
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 # 32-0024389

Company Name: Southern Tier Brewing Co, Inc

Office Address: 2072 Stonemen Circle
Lakewood, NY 14750

Telephone: 716-763-5479

Company officer completing this application:

Name: Phineas De Mink

Title: President

1. Number of locations of present business facilities:

- a. County of Chautauqua: |
- b. New York State: |
- 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>
Phineas Demink	75%	317 S. Frontage St Bemus Point NY
Sara Demink	25%	317 S Frontage St Bemus Point 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. *Southern Tier Distillery, LLC*

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	Phineas Demink	317 S Frontage St Bemus Point NY		Southern Tier Distillery LLC 51% member
Vice President	Sara Demink	317 S Frontage St Bemus Point NY		N/A

B. References (these will be contacted):

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

PNC Bank Gregg Reese VP 200 N. Brady Street DuBois PA 15801
814-375-6079

Key Bank Kelly Ballagh 4050 Seneca St West Seneca NY 14224
716-677-3415

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

See attachment #1

3. Major customers (List three largest – names, addresses, telephone numbers, and show percentage (%) of gross business obtained from each):

See attachment #2

4. What are your terms of sale? Net 15

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

N/A

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

Stephen Sellstrom
Sellstrom Law Firm, LLP
PO Box 50
9-11 East Fourth Street
Jamestown, NY 14702
716-484-7191

C. Business Description

1. Describe type of business: Brewery
2. Describe the principal products and services: Beer Products
3. Describe the market(s) served:
31 States, 4 International

D. Present Location

1. If you rent: 2051A Warehouse
 - a. What is the present annual rent (state whether firm has a gross or net lease):
\$42000
 - b. When does the lease expire? Annual
2. If you own:
 - a. What is the current annual mortgage payment? approx \$48,000
 - b. When does the mortgage terminate?
3. Describe present location (include square footage, number of buildings, number of floors, etc.)
Building #1 2072 Stoneman Circle 42,285 sf (2 Floors)
Building #2 Pole Barn 5,000 sf
4. List the current annual taxes by respective taxing jurisdictions:
 - a. Building(s): \$
County-Pilot 6620 1/2013
(CCIDA)
 - b. Land: \$
Town of Busti 2563 1/2013
Land
School-Pilot 11,392 9/2012
(CCIDA)
School Land Estimated 2500 9/2013

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.) *All current location*
2011 - 2,620,000
2012 - 6,574,838 *Ytd 2013 3,387,367*
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. *attachment #3*

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

- Industrial Development Revenue Bonds
 - A. Tax Exempt
 - B. Taxable
2. Tax Lease
3. Other loan(s). Describe:
PNC Bank

Part 2

A. Describe the Project

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

Construction of 22,500 sq warehouse
Storage facility.

Building will be located at 2000 Stoneman Circle
385.00-1-45.5

The project will include:

 poured concrete foundation

 pre-engineered Metal Butler Building

 In-plant Office, Store room and bathrooms

 Wet sprinkler system

B. Reasons for Project

1. Briefly describe the reasons why this project is necessary and what effect it will have on your business: *With growth in our sales, we need additional warehouse space for our packaging materials*
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:

This project is necessary to accommodate our current growth and projected future growth

C. Type of Project

1. Check category which best describes your project:

- | | |
|--|---|
| <input type="checkbox"/> Manufacturing | <input checked="" 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 checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Renovations to an existing building | <input type="checkbox"/> Yes | <input checked="" 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 type="checkbox"/> Yes | <input checked="" 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.

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):

Survey # 330
Land purchase 2012 \$ 87550
2000 Stoneman Circle 385.00-1-45.5
22,500 sf

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): *purchased Land in 2012, \$89,550
Land was purchased for future expansion*
4. Does the project site currently have existing occupant(s)?
 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 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 \$ *see question D.4*
- Building \$
2. What is the estimated useful life of the:
- a. Facility *50 years*
- b. Equipment *various, 5-7 years*

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	36	39	41
Part Time*	6	7	8
Seasonal*			

*Estimate percent that total part time or seasonal working time bears to total annual full working time 14%.

Total \$

2. Estimate the annual payroll:

At present \$ 2,455,000
In one year \$ 2,600,000

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	\$ 0
Building(s)	\$ 1,500,000
Renovation	\$ 0
Machinery and Equipment (Do <u>not</u> include furniture costs)	\$ 15,000
Installation	\$ 0

(G. Continued)

Fees (Do <u>not</u> include your own counsel fees)	\$
Architectural Fees	\$
Financial Charges (specify)	\$
Other (specify)	\$
Subtotal	\$ 1,515,000
Agency Administrative Fee	\$ 15,150
<u>Total Project Cost</u>	\$ 1,530,150

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
 - b. Commence of construction *July - August 2013*
 - c. Completion of construction *October 2013*
2. List the date(s) and in what amount(s) the estimated funds will be required:

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:

