety advantages to help us deliver on consistently increasing consumer demand for our Soft n' Chewy product. This initiative would add a dedicated processing line and freezer to increase overall plant capacity. We expect this expansion and the subsequent work to create 17 new full-time jobs, retain existing 280

employees with an average employee salary well above the local market. Investment in the local economy of about \$50M.

As we consider plans to meet our capacity needs, we have evaluated alternative options. Notably, we are considering the potential for expansion of other existing facilities in Topeka, Kansas, and Decatur, Alabama, which currently manufacture products in support of our Pet business. Our Company has existing incentives from the State of Kansas for job creation and investment, and this potential expansion could spark new incentives to further offset costs. We are requesting financial assistance to justify the significant investment to coordinate this expansion in Buffalo given the high costs of construction and labor in Erie County. We appreciate the Board's consideration of financial assistance for this project and look forward to continuing to grow the positive impact we have on the local economy, the area residents that benefit from our consistent support and the consumers who count on our brand.

△ 6. ADJOURNMENT:

As there are no further statements and/or comments, I will close the public hearing at 9:06 a.m.

SIGN IN SHEET PUBLIC HEARING

March 31, 2025 at 9:00 a.m. at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203, regarding:

Big Heart Pet Brands, Inc. project and/or Individual(s), Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location:

243 Urban Street, Buffalo, New York 14211

Name	Company and/or Address	X box to speak/comment
Beth O'Keefe	ECIDA	
	95 Perry Street, Suite 403	
	Buffalo, New York 14203	
Brian Krygier	ECIDA	
7.0	95 Perry Street, Suite 403	
	Buffalo, New York 14203	
Gregory Bala	JM Smucker/Milk Bone/Big Heart Pet Foods	
	243 Urban Street	X
	Buffalo, New York 14211	
Ryan McGinnis	JM Smucker/Milk Bone/Big Heart Pet Foods	
	243 Urban Street	
	Buffalo, New York 14211	
Kurt Wolfanger	JM Smucker/Milk Bone/Big Heart Pet Foods	
	243 Urban Street	
	Buffalo, New York 14211	
I con	LeChase Construction	
Jeff Panza	51 Elmwood Ave Suite 210,	
C . P' 111	Buffalo, New York 14222	
Grant Dimbleby	Ernst & Young	
	10 Bausch and Lomb Place	
	Rochester, NY 14604	

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY INDUCEMENT RESOLUTION

BIG HEART PET BRANDS, INC., 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, April 23, 2025 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 BIG HEART PET BRANDS, INC.. AND/OR INDIVIDUAL(S) OR AFFILIATE(S). SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON (INDIVIDUALLY, AND/OR COLLECTIVELY, "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 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, BIG HEART PET BRANDS, INC. 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 construction on the Land of an approximately 897+/- square-foot addition to the existing 550,000+/- square foot building for a Soft n' Chewy processing line to increase overall plant capacity (the "Improvements"),and (ii) 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 March 31, 2025 at 9:00 a.m., at the Agency's offices, at 95 Perry Street, Suite 403, Buffalo, NY 14203, 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 the Project and its April 3, 2025 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, 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, 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 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 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): Average annual wages are above the median. Retained FT jobs = \$71,397. To be Created FT jobs = \$64,272.
 - (ii) Regional Wealth Creation (% sales/customers outside area): Percentage of sales outside the region = 99%. In NYS (outside EC) = 3%; Within USA (outside NYS) = 95%; International sales = 1%.
 - (iii) In Region Purchases (% of overall purchases). In region purchases = 20%; approximately \$28M annually is spent with Erie County suppliers.
 - (iv) Research & Development Activities: N/A.
 - (v) Investment in Energy Efficiency: Energy efficiency benefits are expected with various purchases to be made: due to the age of the facility, energy efficiency

upgrades will be engineered into the project in the form of LED lighting, variable frequency drive, and other energy efficient equipment.

- (vi) Locational Land Use Factors, Brownfields or Locally Designated Development Areas: N/A.
 - (vii) LEED/Renewable Resources: N/A.
 - (viii) Retention/Flight Risk: N/A.
 - (ix) MBE/WBE Utilization: Further details were provided to the Agency.
- (x) Workforce Access-Proximity to Public Transportation: Site is accessible by two City of Buffalo bus lines: #23 (Fillmore Hertel) and #24 (Genesee).
 - (xi) Onsite child daycare facilities on the project site: N/A
- <u>Section 2</u>. 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. <u>Financial Assistance.</u> With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, 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 \$12,402,000, 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 \$1,085,175, 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.

В. 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 for Financial Assistance; (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. <u>Commitments.</u> 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 actually made with respect to the Project at the time of Project completion equals or exceeds \$44,761,000 (which represents the product of 85% multiplied by \$52,660,000, being the total project cost as stated in the Company's application for Financial Assistance).

- (ii) Employment Commitment that there are at least 283 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 292 FTE employees [representing the sum of (x) 283 Baseline FTE and (y) 9 FTE employees, being the product of 85% multiplied by 17 (being the 17 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.

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: April 23, 2025



Project Domino

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 Project Domino

Project SummaryBig Heart Pet Brands, Inc. (the "Company") is planning to expand their Buffalo Facility. Milk-

Bone been produced in the Buffalo Facility since 1957. Due to the age of the Facility, the Project will implement modern environmental and food safety advantages. Currently, the Facility is roughly 550,000 sq. ft with approximately 280 employees. Due to rising consumer demand, the Project would add a Soft n' Chewy processing line and increase overall plant capacity by converting the existing Soft n' Chewy process. Phase 1 would bring attention to Soft n' Chewy Production with additional capacity. Phase 2 would convert the current Soft n' Chewy oven and dryer to produce biscuit volume and add additional biscuit capacity. The Project will also

include a Freezer Expansion.

Applicant Name Big Heart Pet Brands, Inc.

Applicant Address 1 Strawberry Lane

Applicant Address 2

Applicant CityOrrvilleApplicant StateOhio

Applicant Zip 44667

Phone (330) 684-5619

Fax

E-mail Meredith.Mullet@jmsmucker.com

Website https://www.jmsmucker.com/

NAICS Code 311111

Business Organization

Type of Business

Corporation

Year Established

2002

State

Delaware

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

Meredith Mullet

Title

Director Tax Operations

Address

1 Strawberry Lane

Address 2

City

Orrville

State

Ohio 44667

Zip

(330) 684-5619

Phone Fax

E-Mail

meredith.mullet@jmsmucker.com

Company Contact- Authorized Signer for Applicant

Contact is same as

individual completing

application

Name

Christine Herrera

Title

VP, Tax & Treasurer

Address

1 Strawberry Ln

Address 2

City

Orrville

State

Ohio

Zip

44667

Phone

(330) 684-3458

Fax

E-Mail

Christine.herrera@jmsmucker.com

Company Counsel

Name of

Lynn Boris

Attorney

Firm Name

The J. M. Smucker Company

Address

1 Strawberry Lane

Address 2

City

Orrville

State

Ohio

Zip 44667

Phone

Fax

E-Mail

lynn.boris@jmsmucker.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

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%.

Big Heart Pet Brands, Inc. is a wholly owned subsidiary of J. M. Smucker Company, which is an American manufacturer of food and beverage products, originally founded in 1897 and headquartered in Orrville, Ohio. The J. M. Smucker Company employs nearly 9,000 employees with approximately \$8.5 billion in net sales as of 2023. The J. M. Smucker Company has four major business units: Frozen Handhelds and Spreads, Pet Foods, Sweet Baked Snacks and Coffee. The J. M. Smucker Company owns and operates manufacturing facilities and offices across North America ensuring quality production of their beloved brands. The brands are an essential part of everyday life for families everywhere, from their first cup of coffee and their favorite snacks to their pet's nutritious food and treats. Today, more than 80% of U.S homes have a Smucker product in their pantry. In March 2015, Smucker acquired Big Heart Pet Brands. This acquisition included a portfolio of brands which Smucker continues to build and grow including Meow Mix®, Milk-Bone®, Pup-Peroni®, Canine Carry Outs®, and Milo's Kitchen®.

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.	95 %
Estimated % of sales outside the U.S.	1 %
(*Percentage to equal 100%)	

("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?

20

Describe vendors within Erie County for major purchases

The Company spends approximately \$28 million annually with suppliers in Erie County which includes ADM Milling. ADM Milling, based in Buffalo, is an industry leader in grain sourcing and milling, and is the largest local supplier to the Facility. Otherwise, the Company strives to use local suppliers whenever appropriate.

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

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

243 Urban Street

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo City School District

Current Address (if different)

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

SBL Number(s) for proposed Project

101.54-1-1

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

14,666.02

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

Land

\$ 541,000

Building(s)

\$ 2,300,000

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?

No

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

The proposed Project site currently consists of an existing 550,000 square foot building that employs approximately 280 people. The Facility produces Big Heart Pet Food Brands products such as Milk Bone. The Company owns adjacent parcels, which are currently vacant or used for employee parking.

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)

The proposed project would add approximately 897 square feet related to a refrigerator expansion to the existing 550,000 square foot building. The expansion will serve as a small, refrigerated warehouse the cost of which includes both soft costs as well as construction. The proposed project will also include the addition of a processing line which will increase overall plant capacity by converting the existing Soft n' Chewy process line. The expansion would include the purchase and commissioning of several pieces of equipment in order to achieve the proposed increase in production. Phase 1 would bring attention to Soft n' Chewy Production with a significant capacity increase. The new equipment includes a variety of manufacturing equipment which may include an oven, grinder, cooker, and additional processing equipment. Phase 2 would convert the current Soft n' Chewy oven and dryer to produce biscuit volume. This would add additional biscuit capacity.

Municipality or Municipalities of current operations

City of Buffalo

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

Yes

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?

No

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?

No

(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?

Yes

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

Big Heart Pet Brands, Inc. is considering two other existing manufacturing plants for the line expansion. These facilities are in Topeka, Kansas and Decatur, Alabama and also manufacture products in the Big Heart Pet Brands family. The J.M. Smucker Company and its subsidiaries have existing incentives from the State of Kansas for job creation and new investment. Implementation of the additional line at the Topeka plant would ensure the Company meets compliance requirements for the existing incentives and could spark new incentives for the additional production lines from the State as well.

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:

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)

Due to the availability of financial incentives for job creation and investment in Kansas, the Company requires Erie County's financial assistance to justify the significant investment required to add the line in Buffalo. Financial assistance for the Project is necessary to offset the high costs of construction and local labor in Erie County, making the total Project cost to Big Heart Pet Brands competitive with the Kansas option. The addition of the line will greatly increase manufacturing capacity and increase the workforce at the plant, positively impacting the economic region as a whole.

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?

If financial assistance for the Project is not available, the Project is unlikely to proceed at the Buffalo facility. The result would be the loss of the anticipated 17 new full-time jobs and over \$50 million in investment. This would negatively impact Erie County through the elimination of a significant construction contract for local contractors and no increase in economic activity.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

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

The site is accessible by two City of Buffalo bus lines-line 23 the Fillmore-Hertel line and line 24 the Genesee line.

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.

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

Yes

Describe the present zoning/land use

Property type classification code 710- manufacturing/processing

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?

No

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?

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

Due to the age of the Facility, energy efficiency upgrades will be engineered into the project in the form of LED lighting, Variable Frequency Drive, and other energy efficient equipment.

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?

No

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

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	897 square feet	\$ 10,210,000	21%
Warehouse	square feet	\$ 0	0%
Research & Development	square feet	\$ 0	0%
Commercial	square feet	\$ 0	0%
Retail	square feet	\$ 0	0%
Office	square feet	\$ 0	0%
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

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

5/1/2025

End date: Estimated completion date of project

4/1/2027

Project occupancy: estimated starting date of occupancy

4/1/2027

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 10,210,000 897 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 42,450,000

6.) Infrastructure Work

\$0

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

\$0

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

\$0

9.) Other Cost

\$0

Explain Other

Costs

Total Cost \$ 52,660,000

Construction Cost Breakdown:

Total Cost of Construction \$ 10,210,000 (sum of 2, 3, 4 and 6 in Project Information, above)

Cost of materials \$ 5,475,000

% sourced in Erie County %

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

\$ 12,402,000

Estimated State and local Sales and Use Tax Benefit (product of

f \$ 1,085,175

\$0

8.75% multiplied by the figure, above):

** 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)

Have any of the above costs been paid or incurred as of the date No

of this Application?

