

**Recommended Award: Exhibit "B"**

|                   |                        |              |           |
|-------------------|------------------------|--------------|-----------|
| Applicant Name:   | Praxair, Inc.          | REDC Region: | WNY       |
| Project Type:     | Update of R&D Facility | County:      | Erie      |
| Industry:         | Industrial Gas         | Locality:    | Tonawanda |
| Amount Requested: | \$2,500,000            | Start Date:  | 7/01/2014 |
|                   |                        | Finish Date: | 7/01/2016 |

**RECOMMENDED OFFER**

|                                |              |
|--------------------------------|--------------|
| Recommended Total Award:       | \$500,000    |
| Total Project Cost:            | \$38,775,000 |
| % of Project Cost Recommended: | 1%           |

**REGIONAL IMPACT MEASUREMENTS**

|                          |          |
|--------------------------|----------|
| Number of Jobs Retained: | 1354     |
| Number of Jobs Created:  | 22       |
| Average Salary of Jobs:  | \$82,000 |
| Indirect Jobs Created    |          |
| Other Impact             |          |

**PROJECT DESCRIPTION (adapted from application)**

Praxair is one of the largest employers in the Town of Tonawanda where the company operates a facility responsible for: Global Plant Engineering; Research and Development; North American Operations Communications; Global Plant Monitoring; Customer Demand Monitoring; and Fleet Dispatch and Back Office Support Functions. To continue the success of the Tonawanda facility and maintain the current growth trajectory, Praxair must complete a major facility upgrade. These upgrades are estimated to cost \$38,775,000, and will allow Praxair to keep pace with technological advancement while at the same time maintaining and growing the workforce in Tonawanda. This project is confirmation of Praxair's willingness to make a long term commitment to the WNY Region but other geographical locations continue to be considered.

**BASIS FOR RECOMMENDATION**

As stated in the project description, Praxair has long been one of the largest employers in WNY, including in Tonawanda. The value of Praxair to the WNY community is significant. This project represents an opportunity for New York State to work with a major U.S. corporation to ensure a long-term commitment to the WNY Region.

The Praxair facility in the Town of Tonawanda plays a central role in several aspects of the company's global operations. It would be a sound use of Fund Benefits to support the upgrade of this facility and maintain its status as a state of the art research center.

It is the recommendation to the Board that it recommend a grant of Fund Benefits in the amount of \$500,000 to complete a comprehensive NYS incentive package that will secure the long-term future of Praxair in WNY. Due to the nature of this project and the incentives being offered by Empire State

Development, it is recommended that this grant be paid out in 3 milestone payments (50%/25%/25%) coinciding with the milestone payments proposed by ESD for other project incentives.