

Rosina Food Products Inc.
\$ 16,000,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

Project Title: 75 Empire & 130 Empire Expansion

- NAICS Section – 311412

Project Address 75 Empire Drive & 130 Empire Drive, West Seneca, NY 14224

COMPANY INCENTIVES

(West Seneca Central School District)

- Approximately \$ 218,789 in real property tax savings
- Approximately \$ 455,000 in sales tax savings
- 3/4 of 1% of the final mortgage amount up to \$ 75,000

Agency Request

A sales tax, mortgage recording tax and real property tax abatement of 2 facilities; expanding one building by 12,000 sq ft to accommodate a new product line and renovating / reconfiguring some existing space and a second building to be renovated for use as additional office space.

JOBS & ANNUAL PAYROLL

Building Addition	\$ 7,000,000
Building Renovation	\$ 1,800,000
Infrastructure	\$ 500,000
Manufacturing Equipment	\$ 6,000,000
Non- Manufacturing Equipment	\$ 200,000
Soft Costs/Other	\$ 500,000
Total Project Cost	\$ 16,000,000
85%	\$ 13,600,000

- Current Jobs: 274 FT, 2 PT
- Annual Payroll: \$ 14,114,000
- Projected new jobs: 15 FT
- Est. salary/yr. of jobs created: \$45,000
- Est. salary/yr. of jobs retained: \$47,000
- Total jobs after project completion: 289 FT, 2 PT
- Construction Jobs: 70

Company Description

PROJECTED COMMUNITY BENEFITS*

Rosina manufactures frozen foods including pre-cooked meatballs, sausages, filled pasta, eggplant, entrees and pizza toppings. Founded in 1963, Rosina originally manufactured sausage products sold locally from a single Buffalo store-front. By 1981, Rosina had launched its pre-cooked meatball line and was distributing products nationwide. The company has grown through its numerous acquisitions over the years – expanding its food production here in WNY. Rosina market its products to retail and food service industries and can be found in supermarkets, supercenters, cash & carry stores, military commissaries and restaurants throughout North America and 26 other countries internationally.

- Term: 10 YEARS
- NET Community Benefits: \$360,806,812
- Spillover Jobs: 536
- Total Payroll: \$ 340 million

Project Description

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

The project will: (1) expand the pasta manufacturing plant at 75 Empire Drive by 12,000 sq ft to accommodate a new ravioli production line, to renovate / reconfigure existing office space to create more welfare areas for manufacturing associates, and (2) renovate a vacant building at 130 Empire Drive into an office building to accommodate pasta facility office associates displaced as a result of the expansion and improvements of the pasta manufacturing facility, consolidation of office space, and to allow for future growth of administrative staff.

Incentives: \$ 727,718
Community Benefit: \$ 324,203,945
Cost: Benefit Ratio
• 1:446

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

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

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$218,789
	Sales	\$455,000
	Mortgage Recording	\$75,000
	Total	\$748,786
	Discounted at 2%	\$727,718

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$10,267,324
			Payroll Permanent	\$329,940,980
		Public	Property Taxes	\$54,694
			Sales Taxes	\$2,827,981
			Other Muni Revenue (NFTA)	\$25,000
	New York State	Public	Income Taxes	\$15,309,374
			Sales Taxes	\$2,381,458
			Total Benefits to EC + NYS***	\$360,806,812
			Discounted at 2%	\$324,203,945

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

Discounted Cost \$ 727,718
 Discounted Benefit \$ 324,203,945
 Ratio 1: 446

Conclusion: The Cost Benefit for this project is: 1:446. For every \$1 in costs (incentives), this project provides \$446 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$656 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	Additional School Revenue over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 142,928	\$ 2.08 Mil	\$ 9,153	\$ 14,603	\$ 30,940	\$ 170,282
Combined Tax Rate: \$ 81.98					

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 = \$16,000,000 85% = \$ 13,600,000
Employment	Coincides with 10-year PILOT	Maintain Base = 275 FTE Create 85% of Projected Projected = 15 FTE 85% = 12 FTE Recapture Employment = 287 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
<u>Recapture Period</u>	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
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 275 FTE jobs and created 15 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

- 5/24/23: Public hearing held.
- 6/28/23: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 6/28/23: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company History

- 10/23/2019: 10 year PILOT - \$58 M investment, 105,000 sq ft expansion of its production facility (ACTIVE)
- 1981 – 2016: various bonds, tax incentives and business loans (3) in support of business growth (INACTIVE)