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***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**

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**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 Company

Office Address: 2072 Stoneman Circle Lakewood NY 14750

Telephone: 716 763 5479

**Company officer completing this application:**

Name: Sara DeMink

Title: VP

**1. Number of locations of present business facilities:**

- a. County of Chautauqua: 2
- b. New York State: 2 (Chautauque)
- 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%	4077 Lakeview Dr Bemus Pt NY 14712
Sara DeMink	25%	SAME 7

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>
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**B. References (these will be contacted):**

1. Banking (List names of banks, account officers address and telephone number):  
Key Bank Michelle Compton 216 763 9736  
Fairmount Ave Lakewood NY 14750
2. Business Suppliers (List three largest accounts – names, addresses, telephone numbers, and list suppliers' terms of sale):  
Net 30 Cargill Malt  
Net 30 Bottle Shop  
Net Canada Malt
3. Major customers (List three largest – names, addresses, telephone numbers, and show percentage (%) of gross business obtained from each):  
Arthur R. Gien 1886 MASON DR Jamestown NY  
Shangy's 40 E. Emmaus, PA  
Lake Beverage 900 John St, W. Henrietta, NY
4. What are your terms of sale? Net 30
5. Current Landlord (List name, address and telephone number):  
owner
6. Legal Counsel (List name, address and telephone number):  
Stephen Sellstrom

**C. Business Description**

1. Describe type of business: Beer Manufacturer
2. Describe the principal products and services: Beer Kegs ; Bottles
3. Describe the market(s) served: 22 states  
4 Countries

**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? \$12,200.00
  - b. When does the mortgage terminate? 30 yr. (2040 yr)
3. Describe present location (include square footage, number of buildings, number of floors, etc.) 2 Floors, 20,000 sq. feet, 1 Bldg
4. List the current annual taxes by respective taxing jurisdictions:
  - a. Building(s): \$
  - b. Land: \$

**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.)
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.

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

- ~~1. Industrial Development Revenue Bonds~~
  - A. Tax Exempt
  - B. Taxable
2. Tax Lease
- ~~3. Other loan(s). Describe:~~

## Part 2

- A. **Describe the Project**  
(Include a general, functional description and prospective location.)

~~7,500 sqft~~

7,500 sqft. warehouse used to store finished product prior to shipping.

The addition will be built on existing property adjacent to the current building.

The dimensions are 100' x 75' and will be placed in the open field towards Hunt Rd.

**B. Reasons for Project**

1. Briefly describe the reasons why this project is necessary and what effect it will have on your business: *Need more warehouse space.*
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:

*NA*



**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 type="checkbox"/> Yes            | <input checked="" 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 checked="" type="checkbox"/> Yes | <input 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):

7500 sq ft, 1 floor, addition to existing building used for cold storage of Beer finished product.

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): Southern Tier Brewing Company

4. Does the project site currently have existing occupant(s)?  
 Yes  No N/A

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 N/A

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.) N/A  
 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.) N/A  
 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 \$ NA

Building \$ NA

2. What is the estimated useful life of the:

a. Facility 50 yr.

b. Equipment NA



(G. Continued)

Fees (Do <b>not</b> include your own counsel fees)	\$	—
Architectural Fees	\$	—
Financial Charges (specify)	\$	—
Other (specify)	\$	
<b>Subtotal</b>	\$	325,000
<b>Agency Administrative Fee</b>	\$	—
<b><u>Total Project Cost</u></b>	\$	325,000

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

\$ 0                      Years

H. Project Schedule

1. Indicate the estimated days for:

- a. Financing of the project    **NA**
- b. Commence of construction    **11/15/10**
- c. Completion of construction    **2/11/11**

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

**NA**

**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: Secured line of credit with PNC Bank, if needed.

**J. Financial Information** (attach the following) *Previously Sent*

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

**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

Phineus DeMink

(Name of chief executive officer of company submitting application)

deposed and says that he/she is the President

(Title)

Southern Tier Brewing Co. Inc.  
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 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.

Phil DeWitt  
(Chief Executive Officer of  
company submitting application)

**Notary**

Sworn to before me this  
9 day of November, 2010

Amyl Sheltens  
(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"):	
2. Brief Identification of the Project:	7500 sq foot addition to existing building for cold product storage
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ 15,000
C. Value of Real Property Tax Exemption Sought	\$
D. Value of Mortgage Recording Tax Exemption Sought	\$ 0

**PROJECTED PROJECT INVESTMENT**

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



4. Utilities and infrastructure development	\$ NA
5. Access roads and parking development	\$ NA
6. Other land-related costs (describe)	\$ NA
<b>B. Building-Related Costs</b>	
1. Acquisition of existing structures	\$ NA
2. Renovation of existing structures	\$ NA
3. New construction costs	\$ 325,000
4. Electrical systems	\$ —
5. Heating, ventilation and air conditioning	\$ NA
6. Plumbing	\$ NA
7. Other building-related costs (describe)	\$ NA
<b>C. Machinery and Equipment Costs</b>	
1. Production and process equipment	\$ —
2. Packaging equipment	\$ —
3. Warehousing equipment	\$ —
4. Installation costs for various equipment	\$ —
5. Other equipment-related costs (describe)	\$ —
<b>D. Furniture and Fixture Costs</b>	
1. Office furniture	\$ —
2. Office equipment	\$ —
3. Computers	\$ —
4. Other furniture-related costs (describe)	\$ —
<b>E. Working Capital Costs</b>	
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)	\$ —