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$52,660,000

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 \$ 0

and tax credits):

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:

\$52,660,000

Have you secured financing for the project? Yes

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%):

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.

<u>Percentage of Project Costs financed from Public Sector sources</u>: 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?

Νo

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

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

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

Estimate number of residents of the Labor Market Area in which the project is located

	relocated at project location		24 months (2 years) after Project completion	that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	283	0	17	17
Part time	0	0	0	0
Total	283	0	17	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of <u>Full Time</u> Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of <u>Part Time</u> Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	2	\$ 114,920	\$ 31,860	0	\$0	\$0
Professional	0	\$0	\$0	0	\$0	\$0
Administrative	0	\$0	\$0	0	\$0	\$0
Production	15	\$ 57,616	\$ 38,430	0	\$0	\$0
Independent Contractor	0	\$0	\$0	0	\$0	\$0
Other	0	\$0	\$0	0	\$0	\$0
Total	17			0		

^{**} 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.

No 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

21,297,987

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

71,397

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

0

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

64,272

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

0

Estimated salary range of jobs to be created

 From (Full Time)
 57,616
 To (Full Time)
 114,192

 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

243 Urban St Buffalo, NY 14211

Name and Address of Owner of Premises

The Big Heart Pet Brands, Inc. 1 Strawberry Lane Orrville, OH 44667

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

The premises are an urbanized area about four miles east of Lake Erie.

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 original building on the premises was constructed in 1919.

Describe all known former uses of the Premises

The site was first developed in approximately 1900 for use as a machinery manufacturer until approximately 1925 when National Biscuit Company began utilizing the site for dog biscuit production and was re-tooled in the 1950s to manufacture the Milk-Bone brand. Big Heart Pet Brands, Inc. (formerly Del Monte Corporation) purchased the facility in 2006 and has continued producing the Milk-Bone brand ever since.

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?

Νo

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

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

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?

Nο

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

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?

Yes

If yes, please identify the materials

The current buildings contain asbestos in the form of pipe insulation.

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

Big Heart Pet Brands, Inc.

Address

1 Strawberry Lane, Orrville OH, 44667

Contact Person

Phone (330) 684-5619

Fax

E-Mail

meredith.mullet@jmsmucker.com

Federal ID #

SIC/NAICS Code 311111

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

243 Urban St

City/Town

Buffalo

State

New York

Zip Code

14211

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?

Nο

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:

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

Within New York State No

Within Erie County No

If Yes to either question, please, explain

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.)

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?

<BLANK>

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

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

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.

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 multifamily 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?

Eaton Mission Systems Orchard Park / Eaton Corporation \$21,600,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

• NAICS Section - 336413

COMPANY INCENTIVES

- Approximately \$434,348 in real property tax savings
- Up to \$875,000 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 453 FT
- Projected new jobs:77 FT
- Est. salary/yr. of jobs retained: \$85,650
- Est. salary/yr. of jobs created: \$85,650
- Annual Payroll: \$47,364,450
- Total jobs after project completion: 530 FTE
- Construction Jobs: 88

PROJECTED COMMUNITY BENEFITS*

• Term: 10 YEARS

• NET Community Benefits: \$1,016,104,331

Spillover Jobs: 617

Total Payroll: \$958,226,322

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

Incentives: \$1,263,729

Community Benefit: \$901,343,626

Cost: Benefit Ratio

Project Title: Eaton Mission Systems (Project California)

Project Address 10 Cobham Drive, Orchard Park, NY 14127

(Orchard Park Central School District)

Agency Request

A sales tax and real property tax abatement in connection with a 50,000 sq ft building addition to enable this manufacturer to achieve significant business growth projections to meet their production goals.

Building Addition	\$ 16,700,000
Infrastructure	\$ 1,000,000
Manufacturing Equipment	\$ 1,400,000
Non- Manufacturing Equipment	\$ 1,200,000
Soft Costs/Other	\$ 1,300,000
Total Project Cost	\$ 21,600,000
85%	\$ 18,360,000

Company Description

Eaton's Orchard Park location supports the commercial and military aerospace industries with highly technical products to serve their customer's needs in environmental systems, space technologies and weapons actuation. Mission Systems Orchard Park Inc is 100% owned by Eaton Corporation and is a division within the Eaton Aerospace Group.

Project Description

Eaton Mission Systems is considering a \$21.6 M investment in their facility in Orchard Park to accommodate existing and potential new product lines that are projected to grow over the next five years. Their current facility is space-limited, and this will prevent the company from achieving that growth without adding approximately 50,000 SF of additional space. The new space will be primarily used for additional production capacity on critical aerospace defense programs. Some new equipment will be required to fit this new space out to efficiently manufacture products, such as vertical storage units for consolidating inventory. A small percentage of the new building expansion will also be used for additional office space for production support personnel.

This project would lead to the creation of 77 jobs in 2 years. Current project cost estimates for an expansion at Orchard Park are higher than initial evaluations. Incentives are a core consideration in the Leadership Team's decision-making process as the Orchard Park facility competes for the potential investment.

^{*} 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

	Tax Exemption	Amount
	Property	\$ 434,348
COSTS	Sales	\$ 875,000
8	Mortgage Recording	\$ 0
	Total	\$1,309,348
	Discounted at 2%	\$1,263,729

Benefit: Projected Community Benefit*

	Region	Recipient	Revenue Type	\$ Amount **	
	Erie	Individuals	Payroll Construction	\$	13,090,709
	County		Payroll Permanent	\$	945,135,613
γ		Public	Property Taxes	\$	84,984
BENEFITS			Sales Taxes	\$	7,965,257
Ž			Other Muni Revenue (NFTA)	\$	0
8	New York	Public	Income Taxes	\$	43,120,185
	State		Sales Taxes	\$	6,707,584
			Total Benefits to EC + NYS***	\$1	,016,104,331
			Discounted at 2%	\$	901,343,626

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

Discounted Cost \$ 1,263,729 Discounted Benefit \$901,343,626

Ratio 1:713

Conclusion: The Cost Benefit for this project is: 713:1. For every \$1 in costs (incentives), this project provides \$713 in benefits (payroll & tax revenue). Note: For Erie County, every \$1 in costs (incentives) provides \$992 in benefits to the community.

New Tax Revenue Estimated

PILOT Type	I I	Estimated New	Additional Rev	venue over Abatem	New Yearly Taxes Upon	
Yearly A	Assessed Value	County	Town	School	Expiration of Abatement Period	
10 Year Standard	\$ 106,715	\$2.628 M	\$190,437 \$ 27,113* \$217,550	\$139,389 \$ 19,845* \$159,234	\$695,224 \$ 98,981* \$794,205	\$ 145,940
10 Year EIP (Tier 1)			\$205,446	\$150,374	\$750,017	

^{*}added 1 year (11th year) at full taxes for comparison purposes as EIP Tier 1 is an 11 year abatement period

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 = \$21,600,000 85% = \$18,360,000
Employment	Coincides with 10-year PILOT	Maintain Base = 453 FTE Create 85% of Projected Projected = 77 FTE 85% = 65 FTE Recapture Employment = 518 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 Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes Real Property Tax

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 453 FTE jobs and created 77 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

- 4/23/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 4/23/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors
- 2/25/25: Public hearing held.

EVALUATIVE CRITERIA MANUFACTURING/WAREHOUSE/DISTRIBUTION

Project: Eaton Mission Systems Orchard Park / Project California

CRITERIA	COMMENTS
Wage Rate (above median wage for area) Per capita income = \$41,560	Average Wage for both existing & jobs to be created is above the median wage @ \$85, 650
Regional Wealth Creation (% sales / customers outside area)	90 % of sales for Eaton are outside NYS but within the United States: The remaining sales are: 1% in NYS (outside Erie County) and 9% outside the U.S.
In Region Purchases (% of overall purchases)	5% of total annual purchases of supplies, raw materials and vendor service are from businesses in Erie County.
Research & Development Activities	R&D activities take place on site. The R&D amount as a % of operating expenses = 11%
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	Eaton makes similar products (to those made in Orchard Park) at multiple locations. Total project costs is a determining factor in selecting a location for this new / additional business.
DEI Questionnaire	Eaton has included ECIDA MWBE targets in their RFP to general contractors for this project. See DEI questionnaire for their approach to hiring a diverse workforce and they have expressed interest in ECIDA's EIP program.
Workforce Access – Proximity to Public Transportation	The project site is not located near public transportation.
Onsite child daycare facilities on the project site	N/A

*U.S. Census Bureau

DATE OF INDUCEMENT: April 23, 2025

** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet-EATON Mission Systems Division

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
17,200,000	\$2,627,500	10.319007	7.552900	37.671318

^{*}Apply equalization rate to value

PILOT	%	County	Town	School	Total	Full Tax	Net
Year	Payment	PILOT	PILOT	PILOT	PILOT	Payment	Exemption
		Amount	Amount	Amount		w/o PILOT	1
1	0.05	\$17,531	\$12,831	\$63,999	\$94,361	\$145,940	\$51,579
2	0.1	\$18,035	\$13,201	\$65,840	\$97,076	\$145,940	\$48,864
3	0.15	\$18,539	\$13,570	\$67,681	\$99,790	\$145,940	\$46,149
4	0.15	\$18,539	\$13,570	\$67,681	\$99,790	\$145,940	\$46,149
5	0.2	\$19,044	\$13,939	\$69,522	\$102,505	\$145,940	\$43,435
6	0.2	\$19,044	\$13,939	\$69,522	\$102,505	\$145,940	\$43,435
7	0.25	\$19,548	\$14,308	\$71,364	\$105,220	\$145,940	\$40,720
8	0.25	\$19,548	\$14,308	\$71,364	\$105,220	\$145,940	\$40,720
9	0.3	\$20,052	\$14,677	\$73,205	\$107,934	\$145,940	\$38,005
10	0.35	\$20,557	\$15,046	\$75,046	\$110,649	\$145,940	\$35,291
TOTAL		\$190,437	\$139,389	\$695,224	\$1,025,050	\$1,459,398	\$434,348

*** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
21,600,000	434,348	875,000	0	ESD Funding - pending

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 6%

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits*** and Percentage of Project Costs financed from Public Sector sources

** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet-EATON Mission Systems Division (EIP Tier 1)

Dollar Value of	Estimated New	County Tax	Local Tax Rate	School Tax
New	Assessed Value	Rate/1000	(Town/City/Village)/1000	Rate/1000
Construction	of Property		(10 mil 215), 1 mage), 1000	1000
and Renovation	Subject to IDA*			
Costs	3			
17,200,000	\$2,627,500	10.319007	7.552900	37.671318

^{*}Apply equalization rate to value

PILOT	%	County	Town	School	Total	Full Tax	Net
Year	Payment	PILOT	PILOT	PILOT	PILOT	Payment	Exemption
		Amount	Amount	Amount		w/o PILOT	,
1	0.05	\$17,531	\$12,831	\$63,999	\$94,361	\$145,940	\$51,579
2	0.05	\$17,531	\$12,831	\$63,999	\$94,361	\$145,940	\$51,579
3	0.1	\$18,035	\$13,201	\$65,840	\$97,076	\$145,940	\$48,864
4	0.1	\$18,035	\$13,201	\$65,840	\$97,076	\$145,940	\$48,864
5	0.15	\$18,539	\$13,570	\$67,681	\$99,790	\$145,940	\$46,149
6	0.15	\$18,539	\$13,570	\$67,681	\$99,790	\$145,940	\$46,149
7	0.2	\$19,044	\$13,939	\$69,522	\$102,505	\$145,940	\$43,435
8	0.2	\$19,044	\$13,939	\$69,522	\$102,505	\$145,940	\$43,435
9	0.25	\$19,548	\$14,308	\$71,364	\$105,220	\$145,940	\$40,720
10	0.25	\$19,548	\$14,308	\$71,364	\$105,220	\$145,940	\$40,720
11	0.3	\$20,052	\$14,677	\$73,205	\$107,934	\$145,940	\$38,005
TOTAL		\$205,446	\$150,374	\$750,017	\$1,105,838	\$1,605,338	\$499,500

*** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
21,600,000	\$499,500	875,000	0	ESD Funding - pending

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 6%

Erie County Industrial Development Agency MRB Cost Benefit Calculator

Date March 3, 2025
Project Title Eaton Mission Systems

Project Location 10 Cobham Drive, Orchard Park, NY 14127



Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

\$21,600,000

Temporary

Ongoing

Temporary (Construction)

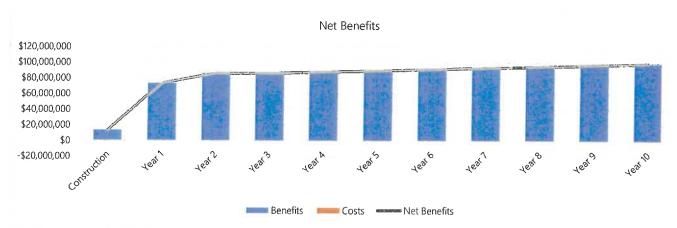
	Direct	Indirect	Total	
Jobs	88	76	164	
Earnings	\$8,284,617	\$4,806,092	\$13,090,709	
Local Spend	\$21,600,000	\$14,919,117	\$36,519,117	

Ongoing (Operations)

Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	530	541	1071
Earnings	\$527,000,430	\$418,135,182	\$945,135,613

Figure 1



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

600

Direct Indirect

Total Jobs

Figure 2

800

1000

1200

Total Earnings

Temporary

Ongoing

\$0 \$200,000,000 \$400,000,000 \$600,000,000 \$800,000,000 \$1,000,000,000

Direct Indirect

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

Figure 3

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400

200

Fiscal Impacts



Estimated Costs of Exemptions			Cost-Bei	nefit Analysis 1
		Nominal Value	Discounted Value*	
Property Tax Exemption		\$434,348	\$388,729	
Sales Tax Exemption Local Sales Tax Exemption State Sales Tax Exemption		\$875,000 \$475,000 \$400,000	\$875,000 <i>\$475,000</i> <i>\$400,000</i>	
Mortgage Recording Tax Exemption Local Mortgage Recording Tax Exemption State Mortgage Recording Tax Exemption		\$0 \$0 \$0	\$0 \$0 \$0	
Total Costs		\$1,309,348	\$1,263,729	
State and Local Benefits				
		Nominal Value	Discounted Value*	
Local Benefits		\$966,276,562	\$857,143,397	
To Private Individuals Temporary Payroll Ongoing Payroll Other Payments to Private Indiv	iduals	\$958,226,322 \$13,090,709 \$945,135,613 \$0	\$850,004,407 \$13,090,709 \$836,913,698 \$0	
To the Public Increase in Property Tax Revenue Temporary Jobs - Sales Tax Revenue Ongoing Jobs - Sales Tax Revenue Other Local Municipal Revenue		\$8,050,240 \$84,984 \$108,817 \$7,856,440 \$0	\$7,138,989 \$73,328 \$108,817 \$6,956,845 \$0	
State Benefits		\$49,827,769	\$44,200,229	
To the Public Temporary Income Tax Revenue Ongoing Income Tax Revenue Temporary Jobs - Sales Tax Reven Ongoing Jobs - Sales Tax Revenu	nue	\$49,827,769 \$589,082 \$42,531,103 \$91,635 \$6,615,949	\$44,200,229 \$589,082 \$37,661,116 \$91,635 \$5,858,396	
otal Benefits to State & Region		\$1,016,104,331	\$901,343,626	
Benefit to Cost Ratio				
	4	Benefit*	Cost*	Ratio
Loc	al	\$857,143,397	\$863,729	992:1
Sta	te	\$44,200,229	\$400,000	111:1
Grand Total Discounted at 2%		\$901,343,626	\$1,263,729	713:1
		Additional Comments from IDA		

Yes

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

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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://ny.newnycontracts.com/
- Erie County MWBE Certified List: https://www3.erie.gov/eeo/mbe-wbe-resource-list

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.

Eaton has included ECIDA targets in our RFP to general contractors to support project.	this

2. <u>Minority & Women Employment - Current Workforce & Hiring</u> 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/employer-services
- New York State Job Bank: https://myjobsny.usnlx.com/
- Local Minority Newspapers: https://www3.erie.gov/eeo/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:

Eaton utilizes several different processes to ensure that we hire a diverse workforce to support our business. Talent High 5 metrics define goals for our facilities to ensure that we track progress. We are aligned to many different organizations such as the Society of Women Engineers, and the National Society of Black Engineers. Our teams complete training on removing unconscious bias, and our hiring panels and candidate pools are diverse. Eaton also supports several company-wide inclusion resource groups that are each focused on engaging and supporting diversity.

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.

PUBLIC HEARING SCRIPT

Eaton Mission Systems Orchard Park and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on Tuesday, February 25, 2025, at 9:00 a.m. at Orchard Park Town Hall (Basement Meeting Room) at 4295 South Buffalo Street, Orchard Park, New York 14127

ATTENDANCE:

Susan Vriesen – Eaton Mission Systems Kathryn Ritenour – Eaton Mission Systems Nancy Kenlon - Town of Orchard Park

Soma Hawramee – ECIDA

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 Eaton Mission Systems Orchard Park and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. 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, February 12, 2025.

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 10 Cobham Drive, Town of Orchard Park, Erie County, New York, and all other lands in the Town of Orchard Park where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), and the existing improvements located thereon, consisting principally of the Company's facility for the

manufacture of commercial and military aerospace technical products (the "Existing Improvements"); (ii) the construction on the Land of approximately 50,000 square feet of additional manufacturing space to accommodate growth to existing and new product lines (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, the Improvements and the Existing Improvements, the "Facility"). The Facility will be initially operated and/or managed by the Company.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and real property tax abatement 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 on March 25, 2025. 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.

Susan Vriesen, Supervisor - Mission Systems Orchard Park Facility. Eaton is a global power management company delivering solutions across multiple business segments with over a 100 years of experience in bringing reliable and efficient power management solutions to stationery and mobile end markets. We combine vehicle and aerospace with electrical power expertise. Eaton is a global company doing business in more than 175 countries. Today, we have a robust US footprint with more than 27,000 employees in manufacturing facilities in 27 states. This includes 5 locations and more than 1,300 employees in the state of New York. Eaton Mission Systems Orchard Park facility plays an important role in our US manufacturing footprint, delivering mission critical equipment for military aircraft. The Orchard Park facility is 145,500 square feet and employs over 450 Eaton Associates. The business unit has additional manufacturing locations in Davenport Iowa, Westminster Maryland, and Windborn UK.

Eaton is experiencing significant customer demand for our mission critical aerospace solutions, requiring investments in new capacity expansion. In considering where to expand, Eaton reviewed our global footprint to ensure the success of capacity investments and we are considering a nearly \$22 million expansion project in Orchard Park. The resulting project would have substantial positive economic impact on the community. By expanding the facility to bring on new production lines. Eaton will create up to 100 new local jobs. The project would also result in the retention of 453 existing jobs and positioning the plant for long-term growth. It's important to reiterate that Eaton is committed to the communities where we do business. In evaluating the potential expansion, Eaton will be implementing a considerate approach to site development that includes incorporating changes to the property to improve traffic flow and significant landscaping and buffer areas. We thank you for your consideration and are excited about this opportunity to grow in Orchard Park and continue to have a strong, positive economic impact on our community.

△ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:06 a.m.

SIGN IN SHEET PUBLIC HEARING

Public Hearing to be held on Tuesday, February 25, 2025, at 9:00 a.m. at Orchard Park Town Hall (Basement Meeting Room) at 4295 South Buffalo Street, Orchard Park, New York 14127, regarding:

Eaton Mission Systems Orchard Park and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location:

10 Cobham Drive, Town of Orchard Park, Erie County, New York

Company and/or Address	X box to speak/ comment	
10 Cobham Drive		
Orchard Park, New York 14127	X	
10 Cobham Drive		
Orchard Park, New York 14127		
ECIDA		
95 Perry Street, Suite 403		
Buffalo, New York 14203		
Town of Orchard Park		
4295 South Buffalo Street		
Orchard Park, New York 14127		
). 	
	Orchard Park, New York 14127 10 Cobham Drive Orchard Park, New York 14127 ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203 Town of Orchard Park	

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY INDUCEMENT RESOLUTION

EATON MISSION SYSTEMS ORCHARD PARK INC., 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, April 23, 2025 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 EATON MISSION ORCHARD PARK 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, (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

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, EATON MISSION SYSTEMS ORCHARD PARK INC. 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 10 Cobham Drive, Town of Orchard Park, Erie County, New York, and all other lands in the Town of Orchard Park where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), and the existing improvements located thereon, consisting principally of the Company's facility for the manufacture of commercial and military aerospace technical products (the "Existing Improvements"); (ii) the construction on the Land of approximately 50,000 square feet of additional manufacturing space to accommodate growth to existing and new product lines (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, 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 February 25, 2025 at 9:00 a.m., at the Orchard Park Town Hall (Basement Meeting Room) at 4295 South Buffalo Street, Orchard Park, New York 14127, 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) negotiate and enter into a lease agreement (the "Lease Agreement") and related leaseback agreement (the "Leaseback Agreement") with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) 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, and (b) a partial abatement from real property taxes benefit consistent with the Agency's Economic Inclusion PILOT Policy, dated as of April 26, 2023 (the "EIP Policy") through a ten (10) year Tier 1 "payment in lieu of tax agreement" (the "PILOT Agreement") with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act ("SEQR"), the Company has submitted to the Agency a Full Environmental Assessment Form (the "EAF") with respect to the Project; and

WHEREAS, the Town Planning Board of the Town of Orchard Park (the "Town Planning Board"), in accordance SEQR, undertook uncoordinated review with respect to the Project, determined the Project was an unlisted action as defined within regulations promulgated pursuant to SEQR and issued a negative declaration on December 18, 2024 (the "Negative Declaration") under SEQR with respect to the Project; 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 the Project and its April 3, 2025 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project's cost benefit ratio, 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, 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, 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 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 satisfactorily 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 is in substantial compliance with all provisions the Act.
- (I)The Project involves an "Unlisted Action" as said term is defined pursuant to 6 N.Y.C.R.R. Section 617.2(al) of the SEQR regulations. The Agency has conducted an uncoordinated review of the Project pursuant to 6 N.Y.C.R.R. Section 617.6(b)(4)(i). Based upon a comprehensive and thorough review by the Agency of the EAF and related documents delivered by the Company to the Agency, the Town Planning Board's Negative Declaration, the criteria set forth in 6 N.Y.C.R.R. Section 617.7 of the SEQR regulations, and the additional representations made by the Company to the Agency in connection with the Project, the Agency: (i) hereby finds that the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional; (ii) confirms that the Agency has conducted an uncoordinated review of the Project under SEQR; (iii) determines that the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (iv) determines that construction related impacts are short term and do not have a significant magnitude or effect; (v) determines that the Project will not have a "significant effect on the environment" as such quoted term is defined in SEQR; (vi) determines that no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action; and (vii) adopts, ratifies, and confirms the Negative Declaration previously issued by the Town Planning Board. The Agency thus issues a "negative declaration" as that term is defined pursuant 6 N.Y.C.R.R. Section 617.2(z); 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): Average wage for both existing job and jobs to be created is above the median wage at \$85,650.
 - (ii) Regional Wealth Creation (% sales/customers outside area): 90% of sales for Eaton are outside NYS but within the United States. The remaining sales are: 1% in NYS (outside Eric County) and 9% outside the U.S.
 - (iii) In Region Purchases (% of overall purchases): 5% of total annual purchases of supplies, raw materials and vendor service are from businesses in Erie County.
 - (iv) Research & Development Activities: R&D activities take place on site. The R&D amount as a % of operating expenses = 11%.

