

<b>Skycatcher Holdings, LLC</b> <b>\$2,879,000</b> <b>PRIVATE INVESTMENT INDUCEMENT RESOLUTION</b>																			
<b>ELIGIBILITY</b> <ul style="list-style-type: none"> <li>• NAICS Section – 531120</li> </ul>	Project Title: Skycatcher Holdings, LLC  Project Address: 15 Cobham Drive Orchard Park, New York 14127 (Orchard Park Central School District)																		
<b>COMPANY INCENTIVES</b> <ul style="list-style-type: none"> <li>• Approximately \$36,750 in sales tax savings</li> <li>• Up to ¾ of 1% of the final mortgage amount estimated at \$17,550</li> </ul>	<p style="text-align: center;"><b>Agency Request</b></p> <p>A sales tax and mortgage recording tax exemption in connection with the acquisition, renovation and equipping of an existing facility.</p>																		
<b>JOBS &amp; ANNUAL PAYROLL</b> <ul style="list-style-type: none"> <li>• Retained Jobs: 41</li> <li>• Annual Payroll: \$2,768,430</li> <li>• Projected new jobs: 6</li> <li>• Est. salary/yr. of jobs created: \$53,167</li> <li>• Est. salary/yr. of jobs retained: 66,183</li> <li>• Total jobs after project completion: 47</li> <li>• Construction Jobs: 6</li> </ul>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Building Acquisition</td> <td style="text-align: right;">\$1,715,000</td> </tr> <tr> <td>Renovation</td> <td style="text-align: right;">\$ 760,000</td> </tr> <tr> <td>Manufacturing Equipment</td> <td style="text-align: right;">\$ 250,000</td> </tr> <tr> <td>Non- Manufacturing Equipment</td> <td style="text-align: right;">\$ 30,000</td> </tr> <tr> <td>Soft Costs/Other</td> <td style="text-align: right;">\$ 99,000</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Total Project Cost</td> <td style="text-align: right;">\$2,879,000</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>85%</td> <td style="text-align: right;">\$2,447,150</td> </tr> </table>	Building Acquisition	\$1,715,000	Renovation	\$ 760,000	Manufacturing Equipment	\$ 250,000	Non- Manufacturing Equipment	\$ 30,000	Soft Costs/Other	\$ 99,000	 		Total Project Cost	\$2,879,000	 		85%	\$2,447,150
Building Acquisition	\$1,715,000																		
Renovation	\$ 760,000																		
Manufacturing Equipment	\$ 250,000																		
Non- Manufacturing Equipment	\$ 30,000																		
Soft Costs/Other	\$ 99,000																		
Total Project Cost	\$2,879,000																		
85%	\$2,447,150																		
<b>PROJECTED COMMUNITY BENEFITS*</b> <ul style="list-style-type: none"> <li>• Term: 2 years after project completion.</li> <li>• NET Community Benefits: \$ 18,037,000</li> <li>• Spillover Jobs: 2 temp 115 perm</li> <li>• Total Payroll: \$ 16,756,000</li> </ul>	<p style="text-align: center;"><b>Company and Project Description</b></p> <p>Skycatcher Holdings, LLC was formed to purchase the property at 15 Cobham Drive in the Town of Orchard Park which facility will be leased to Sti-Co Industries, Inc. Sti-Co Industries was founded over 50 years ago by Robert Kaiser. Sti-Co’s 2 shareholders include Kyle Swiat and Antoinette Kaiser. The company designs and manufacturers mission-critical communication systems that are sold to law enforcement, rail and federal government agencies. 91% of the company’s sales are to companies/agencies located outside of New York State.</p> <p>Sti-Co currently leases a 14,000 sq. ft. facility adjacent to the proposed project site. The plan is to renovate 15 Cobham and then transfer operations from the existing leased facility to this new renovated, more efficiently laid-out 25,250 sq. ft. building. The lease on the current site expires in August, 2023. The new facility will provide office, manufacturing and research and development functional areas. It will be used for manufacturing all antenna systems and related components including raw material parts. Inventory that is now stored offsite will be housed in the new facility eliminating the need for offsite warehouse space and the associated inefficiency and expense.</p>																		
<b>INCENTIVE COST/COMMUNITY BENEFIT RATIO*</b> Incentives: \$ 55,000  Community Benefit: \$ 17,864,000  Cost: Benefit Ratio <ul style="list-style-type: none"> <li>• 1:329</li> </ul>																			

\* 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

COSTS	Tax Exemption	Amount
	Sales	37,000
	Mortgage Recording	18,000
	Total	55,000
	Discounted at 2%	

### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount (in Mil)**
	Erie County	Individuals	Payroll Construction	393,000
			Payroll Permanent	16,362,000
		Public	Property Taxes	
			Sales Taxes	274,000
	New York State	Public	Income Taxes	769,000
			Sales Taxes	238,000
			Total Benefits to EC + NYS***	18,037,000
			Discounted at 2%	17,864,000

\*\* includes direct & indirect \$ over project period    \*\*\* may not sum to total due to rounding

Discounted Cost	\$ 55,000
Discounted Benefit	\$ 17,864,000
Ratio	1:329

**Conclusion:** The Cost Benefit for this project is: 1:329. For every \$1 in costs (incentives), this project provides \$ 329 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 537 in benefits to the community.**

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount: \$2,879,000 85%: \$2,447,150
Employment	Coincides with recapture period	Retained Jobs: 41 Create 85% of Projected: Projected: 6 85%: 5 Recapture Employment: 46
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to Policy
Unpaid Tax	Coincides with recapture period	Adherence to Policy
Recapture Period	2 years after project completion	Recapture of mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes  
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 47 employees at the facility, 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

- No Public hearing is required due to benefit amount is less than \$100,000.
- 09/22/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 09/22/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors