

Recommended Award: Exhibit "G"

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:	\$102,400,000		
% of Project Cost Recommended:	.020 %		
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. 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 \$102 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.