- (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: Eaton makes similar products (to those made in Orchard Park) at multiple locations. Total project costs is a determining factor in selecting a location for this new/additional business.
- (ix) DEI Questionnaire: Eaton has included ECIDA MWBE targets in its RFP to general contractors for this Project.
- (x) Workforce Access-Proximity to Public Transportation: The Project site is not located near public transportation.
 - (xi) Onsite child daycare facilities on the project site: N/A.
- 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 authority to appoint the Company to act as agent of the Agency, if said appointment is not duly made, as herein expressed, 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. <u>Financial Assistance.</u> With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, 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 \$10,000,000, 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 \$875,000, 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; and

- (ii) authorizes and approves that the real property tax abatement benefits ("PILOT benefits") to be provided over the term of the PILOT Agreement are estimated to be approximately \$434,348, resulting in estimated total PILOT payments of \$1,025,050 over the term of the PILOT Agreement.
- 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, and/or partial abatements from real property taxes 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 for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes 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, and/or the partial abatement from real property taxes 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 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. <u>Commitments.</u> 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 (x) subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below in (C)(i)-(v) and/or (y) subject to the potential modification of the EIP Policy Tier 1 ten (10) year PILOT Agreement to provide

for the standard ten year PILOT Schedule as described within the EIP Policy for failure to meet the commitments and thresholds as described below in (C)(vi) and (vii), submit, 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 \$18,360,000 (which represents the product of 85% multiplied by \$21,600,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment that there are at least 453 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 518 FTE employees [representing the sum of (x) 453 Baseline FTE and (y) 65 FTE employees, being the product of 85% multiplied by 77 (being the 77 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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 applicable 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 applicable PILOT Agreement.

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 (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. 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 any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. 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 7. 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 8. 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: April 23, 2025



Project California

<u>Instructions and Insurance Requirements Document</u>

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 Project California

Project Summary Eaton's Misson Systems Division currently operates manufacturing facilities in Orchard Park,

lowa and the United Kingdom. The business is considering a facility expansion in Erie County to enable significant business growth projections for mission critical aerospace defense programs that the division manufactures in Orchard Park. This expansion could lead to the creation of more than 90 new jobs over 5 years (77 within 2 years) and a \$20m investment, adding 50,000 square feet of manufacturing and office space to the facility and allowing for the manufacture of additional products. Current project cost estimates for an expansion at Orchard Park are higher than initial evaluations and incentives are a core consideration in the leadership team's decision-making process as the Orchard Park facility competes for the potential investment.

Applicant Name Eaton Mission Systems Orchard Park

Applicant Address 10 Cobham Drive

Applicant Address 2

Applicant City Orchard Park

Applicant State New York
Applicant Zip 14127

Phone (517) 227-7038

Fax

E-mail michaelahines@eaton.com

Website www.eaton.com

NAICS Code 336413

Business Organization

Type of Business

Public Corporation

Year Established

1911

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

Michael Hines

Title

Operations Leader

Address

10 Cobham Dr

Address 2

City

Orchard Park

State

New York 14127

Zip

Phone

(517) 227-7038

Fax

E-Mail

MichaelAHines@Eaton.com

Company Contact- Authorized Signer for Applicant

Contact is same as

Yes

individual completing

application

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of

Pat Grant

Attorney

Firm Name

Eaton Corporation

Address

1000 Eaton Blvd

Address 2

City

Cleveland

State

Ohio

Zip

44122

Phone

(703) 678-5367

Fax

E-Mail

PatBGrant@eaton.com

Benefits Requested (select all that apply)

Exemption from Sales Tax Yes

Exemption from Mortgage Tax No

Exemption from Real Property Tax Yes

Tax Exempt Financing* No

<u>Applicant Business Description</u>

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%.

Eaton's Orchard Park location has been in business for decades, supporting the commercial and military aerospace industries with highly technical products to serve their needs in environmental systems, space technologies, and weapons actuation. Mission Systems Orchard Park Inc. is 100% wholly owned by Eaton Corporation, and is a division within the Eaton Aerospace Group of Eaton Corp.

Estimated % of sales within Erie County 0% Estimated % of sales outside Erie County but within New York State 1% Estimated % of sales outside New York State but within the U.S. 90% Estimated % of sales outside the U.S. 9%

(*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?

5

Describe vendors within Erie County for major purchases

\$4.6-\$5.0M spending in Erie County over the last 12 months, including: Everfab in East Aurora is \$1.3M Advantech in Buffalo is \$1.2M Ketch in Buffalo is \$1.1M GP50 in Grand Island is \$700k Casey Machine in Lancaster is \$480k

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

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

10 Cobham Drive

Town/City/Village of Project Site

Orchard Park

School District of Project Site

Orchard Park Central School District

Current Address (if different)

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

SBL Number(s) for proposed Project

161.18-2-5.2

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

120,000

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?

No

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

Eaton Corporation

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

No

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

Existing building, which we plan to expand through the project

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)

Our business has several existing and potential new product lines that are projected to grow over the next five years. Our current factory is space-limited and will prevent us from achieving that growth in Orchard Park without adding approximately 50,000sqft of additional space. The new space will be primarily used for additional production capacity on critical aerospace defense programs. Some new equipment will be required to fit this new space out to efficiently manufacture products, such as vertical storage units for consolidating our inventory. A small percentage of the new building expansion will also be used for additional office space for production support personnel.

Municipality or Municipalities of current operations

Town of Orchard Park

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

Yes

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?

No

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?

No

(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?

Nο

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?

Yes

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

Empire State Development, TBD on funding

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:

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)

Eaton makes similar products to those in Orchard Park at multiple locations. The total project cost is an important determining factor in whether or not we can expand these products at our Orchard Park location as opposed to somewhere else. We're counting on incentives to help us minimize the project cost.

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?

Cost is a determining factor in leadership's consideration of the project in Orchard Park. Inability to obtain financial assistance for the project would impact the final investment decision.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

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.

October 2024

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

No

Describe the present zoning/land use

Currently, Eaton owns three parcels of land. The largest parcel is currently zoned Industrial and is used for all of our current operations. The other two are zoned Industrial and Residential.

Describe required zoning/land use, if different

The two Residential zoned parcels will need to be rezoned to Industrial

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

No timing yet on when this will be completed.

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?

No

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?

No

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.

11%

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

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 N	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	Yes 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	\$ 20,400,000	94%
Warehouse	square feet	\$ 0	0%
Research & Development	square feet	\$ 0	0%
Commercial	square feet	\$ 0	0%
Retail	square feet	\$ 0	0%
Office	45,000 square feet	\$ 1,200,000	6%
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?

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

10/1/2024

End date: Estimated completion date of project

2/1/2026

Project occupancy: estimated starting date of occupancy

2/1/2026

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$0 square feet acres

2.) New Building Construction

\$0 square feet

3.) New Building addition(s)

\$ 16,700,000 50,000 square feet

4.) Reconstruction/Renovation

\$0

square feet

5.) Manufacturing Equipment

\$ 1,400,000

6.) Infrastructure Work

\$ 1,000,000

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

\$ 1,200,000

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

\$ 1,300,000

9.) Other Cost

\$0

Explain Other Costs

Total Cost

\$ 21,600,000

Construction Cost Breakdown:

Total Cost of Construction

\$ 17,700,000 (sum of 2, 3, 4 and 6 in Project Information, above)

Cost of materials

\$ 10,000,000

% sourced in Erie County

%

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 \$10,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$875,000

Project refinancing estimated amount, if applicable (for refinancing of existing debt only)

Have any of the above costs been paid or incurred as of the date Nο

of this Application?

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 21,600,000

> **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 \$0

and tax credits):

State funding TBD

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)

https://www.ecidany.com/app/tax-incentive-application-2019/print/100490

^{**} 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.

Total Sources of Funds for Project Costs: \$21,600,000

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%):

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):

<u>IDA PILOT Benefit</u>: 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.

<u>Percentage of Project Costs financed from Public Sector sources</u>: 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?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

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	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	453	453	77	77
Part time	0	0	0	0
Total	453	453	77	

Estimate number of

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of <u>Full Time</u> Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of <u>Part Time</u> Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	0	\$0	\$ 0	0	\$0	\$0
Professional	268	\$ 90,000	\$ 18,000	0	\$0	\$0
Administrative	0	\$0	\$0	0	\$0	\$0
Production	262	\$ 66,000	\$ 13,000	0	\$0	\$0
Independent Contractor	0	\$0	\$0	0	\$0	\$0
Other	0	\$0	\$0	0	\$0	\$0
Total	530			0		

^{**} 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.

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

47,364,450

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

85,650

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

0

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

85,650

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

0

Estimated salary range of jobs to be created

From (Full Time) 66,000		To (Full Time)		
From (Part Time)	0	To (Part Time)	0	

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.

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

10 Cobham Dr Orchard Park, NY 14127

Name and Address of Owner of Premises

Eaton Corporation

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

The property includes a manufacturing facility, parking lot, stormwater retention pond, forest, and wetlands

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 facility was build in the 1980s and is used to manufacture components for the aerospace industry.

Describe all known former uses of the Premises

The facility has always been used for the same purpose.

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?

Yes

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

Two small diesel spills while a snow removal contractor was filling his truck with fuel

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?

Yes

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

NYD175344068

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

Clean Harbors Environmental Services Inc.

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

Clean Harbors Reidsville LLC, 208 Watlineton Industrial Drive, Reidsville, NC 27120 Spring Grove Resource Recovery Inc., 4879 Spring Road Avenue, Cincinatti, OH 45232

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

No wastewater permits, currently pending response from Erie County Water Authority.

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

Process water, noncontact, stormwater

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?

Yes

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

Minor source registration, no permit required

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

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

Eaton Corporation

Address

10 Cobham Dr

Contact Person

Nicholas D'Angelo

Phone

(614) 403-7817

Fax

E-Mail

NickDAngelo@eaton.com

Federal ID #

SIC/NAICS Code

336413

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

10 Cobham Dr

City/Town

Orchard Park

State

New York

Zip Code

14127

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?

Νo

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:

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

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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

Nο

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.)

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?

No

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

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

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.

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 multifamily 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

Erie County Industrial Development Agency

Financial Statements

As of March 31, 2025

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

March 31, 2025

ASSETS:	F	March 2025	Fe	bruary 2025	De	cember 2024
Cash and Equivalents *	\$	6,280,498	\$	6,610,085	\$	6,751,035
Restricted Cash & Investments *	Ψ	20,702,885	Φ	20,475,084	Ф	
Due from Affiliates		2,242,191				18,075,648
Due from Buffalo Urban Development Corp.				1,964,216		4,571,775
Other Receivables		31,877		20,799		131,503
Total Current Assets		313,981	_	168,369		173,195
lotal Current Assets		29,571,431	_	29,238,554		29,703,154
Grants Receivable		5,177,560		5,127,560		5,214,764
Lease Receivable		553,692		572,299		609,283
Venture Capital Investments, net of reserves		406,247		406,247		406,247
Capital Assets		1,410,214		1,415,935		1,450,212
Total Long-Term Assets		7,547,714		7,522,042		7,680,506
TOTAL ASSETS	\$	37,119,145	\$	36,760,596	\$	37,383,661
LIABILITIES & NET ASSETS						
Accounts Payable & Accrued Exp.	\$	214,763	\$	188,624	\$	577,336
Lease Payable		350,165		361,932		385,321
Deferred Revenues		4,491,393		4,460,831		4,498,758
Funds Held on Behalf of Others		11,822,867		11,342,736		11,287,296
Total Liabilities		16,879,187		16,354,124		16,748,711
Deferred Inflows of Resources Related to Leases		553,692		572,299		609,283
Net Assets		19,686,265		19,834,172		20,025,667
TOTAL LIABILITIES & NET ASSETS	\$	37,119,145	\$	36,760,596	\$	37,383,661

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 March 2025

	Actual vs. Budget					
		Actual		Budget	1	Variance
REVENUES:						
Administrative Fees	\$	2,000	\$	150,000	\$	(148,000)
Management Fees - Affiliates and Others		49,225		49,292		(67)
Rental Income		19,401		19,532		(131)
Other Income		6,930		6,500		430
Total Revenues		77,556		225,323		(147,767)
EXPENSES:						
Salaries & Benefits	\$	181,281	\$	193,287	\$	(12,006)
General Office Expenses	_	20,125	•	22,583	Ψ.	(2,458)
Building Operating Costs		1,320		6,707		(5,387)
Professional Services		19,694		20,500		(806)
Public Hearings & Marketing		20,897		10,000		10,897
Travel, Mileage & Meeting Expenses		4,055		2,958		1,096
Depreciation and amortization		19,607		19,607		1,030
Other Expenses		859		1,250		(391)
Total Expenses	-	267,839		276,894	_	(9,055)
	-	201,000		210,004		(3,033)
SPECIAL PROJECT GRANTS:						
Revenues	\$	20,754	\$	433,190	\$	(412,437)
Expenses		(21,207)		(407,024)		385,817
		(453)		26,167		(26,620)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC						
INVESTMENTS:	-	(190,736)	_	(25,404)		(165,332)
	-	(100)100)		(==, . = .)		(100,002)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Renaissance Commerce Park Grant	\$	_	\$	(8,333)	\$	8,333
Angola Ag Park Grant	*	-	•	(2,083)	*	2,083
				(10,417)		10,417
NET OPERATING INCOME/(LOSS):		(190,736)		(35,820)		(154,916)
NON-OPERATING REVENUE:						
Interest Income	\$	44,337	\$	33,360	\$	10,977
Interest Expense		(1,508)		(4,003)		2,495
		42,829		29,357		13,472
NET INCOME/(LOSS):	\$	(147,907)	\$	(6,463)	\$	(141,443)
` '		1,001/	—	(0,700/	*	(171)770/

