

DMD
Final
Rec'd 4/9/13

REVENUE BOND

AND

TAX LEASE PROGRAM

APPLICATION

for assistance through

**the
County of Chautauqua
Industrial Development Agency**

**County of Chautauqua Industrial Development Agency
200 Harrison Street
Jamestown, New York 14701**

Phone: 716-664-3262

Fax: 716-664-4515

**Application for Financial Assistance
through the
County of Chautauqua
Industrial Development Agency**

The information listed on this form is necessary to determine the eligibility of the project applicant. Please fill in all blanks, using "NONE" or "NOT APPLICABLE" where necessary. If an estimate is given, put "EST" after the figure. Attach additional sheets if necessary. All information completed with this form will be treated confidentially. This application is only for the purpose of determining whether the applicant is eligible for consideration by the Board of Directors of the County of Chautauqua Industrial Development Agency. Return eight (8) copies of this application to the County of Chautauqua Industrial Development Agency at the address listed on the cover of this document.

PART 1

A. APPLICANT

Federal ID # 45-5138988

Company Name: Dunkirk Metal Products of WNY, LLC

Office Address: 795 Deer St. Dunkirk, NY 14048

Telephone: 716-366-2555

Company officer completing this application:

Name: Joseph Shull

Title: President

1. Number of locations of present business facilities:

a. County of Chautauqua: 2

b. New York State: 2

c. Outside New York State: 0

2. Business Organization (check appropriate categories):

Corporation Partnership
Sole Proprietorship Subchapter S
Other (Specify)

3. Is business publicly or privately held? Public Private

4. List principal stockholders and percentage of ownership if applicable:

<u>Name</u>	<u>Percentage</u>	<u>Home Address</u>
Joseph Shull	20%	9964 Maltbie Rd. Gowanda, NY 14070
Jean Gaulin	20%	119 North Drive Buffalo NY 14216
Jerry Williams	60%	4511 Hyde Park Blvd. Niagara Falls, NY 14203

5. Is the business a subsidiary of, or affiliated directly or indirectly with any other organization? Yes No If "Yes" indicate relationship and name and address of the related organization(s) on a separate sheet.

6. Complete the following information: *partial ownership in other entities by J. Williams*
Affiliation through

<u>Officers</u>	<u>Name</u>	<u>Address</u>	<u>Social Security Number</u>	<u>Other Principal Business Affiliations</u>
President	Joseph Shull	9964 Maltbie Gowanda, NY 14070		(see attachment)
Treasurer	Jean Gaulin	(see above)		
CEO	Jerry Williams	(see above)		

B. References (these will be contacted):

Brian Aldrich 363-6301

1. Banking (List names of banks, account officers address and telephone number):

Cattaraugus County Bank
1165 main St. Ext.
Dunkirk, NY 14048

} add Brian's
name and
phone #

2. Business Suppliers (List three largest accounts - names, addresses, telephone numbers, and list suppliers' terms of sale):

Major Customers (List three largest - names, addresses, telephone numbers, and list percentage (%) of gross business obtained from each)

Current Landlord (List name, address and telephone number):

William Raines - Dunkirk

Frank - Saeli - 2 Central Ave. Brocton, NY

Legal Counsel (List name, address and telephone number):

Duke, Holzman, Photiadis + Gresens, LLP

1800 main Place Tower

350 main St.

Buffalo, NY 14202

ATTN: Robert Bencini, Esq.

716 - 855 - 1111

C. Business Description

1. Describe type of business:
Sheet Metal, Fabrication + Stamping
2. Describe the principal products and services:
See C. 1. above
3. Describe the market(s) served:
Automotive, Locomotive, Medical, Drainage, gas + oil

D. Present Location

1. If you rent:
 - a. What is the present annual rent (state whether firm has a gross or net lease):
Dunkirk - \$2500/mo.
Brocton - \$2500/mo. → ~~\$3000/mo beginning May 2017~~
 - b. When does the lease expire?
Dunkirk - April 2017
Brocton - April 2014
2. If you own:
 - a. What is the current annual mortgage payment? N/A
 - b. When does the mortgage terminate? N/A
3. Describe present location (include square footage, number of buildings, number of floors, etc.)
Dunkirk - 12000 Sq. Ft.
Brocton - 10000 Sq. Ft.
4. List the current annual taxes by respective taxing jurisdictions:
 - a. Building(s): \$
School Tax - 3433.⁵⁵
 - b. Land: \$
City - 2794.67
County - 1796.19

Note: annual taxes relate to Peet Street property only. Brocton rent includes property taxes and utilities

