

BUSINESS

Contract Pharmacal plans \$40 million expansion, will add 150 jobs

The fast-growing Hauppauge drugmaker will get about \$5 million in IDA tax breaks to support the project.



Contract Pharmacal Corp. will receive IDA tax breaks for a \$40 million expansion project in Hauppauge. Photo Credit: Jeremy Bales

By David Reich-Hale

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The Suffolk County Industrial Development Agency on Thursday granted preliminary approval for about \$5 million in tax breaks to a pharmaceutical wholesaler that is expanding its operations near its Hauppauge headquarters.

Contract Pharmacal Corp. is investing \$40 million in a project that includes buying a 17,500-square-foot manufacturing building at 165 Oser Ave., and constructing a 140,000-square-foot extension that would connect that building with one of the company's current buildings at 145 Oser Ave.

Contract Pharmacal would also increase its full-time employee count by about 150 to 1,513.

The IDA benefits include about \$3.6 million in property tax breaks over 20 years, as well as sales tax breaks for the expansion. The company will not get tax breaks on the building acquisition.

"This project is critical to our overall operations and ability to remain competitive in the global marketplace," Mark Wolf, Contract Pharmacal's president, stated in a news release.

The company currently maintains multiple facilities in Hauppauge, several of which were acquired or renovated with the assistance of the IDA. The most significant transaction between the two came in 2010 when the company was considering relocating to Florida, where many key company executives reside.

"Contract Pharmacal has continuously met or exceeded all their projections with us and with New York State," Anthony J. Catapano, executive director of the Suffolk County IDA, said in an interview. "They're committed to this area."

Suffolk County Executive Steve Bellone said in a statement, "For over 20 years, Contract Pharmacal Corp. has invested in Suffolk County, growing to provide quality jobs for over 1,300 of our residents . . . They will continue this growth by expanding and adding nearly 150 additional high-skill, high-knowledge jobs, which are needed to grow our economy."

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Founded in 1971, Contract Pharmacal develops, manufactures and packages pharmaceuticals, over-the-counter drugs and dietary supplements. Its customers include major drug companies, retailers and wholesalers. The new facility will house the company's corporate offices and

manufacturing.

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