
INDUSTRIAL REVENUE BONDS

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 # 16-1609751

Company Name: S. Howes, Inc.

Office Address: 25 Howard St.
Silver Creek, NY 14136

Telephone: (716) 934-2611

Company officer completing this application:

Name: Frederick Mertz

Title: President

1. Number of locations of present business facilities:

- a. County of Chautauqua: 1
- b. New York State: 1
- 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>
Frederick Mertz	51%	Buffalo, NY
Joanna Mertz	49%	Buffalo NY

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:

<u>Officers</u>	<u>Name</u>	<u>Address</u>	<u>Social Security Number</u>	<u>Other Principal Business Affiliations</u>
President/ Treasurer	Frederick Mertz	Buffalo, NY		N/A
Vice President/ Secretary	Joanna Mertz	Buffalo, NY		N/A

B. References (these will be contacted):

1. Banking (List names of banks, account officers address and telephone number):
Susan Freed-Oestreicher – Vice Presiden
M&T Bank
One Fountain Plaza, Buffalo, NY 14203
Phone: 716-848-7721 Fax: 716-848-7318 E-mail: sfreed-oestreicher@mandtbank.com
2. Business Suppliers (List three largest accounts – names, addresses, telephone numbers, and list suppliers' terms of sale):

Ryerson 40 Stanley St Buffalo, NY 14240 (773)762-2121
Erie Bearings PO Box 10307, Erie, PA 16514 (800)777-6871
American Stainless 1374 Clinton St., Buffalo, NY 14206 (716) 827-1100
3. Major customers (List three largest – names, addresses, telephone numbers, and show percentage (%) of gross business obtained from each):
Nestle Checkerboard Square, Saint Louis, MO 63164 (314) 982-3918
Abengoa 14522 S. Outer Forty Rd., Chesterfield, MO 63017
Organix 285 Sheldon Dr., Cambridge ON N1T 1A6 Canada (519) 653 2535
4. What are your terms of sale? Terms are negotiated, however we strive for 80%-100% paid prior to shipment.
5. Current Landlord (List name, address and telephone number):
6. Legal Counsel (List name, address and telephone number):
Damon and Morey LLP
The Avant Building Suite 1200
200 Delaware Ave.
Buffalo, NY 14202
(716) 856-5500

C. Business Description

1. Describe type of business:
Manufacturer of process equipment and filters
2. Describe the principal products and services:
Process equipment and filtration equipment
3. Describe the market(s) served:
Chemical, Pharmaceutical, Food, Environmental, Mineral/Metals

D. Present Location

1. If you rent:
 - a. What is the present annual rent (state whether firm has a gross or net lease):
 - b. When does the lease expire?
2. If you own:
 - a. What is the current annual mortgage payment? 83,723.16
 - b. When does the mortgage terminate? 4 years
3. Describe present location (include square footage, number of buildings, number of floors, etc.)
Administration Building 2 floors 2215 sq ft

Plant 1 1 floor 20,000 sq ft

Plant 2 1 floor 7000 sq ft.

Testing facility 1 floor 4000 sq ft
4. List the current annual taxes by respective taxing jurisdictions:
 - a. Building(s): \$ Town of Hanover \$2,486.26, Silver Creek School \$ 3,591.67, Village of Silver Creek \$ 3,136.78
 - b. Land: \$ Town of Hanover \$137.98, Silver Creek School \$ 199.34, Village of Silver Creek \$ 174.09

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.)
\$500,000 over the last 3 years for insulation, new roof on plant one, renovating plant 2 and the test lab.
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.
M&T Bank Linked Deposit or Term Loan

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

1. XXXXIndustrial Development Revenue Bonds
XXXXXA. Tax Exempt
XXXB. Taxable
2. Tax Lease – Waiver of Sales Tax and Mortgage Recording Tax, PILOT
3. XXXxOther loan(s). Describe:

Part 2

A. Describe the Project

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

Approximately 8100 sq ft expansion of the existing building adding a 25 ton crane. This added crane and building capacity would allow S. Howes, Inc. to attain more business and new manufacturing lines. S. Howes, Inc. would be able to purchase and install more equipment for manufacturing.

Updating facade on existing building to help with energy costs.

B. Reasons for Project

1. Briefly describe the reasons why this project is necessary and what effect it will have on your business:
With the expansion the added building capacity along with the 25 ton crane will enable company to secure larger projects. Updating the facade on the existing building will help with energy costs.
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:
Unsure

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 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 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
d. Acquisition of an existing building	<input 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. N/a

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):
- Expansion would be located at 25 Howard St., Silver Creek, NY. This one floor expansion would be adjacent to existing administration building. The 8100 sq ft expansion would be connected to plant one. The building design is a prefabricated metal building.

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):
October 2012

4. Does the project site currently have existing occupant(s)?
X ☐ Yes ☐ No

If "Yes", list all lessees, the amount of space occupied by each, and the date of termination of such leases on a separate sheet.

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

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 X ☐ 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 \$ 511.41

Building \$9,214.71

2. What is the estimated useful life of the:

- a. Facility 40-60 years
b. Equipment 40-60 years

3. Is proposed Project site served by:

- a. Transportation ☐ Rail ☐ Truck ☐ Air
 ☐ Water
- b. Utilities X ☐ Sewer X ☐ Water X ☐ Gas
 X ☐ 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	21	27	30
Part Time*	1	1	1
Seasonal*			

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

Total \$

2. Estimate the annual payroll:

At present \$ 984,000

In one year \$ 1,200,000

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.)