E. Previous Financial Activities

1. What were your company's estimated capital expenditures in Chautauqua County, New York, during the past three (3) years? (Specify by place, year and amount.)
Total capital expenditures during 2012 (1st yr of operation) \$ 32,848 including acquisition of OHP assets.
2. Has your company ever been a recipient of funds obtained through tax-exempt or taxable bonds? Yes No If "Yes" give details below:
3. Describe your company's effort to secure assistance or financing in the County of Chautauqua, or any other area, on a separate sheet.
See F. below

F. Types of Financial Assistance Requested
(Cross out those which are not applicable.)

1. Industrial Development Revenue Bonds } *N/A*
 - A. Tax Exempt
 - B. Taxable
2. Tax Lease *PILOT program, sales tax abatement*
3. Other loan(s). Describe: *and mortgage recording tax abatement*

↳ currently requesting assistance in the acquisition of the Chadwick Bay Property

Part 2

A. Describe the Project

(Include a general, functional description and prospective location.)

Move Dunkirk and Bracton locations to new
factory located at 3575 Chadwick Drive.
Dunkirk, NY 14048

B. Reasons for Project

1. Briefly describe the reasons why this project is necessary and what effect it will have on your business: DMP would like to locate all manufacturing into one building to centralize manufacturing process.
2. If your business is unable to arrange suitable financing for this project, what will be the impact on your company and the County of Chautauqua? Would your company proceed with the project without Agency assistance and / or financing? Describe in detail:

It would be more costly and potentially not possible to proceed with consolidation of operations of DMP.

This would make the company less competitive and could negatively impact future employment.

Dunkirk Metal Products
of WNY, LLC

C. Type of Project

1. Check category which best describes your project:

- | | |
|---------------------------------------------------|--------------------------------------------|
| <input checked="" type="checkbox"/> Manufacturing | <input type="checkbox"/> Warehousing |
| <input type="checkbox"/> Industrial Assembly | <input type="checkbox"/> Pollution Control |
| <input type="checkbox"/> Research | <input type="checkbox"/> Other (Specify) |

2. If pollution control, check appropriate items below:

- | | |
|------------------------------------|-------------------------------------------|
| <input type="checkbox"/> Air | <input checked="" type="checkbox"/> Noise |
| <input type="checkbox"/> Water | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Air/Water | <input type="checkbox"/> Other (Specify) |

D. Proposed Location

1. Does the project consist of (check appropriate categories):

- | | | |
|--------------------------------------------------------|-----------------------------------------|----------------------------------------|
| a. Construction of a new building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| b. Renovations to an existing building | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Construction of an addition to an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| d. Acquisition of an existing building | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

If the Company is to acquire an existing plant, attach a photograph and indicate if it is in operation, about to be abandoned or abandoned. If in operation, describe present products.

List costs or orders made by Company for the project, at the date of this application, on a separate sheet.

Nothing at this time

2. Describe the proposed location(s) of this project, including square footage, number of floors, address, etc. (If new construction is involved or expansion of existing plant, attach proposed floor plan):

*40,000 sq. ft. factory one floor located at
3575 Chadwick Drive
Dunkirk, NY 14048*

3. List the present owner of the project site and the owner's name, address, and phone number. (If currently owned by the applicant, indicate date of purchase, reason for purchase and current use of the site): IDA

4. Does the project site currently have existing occupant(s)?
 Yes No DKM leasing 18,000 sq ft on a month-to-month basis with potential for LT. Lease
If "Yes", list all lessees, the amount of space occupied by each, and the date of termination of such leases on a separate sheet. with new owner

5. Is there a relationship legally or by virtue of common control between the applicant or present owner?
 Yes No

If "Yes", provide details on a separate sheet.

6. Does the Company have an option to purchase the project site or has a contract of sale been executed for such purchase? (If so, attach particulars.)
 Yes No agreement currently being drafted

7. Has the Company placed any purchase orders or entered into any other agreements or contracts with respect to proposed project costs? (If so, attach particulars.)
 Yes No

E. Location Maintenance Costs

1. What are the real estate taxes on the land and the building? (If current rate is not available, give assessed value for each and so state.)

Land \$ - zero

Building \$ - zero

2. What is the estimated useful life of the:

a. Facility - 30 yrs

b. Equipment - 20 yrs

3. Is proposed Project site served by:

- a. Transportation Rail Truck Air
 Water
- b. Utilities Sewer Water Gas
 Electric Power

F. Employment

1. Employment at present time, if Company is now in existence within Chautauqua County, and an estimate of such employment at the proposed location at the end of one and two years:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>
Full Time	16	17	18
Part Time*	0	2	2
Seasonal*	0	-	-

*Estimate percent that total part time or seasonal working time bears to total annual full working time \$ %.