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: March 31, 2025

	Actual vs. Budget				Actua	ıl vs. Prior Y	ear					
		Actual		Budget		Variance		Actual	ī	Prior Year		Variance
REVENUES:												
Administrative Fees	\$	138,947	\$	450,000	\$	(311,053)	\$	138,947	\$	518,890	\$	(379,943)
Affiliate Management Fees		146,425	•	146,625		(200)	•	146,425	•	117,725	•	28,700
Rental Income		56,525		58,595		(2,070)		56.525		53,819		2,706
Other Income		13,450		13,000		450		13,450		10.723		2,728
Total Revenues	_	355,347		668,220		(312,873)		355,347		701,157		(345,810)
EXPENSES:												
Salaries & Benefits		548,898		579.862		(30,964)		548.898		536,407		12,491
General Office Expenses		64,023		67,750		(3,727)		64,023		76,418		(12,394)
Building Operating Costs		11,509		23,997		(12,488)		11,509		10,755		753
Professional Services		27,944		38,000		(10,056)		27,944		23,536		4,408
Public Hearings & Marketing		27,395		30,000		(2,605)		27,395		•		
Travel, Mileage & Meeting Expenses		6,767		8,875		,				18,993		8,402
Depreciation and amortization		58,822		•		(2,108)		6,767		7,821		(1,054)
Other Expenses		4,049		58,822		70548		58,822		66,322		(7,500)
Total Expenses	_			5,000	_	(951)	_	4,049		4,022		27
Total Expenses	_	749,408		812,307		(62,899)	-	749,408		744,274		5,134
SPECIAL PROJECT GRANTS:												
Revenues		96,243		1,299,571		(1,203,329)		96,243		127,432		(31,190)
Expenses		(62,634)		(1,221,071)		1,158,438		(62,634)		(152,440)		89,806
8		33,609		78,500		(44,891)		33,609		(25,007)		58,617
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC												
INVESTMENTS:	\$	(360,451)	\$	(65,586)	\$	(294,865)	\$	(360,451)	\$	(68,124)	\$	(292,327)
OTHER STRATEGIC INVESTMENTS AND INITIATIVE	S:											
Renaissance Commerce Park Grant	\$	(94,684)	\$	(100,000)	\$	5,316	\$	(94,684)	\$	(79,963)	\$	(14,721)
Angola Ag Park Grant		(5,483)		(25,000)		19,517		(5,483)			,	(5,483)
Other Strategic Initiatives		(0)				(0)		(0)		(40,525)		40,525
		(100,167)		(125,000)		24,833	_	(100,167)		(120,488)		20,321
NET OPERATING INCOME/(LOSS):	_	(460,619)		(190,586)		(270,032)		(460,619)		(188,613)	-	(272,006)
								11010101		(100,010)	_	(272,000)
NON-OPERATING REVENUE:												
Interest Income		125.887		100,080		25.808		125,887	S	110,120		15.768
Interest Expense		(4,670)		(4,003)		(667)		(4,670)	*	(6,382)		1,711
		121,217		96,077		25,140		121,217		103,738		17,479
NET INCOME/(LOSS):	\$	(339,402)	\$	(94,510)	\$	(244,892)	\$	(339,402)	\$	(84,875)	\$	(254,527)
,							1					

Approval Project Name Project Name Name				Tax	ncentiv	Ves An	DEOVE	1- 202		THE RESERVE		CALIFORNIA CONTRA	MAN	
ducts, inc. West Senera 530,000,000 53,550,000 184 0 53 0 55% - New 118 441 Period of PillOT Resp. deriod of PillOT c/UFP Lackawama \$777,225,534 \$65,641,695 0 0 50 0 42 248 228 Period of PillOT \$7,822,633 a septembried 0 0 0 50 0 42 248 228 10 Vests \$7,822,633 a septembried 0 0 0 50 0 42 248 228 10 Vests \$7,822,633 a septembried 0 0 50 0 42 228 10 Vests \$7,822,633	Approval Project Name Date	Project City/Town	Private Investment/ Project Amount	Minimum Investment Comittment	FT Jobs Retained	PT Jobs	FT Jobs to	PT Jobs to	Job Creation	97	Spillover	Length of Term	Incentive Amount	Cost
ducts, Inc. Weet Senera \$39,000,000 85% threshold of PLOT \$30,000,000 \$184 0 \$3 0 45 41 Period of PLOT \$2,693,039 c/UsP Lackawama \$77,225,524 \$65,641,695 0 0 50 0 87% - New 138 441 10 vears \$2,693,039 c/UsP ses,641,695 0 0 50 0 87% - New 248 248 10 vears \$7,822,635 c/UsP ses,641,695 0 50 0 42 248 288 Period of PLOT 57,822,635 c/UsP ses,641,695 0 50 0 42 288 10 vears 57,822,635		THE STATE OF					חברובשובח	De Lreated			Jobs			Benefit
C, UP Lackawama S, 77,225,524 Sigs fet Leshold	Mar-25 Rosina Food Products, Inc.	West Seneca	\$30,000,000	85% threshold \$25,500,000	184	c	æ	c	85% - New			Period of PILOT		Matio
\$7,822,635	Mar-25 Induustries, Inc.	Lackawanna	\$77,225,524		-		8 8		45 85% - New	118		10 Years Period of PILOT	\$2,693,039	1:106
							8	5	47	248		10 Years	\$7,822,635	1:65
														1

Incentive Amount		\$10,515,674	
Spillover Jobs		723	
Constion Jobs		366	
PT Jobs Created		0	
FT Jobs PT Jobs FT Jobs Retained Retained Created		103	
is PT Jobs ned Retaine		84	
FT JOI Retail			
Private investment/ Project Amount		\$107,225,524	
Totals:		2	
Totals: To	Adaptive Reuse Subtotal	2025 Total	

Totals:

¹ Adaptive Reuse ²Amendatory Inducement

	ment Est. Project Completion Date		9/22/2021 1/31/2024					
	Jobs to Induce Created Date	THE REAL PROPERTY.	2/6 0					
	FT Jobs to PT be Created be		0					
- 2025	PT Jobs d Retained		124			1		
Closed	t FT Jobs Retaine	The same of					+	_
Incentives Closed - 2025	Project Amount at FT Jobs PT Jobs FT Jobs to Inducement Closing Retained Retained be Created be Created Date		\$ 21,271,633					
Tax	Project City/Town		Town of Tonawanda					
	Project Name		2/25/2025 Coca Cola Beverages Northeast, Inc.					
	Closing Date Project Name		2/25/2025					

PT Jobs Created FT Jobs PT Jobs FT Jobs Retained Retained Created Project Amount at closing Total # of Projects Closed

Totals:

0 124 \$21,271,633

2025 - 2026 ECIDA/RDC/ILDC Board Committees & Officers

Executive Committee ECIDA/RDC	Current Committee Members	Proposed Committee Members
7 Board members,	Chair - Brenda McDuffie (Chair)	Chair - Brenda McDuffie (Chair)
President & CEO, as	Vice Chair - Richard Lipsitz	Vice Chair – Denise Abbott
specified in By-Laws	County Executive - Hon Mark	County Executive - Hon Mark
	Poloncarz	Poloncarz
	Mayor Buffalo – Hon. Christopher	Mayor Buffalo – Hon. Christopher
	Scanlon	Scanlon
	Hon. Joseph Emminger (Chair, RDC	Hon. Joseph Emminger (Chair, RDC
	Loan Committee)	Loan Committee)
	Glenn Nellis - (Representing the	Glenn Nellis - (Representing the
	Finance & Audit Committee)	Finance & Audit Committee)
	Ken Schoetz (Chair, Loan Write-Off)	Ken Schoetz (Chair, Loan Write-Off
		Committee)
	President & CEO John Cappellino	President & CEO John Cappellino
	[non-voting]	[non-voting]

Finance & Audit Committee ECIDA/RDC/ILDC	Current Committee Members	Proposed Committee Members
At least 3 Board members	Michael Szukala (Chair)	Michael Szukala (Chair)
specified in By-Laws. Not less than 3 independent members	Penny Beckwith (M&T)	Penny Beckwith (M&T)
per PAL.	Patrick Boyle	Patrick Boyle
	Allison DeHoney	Allison DeHoney
3-4 Meetings a Year	Thomas Emmerling*	Thomas Emmerling*
	Glenn Nellis*	Glenn Nellis*
	Hon. Brian Nowak*	Hon. Brian Nowak*
	William Witzleben (M&T)	William Witzleben (M&T)

Governance Committee ECIDA/RDC/ILDC	Current Committee Members	Proposed Committee Members
At least 3 Board members	Brenda McDuffie* (Chair)	Brenda McDuffie* (Chair)
specified in By-Laws. Not	Thomas Baines	Thomas Baines
less than 3 independent	Zaque Evans	Zaque Evans
members per PAL.	Hon. John Gilmour	Jackie Hall
1-2 Meetings a Year	Tyra Johnson*	Tyra Johnson
z z meemigs a real	Hon. Brian Kulpa	Hon. Brian Kulpa
	Hon. Christopher Scanlon	Ken Schoetz*
	Ken Schoetz*	Hon. Taisha St. Jean Tard*
	David State	David State

^{*}Board members who fill seats required by By-laws Nominating Committee Approved Date – April 1, 2005 Board Approved Date – April 23, 2025

2025 - 2026 ECIDA/RDC/ILDC Board Committees & Officers

Loan Committee ECIDA/RDC	Current Committee Members	Proposed Committee Members
By-Laws specify no more than 5 members of the Policy Committee plus 2	Hon. Joseph Emminger (Chair)	Hon. Joseph Emminger (Chair)
City members and 1 County member 6-12 Meetings a Year	Denise Abbott [City 2] Rebecca Gandour	Denise Abbott Patrick Boyle
	[Other] Nancy LaTulip [County 1] David McKinley (Community Bank N.A.)	[City 2] Rebecca Gandour [Other] Nancy LaTulip
	[Other] Michael Taylor (Pursuit Lending)	[County 1] David McKinley (Community Bank N.A.)
	[City 1] Royce Woods (Evans Bank)	Hon. Brian Nowak
		Hon. Taisha St. Jean Tard
		[Other] Michael Taylor (Pursuit Lending)
		[City 1] Royce Woods (Evans Bank)

Loan Write-off Committee ECIDA/RDC/ILDC	Current Committee Members	Proposed Committee Members
At least 3 Board	Ken Schoetz*(Chair)	Ken Schoetz*(Chair)
members specified in	Penny Beckwith (M&T)	Penny Beckwith (M&T)
By-Laws	Tyra Johnson*	Tyra Johnson*
	Brian Nowak*	Brian Nowak*
1 Meeting a Year	William Witzleben (M&T)	William Witzleben (M&T)

Compensation Committee ECIDA	Current Committee Members	Proposed Committee Members
No by-law requirement	Hon. Mark Poloncarz (Chair)	Hon. Mark Poloncarz (Chair)
	Rev. Mark Blue	Denise Abbott
1-2 Meetings a Year	Michael Hughes	Rev. Mark Blue
	Richard Lipsitz	Brenda McDuffie
	Brenda McDuffie	Hon. Timothy Myers
	Ken Schoetz	Ken Schoetz

Nominating Committee ECIDA/RDC/ILDC	Current Committee Members	Proposed Committee Members
No by-law requirement	Hon. Mark Poloncarz (Chair)	Hon. Mark Poloncarz (Chair)
	Rev. Mark Blue	Dr. Lavonne Ansari
1 Meeting a Year	Zaque Evans	Rev. Mark Blue
	Richard Lipsitz	Brenda McDuffie
	Ken Schoetz	Ken Schoetz

