ABSOLUTELY CONFIDENTIAL

Face Mask Production Factory at Roebling Machine Shop
Trenton, New Jersey

Elite Spiders LLC
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Summary

Production capacity: 500,000 pieces of face masks / Day
Production line up to: 10
Employs up to: 200 People
Space needed: 50,000 SQFT
Time frame: 40 Days

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Reed Gusciora Mayor of Trenton
Benjamin Delisle Director of Housing & Economic Development
Yoshi Manale Chief of Staff
Jerell Blakeley Council Member
Joseph Harrison Council Member
Kathy McBride Council Member
George Muschal Council Member
Santiago Rodriguez Council Member
Robin M. Vaughn Council Member
Marge-Caldwell Wilson Council Member
Joyce Kersey Kersey Connect Consulting
INTRODUCTION

Our company has been engaged in distribution of face masks and other PPE items to fight the COVID-19 pandemic. During the process, we have gained intimate knowledge of the production of face masks. The discussion of the possibility of producing the face masks in the United States has been ongoing ever since we started in March. One of the challenges of PPE supply has been the limited capacity in transporting the large amount of PPE via air freight.

The short term nature of emergency PPE production also brings risk to investment in such a facility in the United States. When demand surpasses supply, it makes sense to build up supply locally. But, when demand diminishes, the risk becomes apparent.

After considering the reality that this pandemic lasted longer than anticipated, the needs to have such a facility in the United States on a long term basis, decision was finally made in late June that it is feasible for us to start a face mask factory in New Jersey or Pennsylvania.

The procurement process of machinery and raw material has been on the way. It should reach the US port by the end of August.

The potential economic impact of this project to the City of Trenton is one of the major considerations.

We truly believe that a responsible business should ask 3 questions:
1. What is the positive impact that its activities bring to the society it operates in?
2. What is the positive impact it has to the environment as a whole?
3. Is this a profitable venture so that it can sustain its existence by attracting capital?

We have answered the first 2 questions. We believe this venture will bring positive impact to the City of Trenton. By reducing the amount of air freight, we are cutting down on pollution. The 3rd question is unknown. However, since we will fund this entire project, we will carry the entire risk. We will need all the help we can get to make it a successful venture.

Due to the political and commercial sensitive nature of this project, we are asking this proposal be treated confidential until the factory has been firmly established.
THE FACTORY

As illustrated in the pictures, the factory is fairly simple to set up. It consists of equipments that cut the materials into desired shape at high speed, equipments that glue the ear loops to the filtration fabrics. It requires workers to monitor the operation of the machines in each process and auxiliary work force to handle logistics of packaging and shipping. In addition, it will need a strong sales team, administration staff, IT support, eCommerce and customer support.

Each production line employs up to 20 people and produces about 50,000 face masks a day. The space required is approximately 5,000 sqft per production line.

A small factory normally has 10 production lines, employs up to 200 people and occupies about 50,000 sqft and produces 500,000 face masks a day. That’s 20 million a month or 240 million a year on regular shifts. To put it into perspective, it provides Americans one face mask each a year.

In the United States, there are close to 1 million staffed hospital beds, 1 million doctors, 200,000 dentists and 3.8 million nurses – that’s 6 millions in total.

After we have successfully defeated COVID-19, asking each one of them to buy one 50 pack of face masks a year will be 300 million. That’s enough to keep the factory continue in operation during peace time. We will be ready when the next pandemic hits.

In addition, we could serve as an exhibition to show all Americans “How masks are made” and “How we defeated COVID-19”. Each tourist will have the opportunity to buy a pack of masks as souvenirs.

In addition to making 3ply surgical masks, it is possible to build up production line to make NIOSH approved N95 masks. N95 masks are known recently as being used for Health Care Professionals. They are actually designed for industrial use. The dual purpose is complimentary. During a pandemic, medical use goes up while industrial demand comes down while during peace time the opposite is true.

It is not realistic to move the entire industry back to the United States due to the large gap in production cost. But, it is possible to maintain a small presence here. It will serve as a “pilot light” for an industry as important as PPE.
THE FACILITY

We are interested in making an effort to acquire the former Roebling Machine Shop at 675 South Clinton Avenue, Trenton, NJ, Block No 16001, Lot No 3. Land Dimensions is 1.159 AC. Total square footage is 65,108.

We can offer up to $200,000 for the purchase of the building.

