

**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
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

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:

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 state and local sales taxes and real property tax

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:

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 FTE Create 85% of Projected Projected = 30 FTE 85% = 25 FTE 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 state and local sales taxes and real property tax

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:

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	Maintain Base = 75 FTE Create 85% of Projected Projected = 40 FTE 85% = 34 FTE Recapture Employment = 109 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-Year PILOT	Adherence to policy
Recapture Period	Coincides with 10-Year PILOT	Recapture of state and local sales taxes and real property tax

Ms. Smith moved and Mr. 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.

SUMITOMO RECAPTURE DISCUSSION

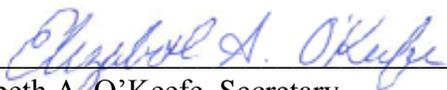
Mr. Cappellino reviewed the 2017 and 2021 Sumitomo projects, the facility closures, the applicable “recapture of financial assistance” material terms, the amount of sales tax and real property tax benefits claimed and potentially subject to recapture, the rationale for calculating the amount of sales 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