^{*}Board members who fill seats required by By-laws
Nominating Committee Approved Date – April 1, 2005 Board Approved Date – April 23, 2025

2025 - 2026 ECIDA/RDC/ILDC Board Committees & Officers

Policy Committee ECIDA/RDC	Current Committee Members	Proposed Committee Members
At least 3 Board members	Richard Lipsitz* (Chair)	Denise Abbott (Chair)
specified in By-Laws	Denise Abbott	A.J. Baynes
10-12 Meetings a year	Hon. April Baskin	Rev. Mark Blue*
	A.J. Baynes	Zaque Evans
	Rev. Mark Blue*	Gregory Inglut
	Hon. Byron Brown	Richard Lipsitz
	Zaque Evans	Susan McCartney
	Gregory Inglut	Brenda McDuffie*
	Susan McCartney	Glenn Nellis
	Brenda McDuffie*	Hon. Brian Nowak
	Glenn Nellis	Peter Petrella
	Laura Smith	Hon. Christopher Scanlon
	David State	Laura Smith
	Lavon Stevens	David State
	Paul Vukelic	Lavon Stevens

<u>Current Officers</u>			Proposed C	fficers		
<u>OFFICERS</u>	ECIDA	RDC	ILDC	ECIDA	RDC	ILDC
Chair	Brenda N	Brenda McDuffie Hon. Mark		Brenda McI	Brenda McDuffie Hon. Mark Pol	
			Poloncarz			
Vice Chair	Richard L	Richard Lipsitz		Denise Abbott		
President & CEO	John Cap	John Cappellino		John Cappellino		
Vice President	Mollie Pr	Mollie Profic, Beth O'Keefe		Mollie Profic, Beth O'Keefe		
Treasurer	Mollie Pr	Mollie Profic		Mollie Profic		
Assistant Treasurers	Jerry Mar	nhard, Ati	qa Abidi, Daryl	Jerry Manhard, Atiqa Abidi, Daryl Spulecki		bidi, Daryl Spulecki
	Spulecki	ulecki				
Secretary	Beth O'Ke	Beth O'Keefe		Beth O'Keefe		
Assistant Secretaries	Jerry Manhard, Carrie Hocieniec		Jerry Manhard, Carrie Hocieniec			

OTHER DESIGNATED POSITIONS	<u>Designated Positions</u>	Designated Positions	
Chief Financial Officer	Mollie Profic	Mollie Profic	
Accounting Manager	Atiqa Abidi	Atiqa Abidi	
Chief Lending Officer	Jerry Manhard	Jerry Manhard	
Contracting Officer (required in Property Disposition Policy)	Mollie Profic	Mollie Profic	
Electronic Records Retention Officer	Brian Krygier	Brian Krygier	
Ethics Officer (required in Conflict of Interest Policy)	John Cappellino	John Cappellino	
FOIL Officer	Robbie Ann McPherson	Robbie Ann McPherson	
FOIL Appeals Officer	John Cappellino	John Cappellino	
Human Resources Officers	Mollie Profic, Pat Smith	Mollie Profic, Pat Smith	
Non-electronic Records Retention Officer	Carrie Hocieniec	Carrie Hocieniec	

^{*}Board members who fill seats required by By-laws
Nominating Committee Approved Date – April 1, 2005 Board Approved Date – April 23, 2025



MEMORANDUM

Date: April 23, 2025

To: ECIDA Board of Directors

Re: Sumitomo Rubber USA, LLC 2017 and 2021

ECIDA - Sumitomo Rubber USA, LLC Projects

Company Background

Sumitomo Rubber USA, LLC (SRUSA), located in the Town of Tonawanda, is wholly owned by Sumitomo Rubber Industries, Ltd. (SRI) a global tire and rubber company based in Japan. SRUSA specialized in manufacturing a wide range of automotive tires, including those for passenger cars, trucks, buses, and motorcycles. Sumitomo was one of Erie County's largest manufacturing employers, and a significant source of tax revenue for the Town of Tonawanda, and the school district.

2017 Project Background

On April 26, 2017, the ECIDA Board approved a sales tax benefit in the amount of \$245,000 and a real property tax abatement through a ten (10) year term PILOT agreement to Sumitomo Rubber USA, LLC to incentivize Sumitomo's investment of \$9,709,000 for the construction of a 35,000 sq. ft. expansion to its existing tire manufacturing operations located at 3333 River Road in the Town of Tonawanda.

SRUSA qualified for its sales tax benefit from 10/26/2017 through 06/30/2019 and utilized a total of \$161,186.04 in sales tax benefits during that period. SRUSA recapture period was in effect from 10/26/2017 through 12/31/2029 (coinciding with the termination of the PILOT agreement). As part of its material terms, SRUSA was required to retain 1,241 FTE positions at the project facility.

2021 Project Background

On October 27, 2021, the ECIDA Board approved a sales tax benefit in the amount of \$708,750 and a real property tax abatement benefit through a ten (10) year term PILOT agreement to Sumitomo Rubber USA, LLC to incentivize Sumitomo's investment of \$126,000,000 for the construction of a 60,000 sq. ft. building and the renovation of a 15,200 sq. ft. existing facility, located at 10 Sheridan Drive in the Town of Tonawanda.

SRUSA qualified for its sales tax benefit from 11/17/2021 through 12/31/2023 and utilized a total of \$708,750 in sales tax benefits during that period. SRUSA recapture period is in effect from 11/17/2021 through 12/31/2034 (coinciding with the termination of the PILOT agreement). As part of its material terms, SRUSA was required to retain 1,399 FTE positions.

At the time of the announced plant closure the ECIDA had PILOT incentives on 8% of the overall buildings at the facility. The remaining 92% of the facility was on the tax rolls paying full taxes.

SRUSA Employment History

2017 Project Employment Requirement: 1,241 FTE 2021 Project Employment Requirement: 1,399 FTE

Survey Year	Quarter (QI-Q4)*	Employment FTE	Survey Year	Quarter (Q1- Q4)*	Employment FTE
2017	Q4	1,241	2021	Q3	1,425
2018	QI	1,325	2021	Q4	1,441
2018	Q2	1,336	2022	QI	1,442
2018	Q3	1,355	2022	Q2	1,448
2018	Q4	1,364	2022	Q3	1,440
2019	QI	1,404	2022	Q4	1,421
2019	Q2	1,405	2023	QI	1,396
2019	Q3	1,401	2023	Q2	1,447
2019	Q4	1,397	2023	Q3	1,502
2020	QI	1,374	2023	Q4	1,562
2020	Q2	1,295	2024	QI	1,570
2020	Q3	1,311	2024	Q2	1,566
2021	QI	1,380	2024	Q3	1,523
2021	Q2	1,399			·

^{*} Quarter (Q) 1: Jan. 1 – Mar. 31; Quarter (Q) 2: Apr. 1 – Jun. 30; Quarter (Q) 3: Jul. 1 – Sep. 30; Quarter (Q) 4: Oct. 1 – Dec. 31

From 2017 until the plant closure in 2024 Sumitomo Rubber USA, LLC was compliant with all of the ECIDA requirements including employment goals.

Plant Closure - Cessation of Operations

On November 7, 2024, Sumitomo Rubber Industries, Ltd. (SRI) unexpectedly announced its decision to immediately cease all production activities at Sumitomo Rubber USA, LLC. As part of this decision, SRUSA confirmed the closure of its tire manufacturing facility in Tonawanda, New York, which manufactured tires for passenger cars, trucks, buses, and motorcycles. Based on the WARN Statement filed on November 7, 2024, with the New York State Department of Labor, the Company disclosed the following relating to the closure of the Projects.

Total Number of Affected Workers: 1.380

Total Number of Employees: 1,524

Closure Start Date: As part of this plant closure, 1,380 employees were separated from the Company. Of these, 1,144 employees were separated on November 11, 2024; 101 employees on November 15, 2024; and 135 employees on February 14, 2025.

Termination of Benefits

Due to the cessation of operations at the project sites and subsequent employee terminations, on November 12, 2024, the ECIDA notified Sumitomo Rubber USA, LLC in writing, with separate letters for each project, that Sumitomo was in default of the Lease Agreements, Leaseback Agreements, and PILOT Agreements. The letters provided a 30-day period to cure the default,

but the Company failed to do so. As a result, the ECIDA and Sumitomo Rubber USA, LLC agreed to terminate the aforementioned agreements, effective December 17, 2024. The termination of the PILOT agreements required the facilities to be placed on the taxable rolls in accordance with Section 520 of the Real Property Tax Law.

2017 Project

For the 2017 project, full property taxes for the remaining duration of what would have been the PILOT period are estimated to be \$163,707. As a result of the termination of the PILOT the facility will not receive an estimated \$116,358 in real property tax abatements and will be required to pay full property tax amount estimated to be \$163,707 through what would have been the remaining PILOT term.

PILOT Schedule

Original expiration of Leaseback: December 31, 2029

Tax Fiscal Year	Town of Tonawanda	Erie County	Kenmore-Town of Tonawanda Union Free School District
1	2020	2020	2019-2020
2	2021	2021	2020-2021
3	2022	2022	2021-2022
4	2023	2023	2022-2023
5	2024*	2024*	2023-2024
6	2025	2025	2024-2025*
7	2026	2026	2025-2026
8	2027	2027	2026-2027
9	2028	2028	2027-2028
10	2029	2029	2028-2029

^{*}Year default occurred

Estimated Amount of Real Property Tax Benefits Terminated

	Town	County	School	Total
Full Property Tax Amount	\$62,852	\$25,206	\$75,649	\$163,707
PILOT Amount	\$17,598	\$7,057	\$22,694	\$47,349
Net exemption	\$45,254	\$18,149	\$52,955	\$116,358

2021 Project

For the 2021 project, full property taxes for the remaining duration of what would have been the PILOT period are estimated to be \$518,932 As a result of the termination of the PILOT the facility will not receive an estimated \$410,896 in real property tax abatements and will be required to pay the full property tax amount estimated to be \$518,932 moving forward through what would have been the remaining PILOT term.

PILOT Schedule

Original expiration of Leaseback: December 31, 2034

Tax Fiscal Year	Town of Tonawanda	Erie County	Kenmore-Town of Tonawanda Union Free School District
	2025	2025	2024-2025*
2	2026	2026	2025-2026
3	2027	2027	2026-2027
4	2028	2028	2027-2028
5	2029	2029	2028-2029
6	2030	2030	2029-2030
7	2031	2031	2030-2031
8	2032	2032	2031-2032
9	2033	2033	2032-2033
10	2034	2034	2033-2034

^{*}Year the default occurred

Estimated Amount of Real Property Tax Benefits Terminated

	Town	County	School	Total
Full Property Tax Amount	\$188,353	\$75,538	\$255,041	\$518,932
PILOT Amount	\$37,670	\$15,107	\$55,259	\$108,036
Net exemption	\$150,683	\$60,431	\$199,782	\$410,896

Estimated Total of Real Property Tax Benefits Terminated \$527,254

Recapture

Due to the cessation of operations and subsequent employee terminations, the Company is in violation of its requirement to create and maintain 1,241 FTE positions for the 2017 SRUSA project and 1,399 FTE positions for the 2021 SRUSA project. As a result, the ECIDA has initiated a proceeding to consider recapture of Financial Assistance benefits as described in Section 5 in its Policy for Termination and/or Modification of Agency Financial Assistance and Recapture of Agency Financial Assistance Previously Granted ("Recapture and Termination Policy") as amended and

restated on May 25, 2016.

The Recapture and Termination Policy establishes the procedures that the ECIDA will implement, and which may result in the modification, termination and/or recapture of ECIDA Financial Assistance. Specifically, Section 5(h)(i) and (ii) of the policy establish the procedural framework for the ECIDA Policy Committee in determining and recommending the recapture of financial assistance, as outlined below:

- Sales and Use Tax & Mortgage Recording Tax The ECIDA may recapture any amount up to 100% of the exemptions obtained and utilized, in accordance with New York General Municipal Law and ECIDA policies.
- Real Property Tax Abatement (PILOT Agreements) The ECIDA may recapture
 up to the total amount of abatement received by the Applicant <u>during the year(s) in which
 violations of Material Factors occurred</u>. The ECIDA Policy Committee, in consultation
 with ECIDA staff, will determine the extent of recapture based on violations of material
 terms.

