

Polymer Conversions, Inc.
\$14,250,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 326199

COMPANY INCENTIVES

- Approximately \$516,000 in real property tax savings.
- Approximately \$540,312 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$106,875

EMPLOYMENT

- Current Jobs: 125
- New Jobs Projected: 15
- Total Jobs After Project Completion: 140
- Annual payroll: \$8,436,972
- Estimated salary of jobs to be created: \$49,533
- Estimated salary of jobs to be retained: \$48,211

PROJECT HISTORY

- 03/30/2021 - Public hearing held.
- 07/21/2021 - Resolution presented to Board to ratify and confirm Town's SEQRA declaration
- 07/28/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

COMPANY HISTORY

- 1989 - \$1,760,000 Tax Incentive
- 2006 - \$3,700,000 Tax Incentive
- 2007 - \$2,800,000 Collateral Mortgage
- 2009- \$370,000 Collateral Mortgage
- 2021 - Assignment & Assumption

Project Title: Polymer Conversions, Inc.
 Project Address: 5732 Big Tree Road
 Orchard Park, New York 14127
 (Orchard Park Central School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with a 41,350 sq. ft. expansion.

Building Addition	\$ 8,500,000
Infrastructure	\$ 1,000,000
Manufacturing Equipment	\$ 4,000,000
Non-Manufacturing Equipment	\$ 500,000
Soft Costs	\$ 250,000

Total Project Cost	\$14,250,000
85%	\$12,112,500

Company Description

Polymer Conversions, Inc. ("PCI") is a premier precision custom plastics injection molder. Since 1979, PCI has specialized in highly technical, tight-tolerance medical devices, medical components, biometric devices, gearing parts, and turnkey product solutions. PCI manufactures, among other products, small part precision Class I & II medical device components/assemblies and other complex critical-to-life injection molded products.

In August 2020, PCI was sold to Medbio Intermediate Holdings, LLC ("Medbio"). Medbio is an outsourced manufacturer specializing in clean room injection molding and assembly for medical, life science and biotechnology devices. The acquisition of PCI creates a premier medical device manufacturing platform of scale and capable of supporting growth for PCI's customers. Medbio is a portfolio company of Graham Partners, a leading private investment firm targeting technology driven manufacturing companies.

75% of company sales are to customers located outside of New York State; 50% of that number representing international sales.

Project Description

PCI currently operates out of a 39,000 sq. ft. of space in the Town of Orchard Park. The current project consists of the expansion of the facility by 41,000 sq. ft.

In addition, the company will be purchasing approximately \$4,000,000 of manufacturing equipment.

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10 Year Abatement Period	Additional Town Revenue over 10 Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
	\$1,200,000	\$24,000	\$113,000	\$65,000
Combined Tax Rate: \$54.50				

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 = \$14,250,000 85% = \$12,112,500
Employment	Coincides with 10-year PILOT	Maintain Base = 125 Create 85% of Projected Projected = 15 85% = 13 Recapture Employment = 138
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	10-year PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Recording Taxes

Recapture applies to:
 State and Local Sales Taxes
 Real Property Tax
 Mortgage Recording 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 125 jobs and created 15 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.