Total \$ 35,000

2. Estimate the annual payroll:

At present \$ 689667.74 - Gross PIR 2012

In one year \$ 750,000

G. Project Costs

1. List the costs necessary for the construction, acquisition or renovation of the project. (The project costs should not include working capital needs or moving expenses.)

<u>Description</u>	<u>Amount</u>	
Land	\$ 100,000	(purchase price)
Building(s)	\$ 1,600,000	(purchase price)
Renovation	\$ 25,000	(access enhancements)
Machinery and Equipment (Do <u>not</u> include furniture costs)	\$ 450,000	(laser cutter)
Installation	\$ 100,000	(existing equipment)

(G. Continued)

Fees (Do <u>not</u> include your own counsel fees)	\$	2500
Architectural Fees	\$	2500
Financial Charges (specify)	\$	
Other (specify)	\$	
<i>furniture/other</i>	\$	5000
Subtotal	\$	2,285,000
Agency Administrative Fee	\$	22,950
<u>Total Project Cost</u>	\$	2,307,950

2. What is the amount of funds and term requested for financing through the County of Chautauqua Industrial Development Agency?

\$ 1,700,000 Years 25 yrs

H. Project Schedule

1. Indicate the estimated days for:

- a. Financing of the project
b. Commence of construction
c. Completion of construction

June / July, 2013
N/A
N/A

2. List the date(s) and in what amount(s) the estimated funds will be required:

1,700,000 in financing by June / July, 2013

I. Other Agency Involvement

1. Have you contacted any other governmental agency in reference to this project?
 Yes No

If "Yes", please indicate the agency and the nature of the inquiry below:

2. Have you contacted any financing institutions or other industrial development agencies in New York State, or elsewhere, for financial assistance in reference to this project or one of a similar nature?
 Yes No

If "Yes", please indicate below the institution and / or agency and the present status of the inquiry:

J. Financial Information (attach the following)

1. Certified financial statements for the last three (3) fiscal years. (2012 only, 1st yr)

For Industrial Development Bonds (IDB) complete Questions 2, 3 & 4.

2. Pro forma sheet as at start of operations at project site. N/A
3. Project profit and loss statements for first two (2) years of operation at projected site. N/A
4. Projected "cash flow" statement, by quarters, for first year of operation at project site. N/A

Certification

Joseph Shabl

(Name of chief executive officer of company submitting application)

deposed and says that he/she is the President
(Title)

Dunkirk Metal Products of WNY, LLC
of _____, the corporation named in attached application,
(Company name)

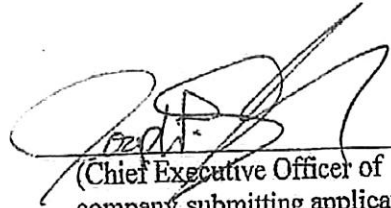
that he has read the foregoing application and attachments and knows the contents thereof; that the same is true to his knowledge, contains no information or data that is false or incorrect and is truly descriptive of the project which is intended as security for the requested financing.

Deponent further says the reason for this verification is made by the deponent and not by Dunkirk Metal Products of WNY, LLC
(Company name)

is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information required by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the non-profit County of Chautauqua Industrial Development Agency (hereinafter referred to as the "Agency") acting in connection with the attendant negotiations and ultimately the closing of the project and (or) financing. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application, then upon presentation of invoice, applicant shall pay to the Agency, its agents or assigns all actual costs involved in conduct of the application and the drafting of documents up to that date and time, including fees of counsel for the Agency.

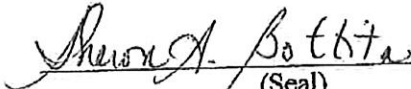
The costs incurred by the Agency and paid by the applicant, including the Agency's counsel's fees and the administrative fee, may be considered as a cost of the project and included as part of any resultant bond issue, subject to the limitations imposed by law.