PNC Bank

J. Financial Information (attach the following)

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

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

Phineas DeMink

(Name of chief executive officer of company submitting application)

deposed and says that ~~he~~she is the *President*

(Title)

of *Southern Tier Brewing Co. Inc*

(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 *Southern Tier Brewing Co. 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

_____ day of _____, 20__

(Seal)

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"): *Southern Tier Brewing Co., Inc*

2. Brief Identification of the Project: *22,500 sf Warehouse*

3. Estimated Amount of Project Benefits

Sought:

- A. Amount of Bonds Sought: \$
- B. Value of Sales Tax Exemption Sought \$ 113,025
- C. Value of Real Property Tax Exemption Sought *Annual* \$ 46,000
- D. Value of Mortgage Recording Tax Exemption Sought \$

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 | \$ _____ |
| 3. New construction costs | \$ <u>1,500,000</u> |
| 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 | \$ _____ |
| 2. Packaging equipment | \$ _____ |
| 3. Warehousing equipment | \$ <u>15,000</u> |
| 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 \$ 1500000
 - 3. Total Machinery and Equipment Costs \$ 15000
 - 4. Total Furniture and Fixture Costs \$ _____
 - 5. Total Working Capital Costs \$ _____
 - 6. Total Professional Service Costs \$ _____
 - 7. Total Other Costs \$ 1515000

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		
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

*Requested from
Contractor*

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	\$ _____	\$ _____
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	23	19
Year 1	22	20
Year 2	21	21
Year 3	20	22
Year 4	19	23
Year 5	18	24

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	2	0
Year 1	2	1
Year 2	2	1
Year 3	2	1
Year 4	2	1
Year 5	2	1

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

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ _____	\$ _____
Year 1	\$ _____	\$ _____
Year 2	\$ _____	\$ _____
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:

Additional Purchases (1st year following project completion) \$ 2000,000

Additional Sales Tax Paid on
 Additional Purchases - *Non memory/NonSale* \$ 10,000

Estimated Additional Sales (1st full
 year following project completion) \$ 5,000,000

Estimated Additional Sales Tax to
 be collected on additional sales (1st
 full year following project
 completion) \$ 0

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	Estimated total New Pilot Payments	Total
Current Year <i>2013</i>	<i>5600</i>	<i>18500</i>	<i>24,000</i>
Year 1 <i>2014</i>	<i>5600</i>	<i>29212</i>	<i>34812</i>
Year 2 <i>2015</i>	<i>5700</i>	<i>38155</i>	<i>43855</i>
Year 3 <i>2016</i>	<i>5800</i>	<i>38155</i>	<i>43955</i>
Year 4 <i>2017</i>	<i>5900</i>	<i>47098</i>	<i>52,998</i>
Year 5 <i>2018</i>	<i>6000</i>	<i>47098</i>	<i>53,098</i>
Year 6 <i>2019</i>	<i>6000</i>	<i>56040</i>	<i>62040</i>
Year 7 <i>2020</i>	<i>6000</i>	<i>56040</i>	<i>62040</i>
Year 8 <i>2021</i>	<i>43834</i>	<i>44716</i>	<i>88550</i>
Year 9 <i>2022</i>	<i>44000</i>	<i>44716</i>	<i>88716</i>
Year 10 <i>2023</i>	<i>65013</i>	<i>23987</i>	

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

Increase in sales with more efficient warehouse space, Increase in number of visitors to our facility for the pub and tours.

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: June 14, 2013

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

Name: Christy L Brecht CPA
Title: Controller
Phone Number: 716 7635479 ext 222
Signature: Christy Brecht

Southern Tier Brewing Co., Inc
PO Box 166
2072 Stoneman Circle
Lakewood, NY 14750
716-763-5479

Suppliers - Attachment # 1

Canada Malting
PO Box 57585, Station A
Toronto, ON M5W 5M5
360-905-3380
Net 30

Saint-Gobain Containers
PO Box 7247
Philadelphia, PA 19170
765-741-7659
Net 10

Micro Star Keg Management
PO Box 912392
Denver, CO 80291
800-245-2200
Net 30

Southern Tier Brewing Co., Inc
PO Box 166
2072 Stoneman Circle
Lakewood, NY 14750
716-763-5479

Customers - Attachment # 2

Premium Beverage Supply
3701 Lacon Road
Hilliard, Ohio 43026
614-777-1007
2013: 7% of Sales

Certo Brothers Distributing Co.
2500 North America Drive
Buffalo, NY 14224
716-827-1133
2013: 6% of Sales

Regal Wine Imports
2 Commerce Drive
Suite 3
Moorestown, NJ 08057
856-985-6388
2013: 5.2% of Sales



Southern Tier Brewing Co., Inc
PO Box 166
2072 Stoneman Circle
Lakewood, NY 14750
716-763-5479

Attachment # 3
E. 3. Financing

Financing for this project will be secured with PNC Bank

We have received previous financing with PNC Bank