Recapture Recommendation

Consistent with the Recapture and Termination Policy, the ECIDA Policy Committee recommended the following actions:

Sales Tax

Recommendation – Pro-rata approach applied to the sales tax benefit, totaling \$442,968.75.

This aligns with the ECIDA's standard practice of using a pro-rata approach to determine the recapture amount. This is accomplished by multiplying (i) the percentage of time of non-compliance and (ii) the amount of benefit claimed. Projects that receive a Sales Tax only benefit must maintain their required employment commitments for a two-year period following project completion.

Applying this approach to the 2017 project results in no repayment of sales tax benefit because the Company met its two-year job commitment.

Applying this approach to the 2021 project results in \$442,968.75 of sales tax benefit repayment as follows:

Compliance Period – 24 months

Number of months job commitments were met - 9 months

Compliance Percentage – 37.5% (Company only met job commitments for 9 out of 24 months) Non-Compliance Percentage – 62.5%

Recapture Amount - \$442,968.75 (the product of (i) 62.5% and (ii) \$708,750.00)

Project Year	Benefit	Payment %	Amount
2017	Sales Tax	0%	\$0.00
2021	2021 Sales Tax	62.5%	\$442,968.75
	,	Total	\$442,968.75

In lieu of recapture of the sales tax benefit, a community payment would be made equivalent to the pro-rata recapture amount of \$442,968.75. The funds would be allocated locally to the most impacted taxing jurisdictions, the Town of Tonawanda and the Kenmore-Town of Tonawanda School District to be used to benefit the local community.

Per discussions with the town and school district, the community payment would be used by the Ken-Ton School District for security at both Crosby Field and Adams Field throughout the year which would allow the Fields to be open to the public, including weekends. The Town of Tonawanda would utilize the funds to help pay for an environmental assessment study on its long-awaited Cherry Farm Recreational Park along the shore of the Niagara River. The funds would be allocated as follows:

- 55% or \$243,632.81 allocated to the Ken-Ton School District.
- 45% or \$199,335.94 allocated to the Town of Tonawanda.

Payment in Lieu of Taxes (PILOT)

Recapture of SRUSA's PILOT benefits for both its 2017 and 2021 projects, in accordance with the ECIDA's Recapture and Termination Policy, would apply to the year in which SRUSA was noncompliant with its job commitments, in this case, being only the 2024 Town and County tax year and the 2024/2025 School tax year, and totaling \$60,215.39, as depicted in the table, below. Recaptured PILOT payments would be returned to the appropriate taxing jurisdictions.

2017 Project Real Property Tax Payment Summary

Year	Municipality	As if Owned (AIO) Amount	PILOT Amount	Net Exemption (Repayment Amount)
2024	County	\$6,549.45	\$1,309.89	\$5,239.56
2024	Town of Tonawanda	\$16,156.15	\$3,231.23	\$12,924.92
2024/2025	Kenmore-Town of Tonawanda Union Free School District	\$18,912.38	\$3,782.48	\$15,129.90
	Total	\$41,617.98	\$8,323.60	\$33,294.38

2021 Project Real Property Tax Payment Summary

Year	Municipality	AlO Amount	PILOT	Net Exemption (Repayment Amount)
2024/2025	Kenmore-Town of Tonawanda Union Free School District	\$28,337.91	\$1,416.90	\$26,921.01

SUMMARY of Payments for 2017 and 2021 Projects:

Option	Benefit	Amount
(Pro-rata community payment)	Sales Tax	\$442,968.75
(2024 Recapture)	PILOT	\$60,215.39
	Total	\$503,184.14

SUMITOMO RUBBER USA, LLC

Mory Kasprzak SVP & Chief Financial Officer (716) 879-8240

March 26, 2025

Erie County Industrial Development Agency 95 Perry Street Suite 403 Buffalo, NY 14203

Re: Erie County Industrial Development Agency ("ECIDA");

3333 River Road, Town of Tonawanda, Erie County, New York (the "Plant")

Dear Sir/Madam:

We are in receipt of your letters dated March 14, 2025 relative to our 2017 project and our 2021 project with the ECIDA.

As you know, Sumitomo has been a good corporate citizen in Erie County for many decades. Up until late last year, we had met or exceeded all of our local commitments, including those with the ECIDA. However, given a number of severe adverse economic and financial factors, our operations at the Plant were no longer sustainable and we were forced to cease operations.

While we strongly object to the concept of "recapture" of benefits, we recognize the relevant provisions in our ECIDA documents.

We would request that the ECIDA Policy Committee recognize Sumitomo's long-standing position in the community and our many years of faithful compliance with the ECIDA requirements. We therefore propose the following in order to resolve this matter:

- (i) we would pay, as a recapture of benefits, the entire amount of real estate tax benefits received in 2024 (i.e. \$60,000), even though our non-compliance occurred only at the end of 2024, and
- (ii) we would make a contribution, in lieu of recapture, in the amount of \$442,000 to a local community benefit fund for the use by the Town of Tonawanda and the Tonawanda School District (this amount being equal to the sales tax benefit received by Sumitomo over the past two years, i.e. the recapture period for ECIDA sales-tax only transactions).

The community benefit fund would be allocated (i) 55% (i.e. \$243,100) to be used by the Ken-Ton School District for security at both Crosby Field and Adams Field throughout the year

at all times that the Fields will be open to the public, including weekends, and (ii) 45% (i.e. \$198,900) to be used by the Town of Tonawanda to help pay for an environmental assessment study on its long-awaited Cherry Farm Recreational Park along the shore of the Niagara River.

We feel that this arrangement would best benefit our local community, consistent with our values and priorities.

We will not be able to attend the April 3, 2025 Policy Committee meeting, but request that this letter be added to the record of same.

Very truly yours,

SUMITOMO RUBBER USA, LLC

Mary Kasprzak

SVP & Chief Financial Officer



March 31, 2025

Mr. John Cappellino Erie County Industrial Development Agency 95 Perry Street, Suite 403 Buffalo, New York 14203

Re:

Sumitomo Recapture

Town of Tonawanda & Ken-Ton School District

Dear Mr. Cappellino,

On the above referenced matter, Kenmore-Town of Tonawanda School Superintendent Sabatino Cimato and I have had several discussions on the proposal involving the Sumitomo Recapture and we both, on behalf of the constituents we represent, agree and are in full support of the following:

1. The total sales tax recapture will be divided amongst the Ken-Ton School District and the Town of Tonawanda as follows:

Ken-Ton School District – 55% Town of Tonawanda – 45%

2. The Community Benefit Projects that we will use the funds for going forward are as follows:

Ken-Ton School District proposes using the funds to provide security at both Crosby Field and Adams Field throughout the year at times that the Fields will be open to the public, including weekends.

The Town of Tonawanda proposes to use the funds to help pay for an Environmental Assessment Study on our long awaited/anticipated Cherry Farm Recreational Park along the shore of the Niagara River. This project has been worked on for over 30-years and we believe it will be a big asset to the residents of our community, once the park is completed.



March 31, 2025 Page 2

We believe both of these projects make good use of the funds made available to both of our jurisdictions.

If you need or require any additional information about these projects, please don't hesitate to contact the undersigned.

Respectfully,

TOWN OF TONAWANDA

Jøseph H. Emminger

Supervisor

KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT

Sabatino Cimato

Superintendent of Schools



Sumitomo Rubber \$9,709,000 INDUCEMENT RESOLUTION

ELIGIBILITY

NAICS Section - 3326211

COMPANY INCENTIVES

- Approximately \$800,000 in real property tax savings.
- Approximately \$245,000 in sales tax savings.

EMPLOYMENT

• The project is anticipated to retain 1,241 Jobs.

PROJECT HISTORY

- 03/29/2017— Public hearing held. Transcript attached.
- 04/26/2017-ECIDA Board adopts a Negative Declaration in accordance with SEQRA.
- 04/26/2017-Lease/Leaseback Inducement Resolution presented to the Board of Directors.

Project Title:

Sumitomo Rubber

Project Address:

10 Sheridan Drive

Tonawanda, New York 14150

(Kenmore-TTN UFSD)

Agency Request

A sales tax and real property tax abatement in connection with the expansion of the company's manufacturing operations.

New Building Addition Infrastructure Manufacturing Equipment Non-Manufacturing Equipment Soft Costs	\$3,609,000 \$ 500,000 \$5,000,000 \$ 200,000 \$ 400,000
Total Project Cost	\$9,709,000
85%	\$8,252,650

Company Description

Sumitomo Rubber USA manufacturers and sells a wide range of automotive tires in the US and internationally. The Tonawanda plant produces over 4 million tires annually for a variety of applications such as passenger cars, trucks, buses and motorcycles. 100% of sales are to customers located outside of New York State.

The company's global headquarters are located in Kobe, Japan.

Project Description

Fueled by the demand for increased manufacturing capacity, Sumitomo will be constructing a 35,000 sq. ft. expansion to its existing manufacturing operations in the Town of Tonawanda. The expanded production capability will increase tire production from 5,000 tires per day to 10,000 per day by the year 2019.

The project lays the foundation for future growth in the North American market and will allow Sumitomo to strive to be competitive and maintain and expand operations at the Tonawanda plant.

This 35,000 sq. ft. expansion represents phase one of a two phase project.

Employment Impact

Retained Jobs 1,241

Estimated New Tax Revenue

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-Year Abate- ment Period	Additional Local Reve- nue over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$1,100,000	\$31,000	\$184,000	\$102,000
Combined Tax Rate: \$93.00				

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Project Amount = \$9,709,000 85% = \$8,252,650
Employment	Coincides with 10-year PILOT	Maintain Base: 1,241
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	10 Year PILOT Term	Real Property Taxes State and Local Sales Taxes

Recapture applies to:

- Real Property Taxes
- 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 project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has maintained 1,241 employees at the facility; iii) its adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.

Sumitomo Rubber 2021 Building Expansion \$126,000,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

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NAICS Section – 326211

COMPANY INCENTIVES

- Approximately \$ 708,750 in sales tax savings
- Approximately \$1,053,437 in real property tax savings

JOBS & ANNUAL PAYROLL

• Current Jobs: 1,399

• Annual Payroll: \$ 100,000,000

• Projected new jobs: 0

• Projected retained jobs: 1,399

Est. salary/yr. of jobs retained: \$
60,000

 Total jobs after project completion: 1,399

Construction Jobs: 97

PROJECTED COMMUNITY BENEFITS*

Term: 10 YEARS

• NET Community Benefits: \$ 1,493,593,000

Spillover Jobs: 35 (temp) 1,354 (perm)

Total Payroll: \$ 1,535,229,000

INCENTIVE COST/COMMUNITY BENEFIT RATIO*

Incentives: \$ 1,762,187

Community Benefit: \$ 1,629,434,000

Cost: Benefit Ratio • 1:889 Project Title:

Sumitomo Rubber 2021 Building Expansion

Project Address

10 Sheridan Drive, Tonawanda, NY 14150

(Ken-Ton UFSD)

Agency Request

A sales tax and real property tax abatement in connection with the construction of a 60,000 sq ft building and the renovation of a 15,200 sq ft existing facility in the Town of Tonawanda.

New Building Construction	\$ 6.900.000
Building Renovation	\$ 6,400,000
Infrastructure	\$ 2,900,000
Manufacturing Equipment	\$94,800,000
Soft Costs/Other	\$15,000,000
Total Project Cost	\$126,000,000
85%	\$ 107,100,000

Company Description

Sumitomo Rubber USA, LLC (SRUSA) is wholly owned by Sumitomo Rubber Industries, Ltd. (SRI) a global tire and rubber company based in Japan. The company makes a wide range of rubber-based products, including automobile tires, golf balls and tennis balls. The SRUSA Tonawanda plant is the only SRI-owned tire manufacturer in the US, having been acquired by SRI on October 1st, 2015 through its dissolution of a joint venture with another major tire manufacturer.

Project Description

SRUSA is considering a significant capital investment in the Facility. The investment would involve major replacement of and upgrades to production and other equipment. The Facility is approximately 100 years old and the proposed investment will enhance its efficiency and solidify the Facility's long-term economic future in WNY. The proposed investment will nearly double output at the Facility, resulting in a significantly lower cost per kg that ensures SRUSA tire products can be sold profitably. To achieve the needed, increased production, SRUSA would purchase new mixing, tire building, curing and miscellaneous equipment. A 60,000 square foot building will be added for new tire building equipment on the site that is currently in use as an employee parking lot. Additional limited capital investments will need to be made for building improvements/renovation to an existing 15,200 sq ft building at the Facility. The estimated capital investment would be made over the next 3 years as follows: 2021 = \$78.4M, 2022 = \$41.5M and 2023 = \$6M, totaling \\$126M.

