

Project Summary

Agrana Fruits US, Inc.
Radisson Business Park, Town of Lysander
(3010-13-02A)

The Project: Agrana Fruits US, Inc. is asking the Agency to enter into a straight lease transaction for a project consisting of land acquisition, preparation and construction of an approximate 100,000 sq. ft. manufacturing facility in the Town of Lysander. This facility will manufacture fruit preparations for the yogurt industry. Total project cost is estimated to be \$38,650,000 which includes \$750,000 for land acquisition, \$18,000,000 for construction, \$1,000,000 for site work, \$15,000,000 for machinery and equipment, \$3,800,000 for engineering and \$100,000 legal fees.

Agency benefits requested include an exemption from sales and use tax and a Payment in Lieu of Tax Agreement. Sales tax savings are estimated to be approximately \$1,520,000.

A Cost Benefit Analysis considered the project's capital investment, direct jobs created, employee wages and benefits, increases to the property tax roll, and the fee received by the agency with the potential PILOT savings, exemptions from sales and use tax, and training/capital construction incentives. The analysis concluded that the benefits the community would receive from this project outweigh costs by 11 to 1. It should also be noted that in addition to the 120 jobs to be created by the project, an additional 250 indirect jobs¹ will be created.

Employment: Agrana plans to create 66 new jobs on startup with a total of 120 employees at full capacity which is anticipated to be reached in 5 years.

Zoning: Current zoning is industrial and no variances are needed.

Environmental Review: The Board may make its SEQRA finding at the March 12, 2013 meeting of the Board.

Financing: The project financing will be arranged by the Company.

Agency Fee: The Agency fee is calculated at .0125% of project cost

¹Economic Multipliers by Sector, NY State - Policy Issues in Rural Land Use, Dept of Ag and Markets, CCE Vol. 9