(Chief Executive Officer of
company submitting application)

Notary

Sworn to before me this

8th day of April, 2013


(Seal)

SHARON A. BOTTITA
No. 01504988196
Notary Public, State of New York
Qualified in Chenango County
by Commission Expires 11-9-13

TO: Project Applicants
 FROM: County of Chautauqua Industrial Development Agency
 RE: Cost/Benefit Analysis Questionnaire

In order for the County of Chautauqua Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	Dunkin' Donut Products of WNY LLC
2. Brief Identification of the Project:	Purchase of Chodwick Bay Property
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ N/A
B. Value of Sales Tax Exemption Sought	\$ 350,000
C. Value of Real Property Tax Exemption Sought	\$ 280,200
D. Value of Mortgage Recording Tax Exemption Sought	\$ 0

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 100,000
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$ 10,000
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$ 1,600,000
2. Renovation of existing structures	\$ 15,000
3. New construction costs	\$
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
7. Other building-related costs (describe)	\$

C.	Machinery and Equipment Costs	\$	450,000
1.	Production and process equipment	\$	
2.	Packaging equipment	\$	
3.	Warehousing equipment	\$	
4.	Installation costs for various equipment (existing)	\$	100,000
5.	Other equipment-related costs (describe)	\$	
D.	Furniture and Fixture Costs		
1.	Office furniture	\$	2,500
2.	Office equipment	\$	2,500
3.	Computers	\$	
4.	Other furniture-related costs (describe)	\$	
E.	Working Capital Costs		
1.	Operation costs	\$	
2.	Production costs	\$	
3.	Raw materials	\$	
4.	Debt service	\$	
5.	Relocation costs	\$	100,000
6.	Skills training	\$	
7.	Other working capital-related costs (describe)	\$	
F.	Professional Service Costs		
1.	Architecture and engineering	\$	5,000
2.	Accounting/legal	\$	
3.	Other service-related costs (describe)	\$	
G.	Other Costs		
1.		\$	
2.		\$	
H.	Summary of Expenditures		
1.	Total Land Related Costs	\$	110,000
2.	Total Building Related Costs	\$	1,615,000
3.	Total Machinery and Equipment Costs	\$	550,000
4.	Total Furniture and Fixture Costs	\$	5,000
5.	Total Working Capital Costs	\$	100,000
6.	Total Professional Service Costs	\$	5,000
7.	Total Other Costs	\$	0
		\$	2,386,000

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs at the Project:

Year	Construction Jobs (Annual wages and benefits \$40,000 and under)	Construction Jobs (Annual wages and benefits over \$40,000)
Current Year	2	2
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

II. Please provide estimates of total annual wages and benefits of total construction jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ 60,300	\$ 4,800
Year 1	\$	\$
Year 2	\$	\$
Year 3	\$	\$
Year 4	\$	\$
Year 5	\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Please provide estimates of total existing permanent jobs to be preserved or retained as a result of the Project:

Year	Existing Jobs (Annual wages and benefits \$40,000 and under)	Existing Jobs (Annual wages and benefits over \$40,000)
Current Year	13	2
Year 1	14	2
Year 2	15	2
Year 3	15	2
Year 4	16	2
Year 5	16	2

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	New Jobs (Annual wages and benefits \$40,000 and under)	New Jobs (Annual wages and benefits over \$40,000)
Current Year	-	-
Year 1	1	-
Year 2	1	-
Year 3	-	-
Year 4	1	-
Year 5	-	-

III. Please provide estimates of total annual wages and benefits of total permanent construction jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ -	\$ -
Year 1	\$ 3,5000	\$ 2,800
Year 2	\$ 3,5000	\$ 2,800
Year 3	\$ -	\$ -
Year 4	\$ 3,5000	\$ 2,800
Year 5	\$ -	\$ -

IV. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ 200,000
Additional Sales Tax Paid on Additional Purchases	\$ 15,000 N/A
Estimated Additional Sales (1 st full year following project completion)	\$ 500,000
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ N/A

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes	New Pilot Payments	Total
Current Year	0	0	0
Year 1		4,200	4,200
Year 2		6,300	6,300
Year 3		8,400	8,400
Year 4		10,500	10,500
Year 5		12,600	12,600
Year 6		12,600	12,600
Year 7		14,700	14,700
Year 8		16,800	16,800
Year 9		18,900	18,900
Year 10		21,000	21,000
Year 11		23,100	23,100


III. Please provide estimates for the impact of other economic benefits expected to be produced as a result of the Project:

More employment, property taxes, sales taxes and opportunity for further growth & expansion.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: <u>4-9</u> , ²⁰¹³ ₂₀₀	Name of Person Completing Project Questionnaire on behalf of the Company.
	Name: <u>Joseph P. Shull</u>
	Title: <u>President</u>
	Phone Number: <u>714 366 2352</u>
Signature: 	

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

New Job Skills	Number of Positions Created	Wage Rate
welder/senior project assist	3	\$ 15-20/hr

Should you need additional space, please attach a separate sheet.

**County of Chautauqua
Industrial Development Agency**

FINANCIAL FEE
STRUCTURE

REVOLVING LOAN FUNDS
1% of total loan

CIVIC FACILITIES BONDS
1% of total IDA project cost