**Recommended Award: Exhibit “G”**

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| Applicant Name: | Alita Holdings, Inc. | REDC Region: | Western New York |
| Project Type: | Business Investment | County: | Erie |
| Industry: | Steel Manufacturing | Locality: | Buffalo |
| Amount Requested: | $2,000,000 | Start Date: | 9/1/2013 |
| Finish Date: | 7/1/2015 |
| **RECOMMENDED OFFER** |
| Recommended Total Award: | $2,000,000 |
| Total Project Cost: | $110,400,000 |
| % of Project Cost Recommended: |  .018 % |
| **REGIONAL IMPACT MEASUREMENTS** |
| Number of Jobs Retained: |  |
| Number of Jobs Created: | 172 |
| Average Salary of Jobs: | $58,000 |
| Indirect Jobs Created |  |
| Other Impact |  |
| **PROJECT DESCRIPTION** |
| Alita USA Holdings, Inc. plans to build a high frequency, electric resistance weld oil country tubular goods (OCTG) pipe mill with an annual capacity of 150,000 fully finished, high strength (alloy) OCTG tons. If the project is located in Western New York, it will likely be located at one of two locations, the Tecumseh Re-Development Site or the RiverBend Site. The disadvantage to a WNY location compared to a Texas site is the additional freight costs needed to ship the product to end users. |
| **OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED** |
| ESD: Tax Credits | $6,400,000 | NYPA: | Potential 4 megawatts |
| IDA: | $8,576,642 | Other:  | $0 |
| **PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED** |
| **TYPE** | **AMOUNT** | **STATUS** |
| N/A | $ |  |
| **BASIS FOR RECOMMENDATION** |
| Alita USA Holdings, Inc. ("Alita") is a manufacturer of specialized pipes for use in the extraction of natural gas and oil. The company plans to build a pipe mill that will be approximately 340,000 square feet, consisting of 16,000 square feet dedicated to a lab, storage and office area with the remaining 324,000 square feet being dedicated to manufacturing. Most of the pipes will be used for domestic consumption. Alita has identified a Brownfield Site in the City of Buffalo to build this new facility on, if they determine that they will bring this project to Western New York. As it currently stands Alita is also considering doing this project in Houston, Texas. Although Alita has great interest in the Western New York Region, the bulk of their customers are in and around the Texas area. As a result of the final destination of the finished product the company will put out, WNY must be competitive with not only the reduced cost of shipping the company will enjoy if they manufacture in Texas but also an incentive package that Texas has offered to Alita in addition to the already reduced cost of doing business. Both New York State and Erie County have already made aggressive moves towards solidifying a commitment from Alita to do the project in WNY. In an effort to bring 172 new jobs to WNY at almost twice the average wage for the Region and $110 million in new investment, ESD has offered Alita $6.4 million in Excelsior Tax Benefits. The ECIDA has offered them $1,382,500 in sales tax exemptions, $4,949,342 in Property Tax Abatements over 10 years, $2 million in forgivable loans and a $244,800 Mortgage Recording Tax Exemption. NYPA is pursuing 4 megawatts of power allocations for Alita as well. After several months of working with this company on making this project happen in WNY, it is the sense of the participating Economic Development Agencies that this deal is close to being closed and with the help of the Power Proceeds fund this project can be brought to WNY.  |
| **BASIS FOR POINTS** | **100 POSSIBLE POINTS** | **TOTAL SCORE: 98** |
| **REDC STRATEGIC ALLIGNMENT** | **30 POINTS** | **SCORE: 28** |
| The WNYREDC has placed great emphasis on capitalizing on the Region’s strength in advanced manufacturing and growing the industry cluster in WNY. The project brings new advanced manufacturing opportunities to the WNY Region on an unprecedented scale with a $110 million investment and 172 brand new jobs. This project is also the symbol of true “smart growth”, as the company is proposing to take over a Brownfield Opportunity Area and return it to productive use.  |
| **PROJECT READINESS** | **25 POSSIBLE POINTS** | **SCORE: 25** |
| This applicant has successfully demonstrated that it is ready to move forward immediately following a notification of an award benefit. |
| **ECONOMIC IMPACT** | **30 POSSIBLE POINTS** | **SCORE: 30** |
| The investment of $110 million and the creation of 172 new jobs in the Buffalo Niagara Region of WNY will result in a significant economic impact, the likes of which are rare for this Region. Even with incentives that could total close to $15 million dollars over a number of years, the Region will still experience over $90 million in private investment which makes this project an unprecedented victory for the future of Western New York. |
| **LONG TERM IMPACT ON APPLICANT** | **10 POSSIBLE POINTS** | **SCORE:10** |
| The magnitude of this project and the impact it can have on this company cannot be overstated. If an award from this fund can help get this project off the ground in WNY it will forever change the footprint of this company. |
| **COMMITMENT TO REGIONAL GOALS** | **5 POSSIBLE POINTS** | **SCORE: 5** |
| There is no reason to believe from this project application that the applicant would not make every effort to satisfy affirmative action goals. The applicant has also demonstrated goals that match State, Regional and Local priorities for Regional Economic Development. |