

10 Curtwright Drive

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name

Thomas Kreuz - 10 Curtwright Drive LLC

Applicant Address

1955 Wehrle Drive

Phone

716-861-5829

Fax

E-mail

bkreuz@stereoadvantage.com

Website

Federal ID#

NAICS Code

Will a Real Estate Holding

Yes

Company be utilized to own the Project property/facility

What is the name of the Real

Estate Holding Company

10 Curtwright Drive LLC

Federal ID#

State and Year of

2,012

Incorporation/Organization

List of stockholders,

Thomas Kreuz 100%

members, or partners of Real Estate Holding Company

Individual Completing Application

Name

Thomas Kreuz

Title

President

Address

1955 Wehrle Dr Williamsville NY 14221

Phone

716-861-5829

Fax

E-Mail

bkreuz@stereoadvantage.com

Company Contact (if different from individual completing application) Name Title **Address** Phone Fax E-Mail Company Counsel Name of Attorney Sunil Bakshi Firm Name **Address** 5662 Main Street Williamsville NY 14221 Phone 716-861-5829 Fax E-Mail bkreuz@stereoadvantage.com <u>Identify the assistance being requested of the Agency</u> **Exemption from Sales Tax** Yes **Exemption from Mortgage** Yes Tax **Exemption from Real** Yes **Property Tax** Tax Exempt Financing* No * (typically for not-for-profits & small qualified manufacturers) **Business Organization Type of Business** Limited Liability Company Type of Ownership Year Established 2012 New York State of Organization

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Thomas Kreuz 100%

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

Real Estate Holding Company Tenant is Ashton Potter Security Printing

0
0
95%
5%

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

15%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Erie County Town of Amherst

Will the Proposed Project be located within the Municipality, or within a Municipality, identified above?

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In which Municipality will the proposed project be located

Williamsville - Amherst

Address

10 Curtwright Dr

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

Yes

(If Yes, you will need to complete Section V of this Application

SBL Number for Property upon which proposed Project will be located

81.02-3-15.2

What are the current real estate taxes on the proposed Project Site

\$24,323

Assessed value of land

\$250,000

Assessed value of building(s)

\$1,850,000

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Williamsville

School District of Project Site

Williamsville

Does the Applicant or any related entity currently hold fee title to the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the Proposed Project site

Ashton Potter Pronating is currently occupying 70,000 square feet for a printing operation. They are owned by Investment Firm HIG. There biggest contracts are to print stamps and envelopes for the USPS. They also have several other contracts with national companies for secure label printing, which is a growing market.

Please provide narrative of project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

We want to build a 55,000 square foot building to lease to Ashton potter. They will be moving and expanding a envelope printing operation they have from Cheektowaga.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

This new building and move is necessary to keep Ashton Potter competitive and growing. Having all operations on one campus will create immeasurable efficiencies that we need from management to production. We have already invested \$100,000 in drawings, wetland mitigation and have received approval from the Amherst Planning Board to move forward.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Commercial

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site? <BLANK>

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, please explain.

Testing and trial of Secured labels which include confidential technologies that protect brand identity and tax revenues for government entities.

What percentage of annual operating expenses are attributed to the above referenced research and development activities? 5%

Select Project Type for all end users at project site (you may check more than one)

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales No Serv

Services No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4) (i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Yes Manufacturing No Multi-Tenant No Mixed Use

No Acquisition of Existing Facility No Commercial No Facility for the Aging

No Housing No Back Office No Civic Facility (not for profit)

No Equipment Purchase No Retail No Other

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

55,000 square feet

3 acres

New Building Construction

\$3,000,000

55,000 square feet

New Building addition(s)

\$0

\$0

square feet

Infrastructure Work

\$0

Renovation

\$ 100,000

5,000 square feet

Manufacturing Equipment

\$0

Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 100,000

Soft Costs: (professional services, etc.)

\$ 200,000

Other Cost

\$0

Explain Other Costs

Total Cost

\$3,400,000

Project Refinancing; estimated amount (for refinancing of existing debt only)

\$0

Sources of Funds for Project Costs:

Estimated Mortgage Amount

\$ 3,200,000

Lender Name, if Known

M&T Bank

Equity

10%

Have any of the above costs been paid or incurred as of the date of this Application?

Yes

If Yes, describe particulars:

Drawings \$75,000 Wetlands Mitigation \$25,000

Construction Cost Breakdown:

Total Cost of Construction

\$\$3,200,000

(sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$

% sourced in Erie County

%

% sourced in State

% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$\$2,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 175,000

For proposed facility please include # of sq ft for each of the uses outlined below

			Cost	% of Total Cost
Manufacturing/Processing	50,000	square feet	\$ 0	3,000,000
Warehouse		square feet	\$ 0	0
Research & Development		square feet	\$0	0
Commercial		square feet	\$ 0	0
Retail		square feet	\$0	0
Office	5,000	square feet	\$0	200,000
Specify Other		square feet	\$0	0

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box) <BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

9/1/2015

End date: Estimated completion date of project

6/30/2016

Project occupancy: estimated starting date of operations

6/30/2016

Have construction contracts been signed?

Νo

Have site plans been submitted to the appropriate planning department for approval?

Yes

Has the Project received site plan approval from the appropriate planning department?

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion	Net total new jobs
Full time	40	40	45	5
Part time	0	0	0	0
Total	40	40	45	

If you estimated new job growth over the next 2 years, please provide a short description of how those estimates were calculated (i.e. jobs per square foot, new contracts/increased revenues, etc.)

10 additional jobs will be created through new customers in the secured label business segment.

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address	10 CurtwrightDr		
Full time	120	0	0
Part time	0	0	0
Total	120	0	0

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 1,400,000

Estimated average annual salary of jobs to be retained

\$ 35,000

Estimated average annual salary of jobs to be created

\$ 32,000

Estimated salary range of jobs to be created

From

\$ 25,000

To \$ 42,000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

Yes

If yes, please explain and identify out-of-state locations investigated

The growth and stability of the companies new business segment (Secure Labels) is in a competitive environment across the USA and globally.

What competitive factors led you to inquire about sites outside of New York State?

Overall tax benefits and local government incentives are always up for review and can provide a competitive cost advantage.

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

If yes, please indicate the Agency and nature of inquiry below

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

NYPA power, Recharge NY, ESD

Section III: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?	No
What is the age of the structure (in years)?	0
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)	No
If yes, number of years vacant?	0
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)	No
If yes, please provide dollar amount of income being generated, if any	\$
Does the site have historical significance?	No
Are you applying for either State/Federal Historical Tax Credit Programs?	No
If yes, provide estimated value of tax credits	\$

Briefly summarize the financial obstacles to development that this project faces without Amherst IDA or other public assistance. Please provide the Amherst IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

Section IV: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?	No
If yes, complete the Retail Questionnaire Supplement below.	
What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?	0 %
If the answer to this is less than 33% do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).	
If the answer to A is Yes <u>AND</u> the answer to Question B is greater than <u>33.33%</u> , indicate which of the following questions below apply to the project:	
Will the project be operated by a not-for-profit corporation?	No
Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located?	No
If yes, please provide a third party market analysis or other documentation supporting your response.	
Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services?	No
If yes, please provide a market analysis supporting your response.	
Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York?	No
If yes, explain	
Is the project located in a Highly Distressed Area?	No

Section V: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

Yes

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

Yes

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Occupant/Tenant will be staying in NYS, moving from expired lease in Cheetowaga to the new facility in Williamsville. The project creates a secure facility on one site and necessary efficiencies to compete for new business and maintain existing contracts.

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State

Yes

Within Erie County

Yes

If Yes to either question, please, explain

The new facility will house the Stamped Envelope business that is currently in Cheektowaga to

the new facility in Williamsville.

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

This new building and move is necessary to keep Ashton Potter competitive and growing. Having all operations on one campus will create immeasurable efficiencies that we need from management to production. We could not do this 5 years ago when we leased the Benderson because we needed to start production immediately and did not have time to build a new building. We have already invested \$100,000 in drawings, wetland mitigation and have received approval from the Amherst Planning Board to move forward.