<b>F. Professional Service Costs</b>		
1. Architecture and engineering		\$ -
2. Accounting/legal		\$ -
3. Other service-related costs (describe)		\$ -
<b>G. Other Costs</b>		
1. _____		\$ -
2. _____		\$ -
<b>H. Summary of Expenditures</b>		
1. Total Land Related Costs		\$ -
2. Total Building Related Costs		\$ 335,000
3. Total Machinery and Equipment Costs		\$ -
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	8	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: \$ 550,000

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	28	5
Year 1	" "	" "
Year 2	" "	" "
Year 3	" "	" "
Year 4	" "	" "
Year 5	" "	" "

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	—	—
Year 2	—	—
Year 3	—	—
Year 4	—	—
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	\$ <u>550,000</u>	\$ _____
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 (1 <sup>st</sup> year following project completion)	\$ <u>250,000</u>
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Additional Sales Tax Paid on Additional Purchases	\$ <u>20,000</u>
Estimated Additional Sales (1 <sup>st</sup> full year following project completion)	\$ <u>1,000,000</u>
Estimated Additional Sales Tax to be collected on additional sales (1 <sup>st</sup> full year following project completion)	\$ <u>80,000</u>

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			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

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

NA

Estimate

## STB ADDITION

COST 325,000

SALES TAX 12,188

## PROPERTY TAX

RATE= 30.8476

YEARLY TAX 10,025

YEAR 1 9,023

YEAR 2 9,023

YEAR 3 8,020

YEAR 4 8,020

YEAR 5 7,018

YEAR 6 7,018

YEAR 7 6,015

YEAR 8 6,015

YEAR 9 5,013

TAX SAVINGS 65,166

TOTAL SAVINGS 77,353

"Deed covenant"

Southern Tier Brewery  
 2072 Stoneman Circle  
 Lakewood, NY 14750  
 ATTN: Sarah DeMink  
 Assessed Value - \$900,000

TAX RATES:

09/10 SW CENTRAL SCHOOL	19.52957	\$8,788.31
09 COUNTY OF CHAUT	8.629248	\$3,883.16
09 TOWN OF BUSTI	2.688778	\$1,209.95
	30.84759	

PILOT Contract: 10 years; commencing with School taxes 2010/11

PILOT: Assessed value x tax rate x 50%

	<u>Municipality</u>	<u>Amount billed</u>	<u>Date Billed</u>	<u>Date Paid</u>	<u>Ck#</u>	<u>Date Paid</u>	<u>Ck#</u>
2010/11	SW CENTRAL SCHOOL	\$ 8,788.31	9/1/2010	9/7/2010	6422	9/13/2010	3222
	2011 COUNTY OF CHAUT	\$ 3,883.16					
	2011 TOWN OF BUSTI	\$ 1,209.95					
2011/12	SW CENTRAL SCHOOL	\$ 8,788.31					
	2012 COUNTY OF CHAUT	\$ 3,883.16					
	2012 TOWN OF BUSTI	\$ 1,209.95					
2012/13	SW CENTRAL SCHOOL	\$ 8,788.31					
	2013 COUNTY OF CHAUT	\$ 3,883.16					
	2013 TOWN OF BUSTI	\$ 1,209.95					
2013/14	SW CENTRAL SCHOOL	\$ 8,788.31					
	2014 COUNTY OF CHAUT	\$ 3,883.16					
	2014 TOWN OF BUSTI	\$ 1,209.95					
2014/15	SW CENTRAL SCHOOL	\$ 8,788.31					
	2015 COUNTY OF CHAUT	\$ 3,883.16					
	2015 TOWN OF BUSTI	\$ 1,209.95					
2015/16	SW CENTRAL SCHOOL	\$ 8,788.31					
	2016 COUNTY OF CHAUT	\$ 3,883.16					
	2016 TOWN OF BUSTI	\$ 1,209.95					
2016/17	SW CENTRAL SCHOOL	\$ 8,788.31					
	2017 COUNTY OF CHAUT	\$ 3,883.16					
	2017 TOWN OF BUSTI	\$ 1,209.95					
2017/18	SW CENTRAL SCHOOL	\$ 8,788.31					
	2018 COUNTY OF CHAUT	\$ 3,883.16					
	2018 TOWN OF BUSTI	\$ 1,209.95					
2018/19	SW CENTRAL SCHOOL	\$ 8,788.31					
	2019 COUNTY OF CHAUT	\$ 3,883.16					
	2019 TOWN OF BUSTI	\$ 1,209.95					
2019/20	SW CENTRAL SCHOOL	\$ 8,788.31					
	2020 COUNTY OF CHAUT	\$ 3,883.16					
	2020 TOWN OF BUSTI	\$ 1,209.95					

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>November 10, 2000.</u>	Name of Person Completing Project Questionnaire on behalf of the Company.
	Name: <u>Phineas DeMink</u>
	Title: <u>President</u>
	Phone Number: <u>76-763-5479</u>
	Signature: <u>Phin DeMink</u>






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