The primary reasons are as follows:

1. The building is designed as an industry space with open space, high ceiling and airy.
2. The factory will breathe new life into a building that will fit perfectly to “Trenton Makes The World Takes” slogan.
3. Employs local residents to walk to work.
4. It brings money from outside into the city instead of sucking money out of the city to the outside as a retail shop will do – “economic revival 101”.
5. The building is a perfect size for the factory.
6. The layout and location will be perfect to realize the plan for the factory to serve as an exhibition of mask making to attract nationwide traffic into the city.
7. Due to the COVID-19 emergency, it is a facility that is readily available.
8. It is within walking distance to a large pool of potential employees.

OTHER USES

Due to the flexible and mobile nature of the equipments, it is possible to accommodate occasional public activities in the space such as Arts All Night. Because we will be maintaining the building to a modern standard and open all the time, Arts All Night can even be Arts Monthly or Quarterly.

We also manufacture and distribute fashion accessories such as handbags, scarves and gloves. The building can serve as fashion show venue due to its high ceilings and long corridor.

Our company has been involved in product designs for 20 years. We could be a welcome addition to the local art scene and have a close relationship to the local talent of artists.

We supply and also run retail stores. We also are opening a new restaurant concept starting September this year. Both operation can scale up rapidly and create a fairly large number of jobs. The building could also be used to run work shops or training sessions to get people work experience and job ready.
POTENTIAL ECONOMIC IMPACT TO THE CITY OF TRENTON

By creating manufacturing jobs in Trenton, opening retail stores and restaurants in the surrounding area we could bring capital into the city. We could build lives one family at a time and build up neighborhood one at a time until it becomes a true metropolis.

200 Jobs could potentially translate into property tax revenue of $800,000 a year with an average annual property tax per house of $4,000.

This could also lead to construction jobs, neighborhood grocery jobs, retail jobs and more auto repair jobs.

The success of this venture could be an example used to attract additional manufacturing jobs to the city.
Budget:

Building: $200,000
Equipments and materials: $500,000
Supplies: $200,000
Operation: $100,000

TOTAL $1,000,000

Source of Funding: Self Funded
About Elite Spiders LLC

Established in 2000, it has been involved with various partners in manufacturing, importing and distribution of fashion accessories for two decades. Products are distributed by almost every retailer in the United States and Canada. At its peak, through its subsidiaries and partners it distributes over 5,000 independent retailers and in tens of thousands of doors through corporate America like Nordstrom, Macy’s, TJMax, Ross, Burlington, CATO Corp, Boscov’s, Rainbow, Century 21, Forever 21, Sears, K-Mart, Aldo, Bentley.
About John Liu

President, Elite Spiders LLC, 2000 – 2020, New Jersey, USA
   Personally visited hundreds of factories and sold into almost every retailer in US, Canada
   including Nordstrom, Macy’s, TJMax, Ross, Burlington, CATO Corp, Boscov’s, Rainbow,
   Century 21, Forever 21, Sears, K-Mart, Aldo, Bentley

Software Architect, Developer, Consultant, 1996 – 2000, New Jersey, USA
   Clients include Panasonic, DEC, Compaq, HP and Lucent

Professor, Computer Studies, Algonquin College 1993 – 1996, Ottawa, Canada
   Voted the most favorite Professor by Student Body

Job Retraining Program Architect, Teacher, Employment Canada, 1991, Ottawa, Canada
   Proposed and ran a job retraining program funded by Government of Canada to retrain
   unemployed engineers during the 1989-1991 recession with new computer skills and help them
   back into work force. The program had a 97% success rate.

PhD Candidate, Civil Engineering, Carleton University, 1988 – 1995, Ottawa, Canada

Lecturer, Beijing Fashion Institute, 1985 – 1988, Beijing, China

Master of Engineering, China Textile University, 1982- 1985, Shanghai, China
   China Textile University is THE College that trained the top engineers and managers for the
   China’s Textile Industry.

Bachelor of Science, Applied Mechanics, Zhejiang University, 1978 – 1982, Hangzhou, China
   Zhejiang University is the Top Tier Engineering School in China, the equivalent of MIT in the
   USA. The Applied Mechanics program trained the country’s top scientists and engineers in
   Aeronautics, Aerospace, Automotive, Structural Engineering and Naval Engineering.
   I was accepted to Zhejiang University at the age of 15 after the first year in high school by
   passing the national college entrance exam with a number 1 score in our entire school district.