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

To be next door to the existing headquarters with a new state of the art building.

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

<BLANK>

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section VI: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name

Ashton Potter (USA) Ltd.

Address

10 Curtwright Drive

Contact Person

Bob Morreale

Phone

716.633.2000

Fax

716.633.2525

E-Mail

rmorreale@ashtonpotter.com

Federal ID#

04-3725219

SIC/NAICS Code

322222

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name

Current Address (city,

state, zip)

of sq ft and % of total to be occupied at new projet

site

SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie

Co.

Section VII: Environmental Questionnaire

General Background Information

Address of Premises

Name and Address of Owner

of Premises

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

Describe all known former uses of the Premises

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

<BLANK>

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

<BLANK>

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

<BLANK>

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

<BLANK>

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

<BLANK>

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

<BLANK>

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

<BLANK>

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Is any waste discharged into or near surface water or groundwaters?

<BLANK>

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises? <BLANK>

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks? <BLANK>

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

<BLANK>

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

<BLANK>

If yes, please identify the materials

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Ashton Potter (USA) Ltd

Property Address:	10 Curtwright Drive
City/Town/Village	Williamsville, NY 14221
The following information is an outlir	ne relative to the potential client and their proposed contract to sublease space in the above reference facility
Amount of space to be leased (square feet)	55,000
What percentage of the building does this represent?	100
Are terms of lease:	NET
If GROSS lease, please explain how Agency benefits are passed to the tenant	
Estimated date of occupancy	6/30/2016
PART 2 TO BE COMPLET	TED BY PROPOSED TENANT
Company Name:	Ashton Potter (USA) Ltd
Local Contact Person:	Bob Morreale
Title:	VP Finance\HR
Current Address:	10 Curtwright Drive, Williamsville, NY
Phone:	14221 716.633.2000
Fax:	716.633.2525
E-Mail:	rmorreale@ashtonpotter.com
Website:	www.ashtonpotter.com
Company President/General Manager:	Barry Switzer
Number of employees moving to ne	w project location:
Full-Time:	40
Part-Time:	0
Total:	40
Do you anticipate increasing employ If yes, how many <u>additional</u> employed	
Full-Time:	5
Part-Time:	0
Total:	5

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

Ashton Potter is a security printer that has long term contracts with the USPS and other new customers in its Brand Protection and Tax Stamp business segments.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

Ashton Potter has been in business over 25 years and is privately held.

Please list the square footage which the proposed tenant will lease at the

Project location

55,000

Please list the square footage which the proposed tenant leases at its

present location(s)

40,000

Describe the economic reason for either the increase or decrease in leased space.

New business awarded over the past year in the Stamped Envelope, Brand protection and tax stamp business segments.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

Yes

Where is company relocating from?

Address:

2455 Broadway

City/Town/Village:

Cheektowaga

State:

NIV

Zip:

14227

If yes, please provide reason for move; i.e. larger/smaller facility required, competitive position, lease expiration, etc.

Larger facility needed, economies that will be acheived in having both facilities next to each other and the Broadway lease expired.

If owned, what will happen to the existing facility once vacated?

The landlord will lease to another tenant.

If leased, when does lease expire?

6/30/2016

Are any of the proposed tenant's current operations located in facilities

which have received an Industrial Development Agency benefit?

No

If yes, please provide details as to location, and amount of leased space, how long leased?

Is location necessary to:

Discourage your company from moving out of New York State

Yes

Maintain your company's competitiveness within the industry:

Yes

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)

Will tenant/user's use of the project involve the sales of goods OR Yes services to customers who personally visit the facility If the answer is YES, are sales taxes collectible under Article 28 of the Tax No Law of the State of New York on sales of these goods Were local economic development officials contacted about the No availability of alternative sites within the community you are leaving? If yes, who was contacted and what was the outcome? If no, why not? Will present location be your company's headquarters? No If No, Where is the location of HQ: Williamsville City: NY State: Form Completed By: Bob Morreale Relationship to Company: Vice President Finance\HR