See Attached

<u>Description</u>	<u>Amount</u>
Land	\$
Building(s)	\$ 800,000
Renovation	\$ 135,000
Machinery and Equipment (Do not include furniture costs)	\$ 173,000

Installation \$

(G. Continued)

Fees (Do **not** include
your own counsel fees) \$

Architectural Fees \$

Financial Charges (specify) \$

Other (specify) \$

Subtotal \$

Agency Administrative Fee \$

Total Project Cost \$ 1,108,000

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

\$ Years

H. Project Schedule

1. Indicate the estimated days for:
 - a. Financing of the project 60-90 days
 - b. Commence of construction April 2013
 - c. Completion of construction September 2013
2. List the date(s) and in what amount(s) the estimated funds will be required:
TBD

I. Other Agency Involvement

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

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

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?
X ☐ Yes ☐ No

If "Yes", please indicate below the institution and / or agency and the present status of the inquiry:
M&T Bank Linked Deposit or Term Loan

J. Financial Information (attach the following)

1. Certified financial statements for the last three (3) fiscal years. See Attached

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

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

Certification

Frederick J. Mertz

(Name of chief executive officer of company submitting application)

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

of S. Howes, Inc. , 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 S. Howes, Inc.
(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

7th day of January, 20 13


(Seal)

DAVID P NOTARO
Lic. #4055428
Notary Public-State of New York
Qualified In Chautauque County
My Commission Expires SEPT. 30, 2013

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"):	S. Howes, Inc.
2. Brief Identification of the Project:	Addition to existing Building
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ _____
B. Value of Sales Tax Exemption Sought	\$ 26,100 _____
C. Value of Real Property Tax Exemption Sought	\$ _____
D. Value of Mortgage Recording Tax Exemption Sought	\$ 10,875 _____

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ _____
2. Site preparation	\$ _____
3. Landscaping	\$ _____

4. Utilities and infrastructure development	\$ _____
5. Access roads and parking development	\$ _____
6. Other land-related costs (describe)	\$ _____
B. Building-Related Costs	
1. Acquisition of existing structures	\$ _____
2. Renovation of existing structures	\$ ____ 135,000 ____
3. New construction costs	\$ ____ 800,000 ____
4. Electrical systems	\$ _____
5. Heating, ventilation and air conditioning	\$ _____
6. Plumbing	\$ _____
7. Other building-related costs (describe)	\$ _____
C. Machinery and Equipment Costs	
1. Production and process equipment	\$ __ 173,000 ____
2. Packaging equipment	\$ _____
3. Warehousing equipment	\$ _____
4. Installation costs for various equipment	\$ _____
5. Other equipment-related costs (describe)	\$ _____
D. Furniture and Fixture Costs	
1. Office furniture	\$ _____
2. Office equipment	\$ _____
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	\$ _____
6. Skills training	\$ _____
7. Other working capital-related costs (describe)	\$ _____

F. Professional Service Costs	
1. Architecture and engineering	\$ _____
2. Accounting/legal	\$ _____
3. Other service-related costs (describe)	\$ _____
G. Other Costs	
1. _____	\$ _____
2. _____	\$ _____
H. Summary of Expenditures	
1. Total Land Related Costs	\$ _____
2. Total Building Related Costs	\$ _____ 935,000 _____
3. Total Machinery and Equipment Costs	\$ _____ 173,000 _____
4. Total Furniture and Fixture Costs	\$ _____
5. Total Working Capital Costs	\$ _____
6. Total Professional Service Costs	\$ _____
7. Total Other Costs	\$ _____

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		75
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	\$_____4,125,000_____	\$_____
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	1	21
Year 1	1	21
Year 2	1	21
Year 3	1	21
Year 4	1	21
Year 5	1	21

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	2	3
Year 2	1	2
Year 3		
Year 4		
Year 5		

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

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$____984,000_____	\$_____
Year 1	\$____1,200,000_____	\$_____
Year 2	\$____1,310,000_____	\$_____
Year 3	\$_____	\$_____
Year 4	\$_____	\$_____
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: – Unknown at this time

Additional Purchases (1 st year following project completion)	\$_____
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Additional Sales Tax Paid on Additional Purchases	\$ _____
Estimated Additional Sales (1 st full year following project completion)	\$ _____
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____

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	9726.12		9726.12
Year 1	9726.12	1561	11287.12
Year 2	9726.12	1561	11287.12
Year 3	9726.12	3123	12849.12
Year 4	9726.12	3123	12849.12
Year 5	9726.12	4684	14410.12
Year 6	9726.12	4684	14410.12
Year 7	9726.12	6246	15972.12
Year 8	9726.12	6246	15972.12
Year 9	9726.12	7807	17533.12
Year 10	9726.12	7807	17533.12

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

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.

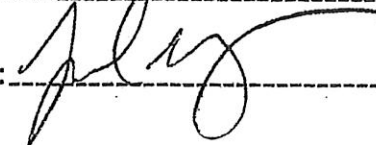
Date Signed: January 7, 2003.

Name of Person Completing Project
Questionnaire on behalf of the Company.

Name: Frederick Mertz

Title: President

Phone Number: 716 934 2611

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.

[illegible]

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

INDUSTRIAL REVENUE BONDS
1% of total IDA project cost

TAX LEASES
1% of total IDA project cost

AN APPLICATION FEE OF \$250 IS DUE UPON SUBMISSION OF ALL LOAN APPLICATIONS
AN APPLICATION FEE OF \$1,000 IS DUE UPON SUBMISSION OF ALL BOND AND TAX
LEASE APPLICATIONS