^{*} Inform Analytics/Center for Governmental Research

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses Inform Analytics, a widely-recognized modeling tool from the Center for Governmental Research, to assess the economic impact of a project applying for incentives. This cost:benefit ratio is assessed via a Cost-Benefit Analysis, as is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached Inform Analytics Projected Community Benefits and Community Cost Benefit Analysis.

Cost: *Incentives*

	Tax Exemption	Amount
	Property	1,053,000
COSTS	Sales	709,000
8	Mortgage Recording	0
	Total	1,762,000
	Discounted at 2%	1,679,000

Benefit: Projected Community Benefit*

	Region	Recipient	Revenue Type	\$ Amount**
	Erie	Individuals	Payroll Temporary	6,886,000
	County		Payroll Permanent	1,503,306.000
S		Public	Property Taxes	280,000
BENEFITS			Sales Taxes	24,757,000
BE	New York	Public	Income Taxes	72,437,000
	State		Sales Taxes	21,432,000
			Total Benefits to EC + NYS***	1,629,434,000
			Discounted at 2%	1,493,593,000

Discounted Cost \$ 1,679,000 Discounted Benefit \$1,493,593,000

Ratio 1:889

Conclusion: The Cost Benefit for this project is: 1:889. For every \$1 in costs (incentives), this project provides \$889 in benefits (payroll & tax revenue). Note: For Erie County, every \$1 in costs (incentives) provides \$1,042 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
n/a	\$1,320,000	\$ 39,113	\$ 240,915	\$ 133,346
Combined Tax Rate: \$ 101.02				

^{*} Inform Analytics/Center for Governmental Research

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 = \$126,000,000 85% = \$107,100,000
Employment	Coincides with 10-year PILOT	Maintain Base = 1,399 Recapture Employment = 1,399
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 Real Property Taxes, State and Local Sales Taxes

Recapture applies to:

State and Local Sales Taxes Real Property Tax

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 1,399 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

- 9/28/21 Public hearing held.
- 10/27/21 Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEORA
- 10/27/21 Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

4/26/17 \$9.7 M Inducement Resolution for a 35,000 sq ft expansion of manufacturing space at the Tonawanda facility.

NEW YORK STATE DEPARTMENT OF LABOR WARN UNIT

Business Information:

Reason For Closure: Other

Company:

Sumitomo Rubber USA., LLC 10 Sheridan Drive Tonawanda, NY 14150

FEIN NUM: 34-1899137

Industry Type: 31-33: Manufacturing

Contact: Glenn Leonardi, General Counsel

Contact Phone: (716) 879-8505

Total Number of Affected Workers: 1,380

Total Number of Employees: 1,524

Closure Start Date: As part of this plant closure, 1,380 employees will be separated from the company. Of these, 1,144 employees will be separated on November 11, 2024; 101 employees on November 15, 2024; and 135 employees on February 14, 2025.

Closure End Date: February 14, 2025

Impacted Site:

Event Number: 2024-0093

Address: 10 Sheridan Drive, Tonawanda, NY 14150 Number of Affected Employees at Site: 1,380 Total Number of Employees at Site: 1,524

Date of Notice: November 7, 2024

Region: Western County: Erie

DOL Rapid Response Coordinator: Amy Riter

Local Workforce Development Board Name: Buffalo and Erie County Workforce Investment

Board, Inc. (BECWIB)

Union: United Steelworkers Union, Local 135L

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY RESOLUTION

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, April 23 at 12:00 p.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE RECAPTURE OF FINANCIAL ASSISTANCE CLAIMED BY SUMITOMO RUBBER USA, LLC

WHEREAS, on April 26, 2017, the Erie County Industrial Development Agency (the "Agency") authorized through an Inducement Resolution a New York State local sales and use tax exemption and a real property tax abatement through a ten (10) year PILOT Agreement, (collectively, the "2017 Financial Assistance") with respect to a Sumitomo Rubber USA, LLC (the "Company") project located at 3333 River Road, in the Town of Tonawanda (the "Town"), New York consisting of the construction a 35,000+/- SF building thereon to be utilized for tire manufacturing (the "Original Facility"), along with the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "2017 Equipment" and collectively with the Original Facility, the "2017 Project"); and

WHEREAS, the provisions of the Agency's 2017 Project Financial Assistance were memorialized in that Agent and Financial Assistance Agreement, by and between the Agency and the Company dated as of October 26, 2017, ("2017 Agent Agreement"), and specifically Section 2(g) of the 2017 Agent Agreement requires that the Company maintain/create 1,241 full time equivalent ("FTE") employee positions at the facility the ("2017 FTE Employee Requirement") beginning in the first year in which the 2017 Financial Assistance is first claimed through the termination of the PILOT Agreement as defined within the Agent Agreement (the "2017 Material Factor Monitoring Period"); and

WHEREAS, on October 27, 2021, the Agency authorized through an Inducement Resolution a New York State local sales and use taxes exemption and a real property tax abatement through a ten (10) year PILOT Agreement, (the "2021 Financial Assistance," and collectively, with the 2017 Financial Assistance, the "Financial Assistance") with respect to an additional Company project located at 10 Sheridan Drive Road, in the Town of Tonawanda, New York, consisting of: the construction of a 60,000+/- square-foot facility thereon to be used for manufacturing purposes the renovation of an existing 15,200+/- square-foot facility thereon (the "Expanded Facility," collectively with the Original Facility, the "Facility") and the acquisition and installation of certain items of machinery, equipment and other tangible person property (the "Equipment," collectively, with the Expanded Facility, the "2021 Project"); and

WHEREAS, the provisions of the Agency's 2021 Project Financial Assistance were memorialized in that Agent and Financial Assistance Agreement, by and between the Agency and the Company dated as of November 17, 2021, ("2021 Agent Agreement," collectively, with the

2017 Agency Agreement, the "Agent Agreements"), and specifically Section 2(g) of the 2021 Agent Agreement requires that the Company maintain/create 1,399 FTE employee positions at the facility (the "2021 FTE Employee Requirement") beginning in the first year in which the 2021 Financial Assistance is first claimed through the termination of the PILOT Agreement as defined within the Agent Agreement (the "2021 Material Factor Monitoring Period"); and

WHEREAS, on November 7, 2025, the Company ceased all operations at the Facility, and closed the related manufacturing plant thereon, and filed a WARN statement with the New York State Department of Labor (the "WARN Statement") reflecting a total of 1,380 employees to be terminated from the Company in connection with the closure. Of the 1,380 employees, 1,144 employees were terminated on November 11, 2024; 101 employees were terminated on November 15, 2024; and 135 employees were terminated on February 14, 2025; and

WHEREAS, the Company amended the WARN Statement on February 14, 2025, to reflect an additional 17 employees to be terminated from the Company by May 15, 2025; and

WHEREAS, due to the cessation of operations at the Facility and related employee terminations, the Company no longer meets its 2017 FTE Employee Requirement and its 2021 FTE Employee Requirement; and

WHEREAS, because of the cessation of operations at the Facility and the related employee terminations, the Agency terminated the 2017 Project PILOT Agreement, effective as of December 12, 2024, and the 2021 Project PILOT Agreement, effective as of December 12, 2024; and

WHEREAS, based upon the foregoing, the Agency has initiated a proceeding as described in its Policy for Termination and/or Modification of Agency Financial Assistance and Recapture of Agency Financial Assistance Previously Granted ("Recapture and Termination Policy") as amended and restated on May 25, 2016; and

WHEREAS, on March 14, 2025, the Agency sent a Notice of Implementation of the Agency's Recapture and Termination Policy to the Company for both the 2017 Project and the 2021 Project, respectively (the "Notice Letters") informing the Company that its cessation of operations at the Facility and the related employee terminations and job shortfalls violated the terms and conditions of the 2017 Financial Assistance and the 2021 Financial Assistance, as described above, and providing the Company with opportunity to submit a written response to the Agency with respect to the foregoing and to appear before the Agency's Policy Committee to provide an oral presentation to the Agency's Policy Committee with respect to same; and

WHEREAS, on March 26, 2025, in response to the Notice Letters, a representative of the Company submitted correspondence to the Agency's Policy Committee that presented additional background with respect to the employment shortfall as described above, citing the Company's inability to continue operations at the Facility due to severe adverse economic and financial factors; and

WHEREAS, on April 3, 2025, the Agency's Policy Committee resolved to recommend: (i) with respect to the 2017 Project, that \$33,294.38 in Financial Assistance be recaptured related to

the PILOT abatement benefits the Company received during the 2024 County and Town, and 2024/2025 Kenmore-Tonawanda School District (the "School District") tax years, (ii) with respect to the 2021 Project, that \$26,921.01 in Financial Assistance be recaptured related to the PILOT abatement benefits the Company received during the 2024/2025 School District tax year; and (iii) with respect to the 2021 Project, in lieu of recapturing sales and use tax exemption benefits, that a payment in the amount of \$243,632.81 be made to the School District and a payment in the among of \$199,335.94 be made to the Town; and

WHEREAS, Section 2(g) of both the 2017 Agent Agreement and the 2021 Agent Agreement provides that the Company covenants and agrees that it will cooperate with the Agency in its efforts to recover or recapture any and all Financial Assistance that may be subject to a recapture determination; and

WHEREAS, Section 11 of both the 2017 Agent Agreement and the 2021 Agent Agreement further provides that the Company is required to pay any and all Agency counsel fees in association with the legal work necessary to terminate the Agency's interest in the Facility, the documents associated therewith, and to effectuate recapture as described herein; and

WHEREAS, as required by the Agency's Recapture and Termination Policy, the potential recapture of Agency financial assistance, job shortfalls and Project Facility closures associated with the 2017 Project and the 2021 Project are submitted to the Members of the Agency for their consideration; and

WHEREAS, as required by the Agency's Recapture and Termination Policy, the Company has been provided with the opportunity to provide a written statement to the Agency, to be considered by the Agency prior to its determinations as found below, and with an opportunity to address the Agency at this regularly scheduled meeting of the Members of the Agency.

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

- Section 1. The Agency determines that the Company has violated the terms and conditions of both the 2017 Project and its related Financial Assistance, as well as the 2021 Project and its related Financial Assistance. The Agency hereby makes a Recapture Event Determination with respect to both the 2017 Project and the 2021 Project.
- Section 2. The Agency determines that, in this instance, based upon the applicable employment shortfall as described herein, that the Company shall be required to remit certain real property tax benefits so claimed by the Company to the Agency in the total amount of \$60,215.39, with respect to the 2017 Project and the 2021 Project, as described herein.
- Section 3. The Agency demands that the Company, consistent with its covenants and agreements contained within the Agent Agreement, cooperate with the Agency in its efforts to recover the \$60,215.39 in real property tax abatement benefits previously claimed by the Company and promptly pay this amount to the Agency within 30-days from the date hereof.

Section 4. The Agency determines that in lieu of making a recapture determination with respect to sales and use tax exemption benefits that a payment in the amount of \$243,632.81 be made to the School District and a payment in the among of \$199,335.94 be made to the Town. Within 30 days of the date hereof, the Company shall submit to the Agency checks payable to the School District and the Town in the required amounts. The Agency shall be responsible for ensuring the delivery of these payments to the School District and the Town.

Section 5. The Agency demands that in order to effectuate the foregoing, the Company, consistent with its covenants and agreements contained within the 2017 and 2021 Agent Agreements, promptly pay all legal fees incurred by the Agency's counsel in connection with the legal work necessary to terminate the Agency's interest in the Facility, the documents associated therewith, and to effectuate the recapture of the Financial Assistance as described herein, all such fees to be paid within 30-days from the date hereof.

Section 6. In the event the Company fails to comply with and adhere to the provisions contained herein, the Agency reserves the right to modify and amend its determinations as set forth herein and to reinstitute its recapture proceedings for both the 2017 Project and the 2021 Project pursuant to the Recapture and Termination Policy.

Section 7. The members, 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 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 resolution.

<u>Section 8</u>. This resolution shall take effect immediately.

Dated: April 23, 2025.