

120 Windsor Pl



TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT
AGENCY

Application

for

Financial

Assistance

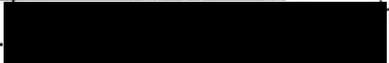
Town of Islip IDA
40 Nassau Avenue
Islip, New York 11751
Phone 631.224.5512
Fax 631.224.5532

Updated 4-2015

****FOR TOWN OF ISLIP IDA OFFICE USE ONLY****

IDA Project Summary

A. General

Name of Project Freeport Paper
Project Location 50 Windsor Pkce, Central Islip and 120 Windsor Pkce central Islip
Contact Person & Phone Number Marcela Lazo 

B. Key Dates

Application Submitted 6/6/16
Projected Inducement _____
Agenda Closing _____

C. Project Type

Industrial Not-for-profit Commercial
 Office Housing Other _____

D. Project Size

Acreage 2 New construction _____ Rehabed 10,000 sf
Total Project Cost \$2,200,000

E. Type of Assistance

Sale Leaseback Tax Exempt Bonds Taxable Bonds

F. PILOT

485-b Double 485-b Affordable Housing Empire Zone
 10 Year Existing 12 Year Existing Not-for-profit Other _____

G. Jobs/Payroll

Retained Jobs 120 New Jobs 30
Current Payroll \$3.4 million New Payroll \$4.3 million
Average Annual Wage \$29,000
New Average Annual Wage \$31,000

H. Projected Agency Fee \$13,200

I. Additional Notes _____

APPLICANT INSTRUCTIONS

- ♦ In order for a Town of Islip IDA Application to be reviewed in a timely manner, it must be complete. All questions must be answered and all required attachments must be included.
- ♦ Use "None" or "Not Applicable" where necessary.
- ♦ Part VI—Bond Information, need only be completed by applicants for Taxable or Tax Exempt Industrial Development Bonds.
- ♦ All applicants must submit an original and two (2) copies of all documents to the Agency.
- ♦ All applications must be accompanied by a \$1,000 non-refundable fee to the Town of Islip Industrial Development Agency, and a \$500 non-refundable fee to the Town of Islip for the EAF Review required by the State Environmental Quality Review Act (SEQRA). (If the project has already undergone a SEQRA review during the preview process, then applicant can submit the completed EAF for the one attached to the application).

APPLICANT CHECKLIST

- I have completed all sections of the attached application.
- I have signed and notarized the Certification Section (Part VII-A).
- I have signed Part VII-B regarding the Fee Structure for all IDA transactions.
- I have attached all company financial information required by Part VIII-A.
- I have completed and signed the Environmental Assessment Form required by SEQRA. (If the project has already undergone a SEQRA review during a previous process, substitute the completed EAF for the one that was attached to this application).
- I have completed and signed Form RP485-b as required by Real Property Tax Law.
- I have submitted the original and two (2) copies of all application materials to the Agency for review.
- I have submitted an application fee check for \$1,000 payable to the Town of Islip IDA.
- I have submitted a \$500 check payable to the Town of Islip for the SEQRA review. (If the project has already undergone a SEQRA review during a previous process, and the applicant substitutes the completed EAF for the one attached to the application, the \$500 SEQRA fee is waived).

PART I Company (Owner/User) Data

PART II Project Data

PART III Employment/Sales Data

PART IV Construction Schedule

PART V Project Costs/Financing

PART VI Certifications

PART VII Required Attachments

1. Financial Information
2. EAF
3. RP 485-b

I. OWNER & USER DATA

A. Owner Data

1. Company Name Avco Industries Inc.
Current Address 120 Windsor Place, Central Islip, NY 11722
2. Company Officer certifying this application
Name Gil Korine
Mailing Address 120 Windsor Place, Central Islip, NY 11722
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]
3. Business Type
 Sole Proprietorship General Partnership
 Limited Partnership Limited Liability Company
 Not-for-profit Corporation Privately Held Corporation
 Education Corporation Other
 Public Corporation—Listed on _____ Exchange
4. State of Incorporation New York
5. Principal Officers Name Title
Gil Korine President
6. Principal Stockholders Name Title
Gil Korine President
7. Owner's Legal Counsel
Name Elisa Treglia
Firm Name Elisa Treglia, Esq
Address 395 Fulton Street, Farmingdale, NY 11735
Telephone [REDACTED] Fax [REDACTED]
Email N/A
8. Bank References
Valley National Bank- 2 Jericho Plaza, Jericho, NY 11753
9. Major Trade References
Ak Associate- 7 Vanderbilt Parkway, Huntington Station, NY 11746
Pizza Box Inc.- 41 East Barclay Street, Hicksville, NY 11801
10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
Branding and Printing of Paper Products
11. NAICS Code [REDACTED]
For help determining your NAICS code, please visit <http://www.naics.com>

I. OWNER & USER DATA

B. User Data

For co-applicants, where a tenant/landlord relationship will exist between the owner and the user, the user must occupy at least 50% of the square footage of the facility

1. Company Name Not Applicable
Current Address _____
2. Company Officer certifying this application
Name _____
Mailing Address _____
Telephone _____ Fax _____
Email _____
3. Business Type
 Sole Proprietorship General Partnership
 Limited Partnership Limited Liability Company
 Not-for-profit Corporation Privately Held Corporation
 Education Corporation Other
 Public Corporation—Listed on _____ Exchange
4. State of Incorporation _____
5. Principal Officers Name Title

6. Principal Stockholders Name Title

7. User's Legal Counsel
Name _____
Firm Name _____
Address _____
Telephone _____ Fax _____
Email _____
8. Bank References

9. Major Trade References

10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")

11. NAICS Code _____
For help determining your NAICS code, please visit <http://www.naics.com>

II. PROJECT DATA

A. Location

1. Street Address 120 Windsor Place, Central Islip, NY 11722
2. Tax Map

<u>500</u>	<u>122</u>	<u>3</u>	<u>56</u>
District #	Section #	Block #	Lot #
3. Acreage 1.81
4. Municipal Jurisdictions
Town Islip
Village _____
School District Central Islip

B. Description (Check all that apply)

- New Construction _____ Square Feet
- Addition to Existing Facility _____ Square Feet
- Acquisition of Existing Facility _____ Square Feet
- Acquisition & Renovation of Existing Facility _____ Square Feet
- Purchase of New Machinery & Equipment
- Other (specify) _____

C. Related Facilities

1. Are other facilities or related companies located within the state? Yes No
Address 50 Windsor Place, Central Islip, NY 11722
2. If yes to above (C-1), will any of these facilities close or be subject to reduced activity? Yes No
3. If yes to above (C-2), please describe: _____

D. Real Estate Search

1. Has the company actively sought sites in another state or outside the New York metropolitan region? Yes No
2. If yes to above (D-1), please list the states/regions considered: _____

Pennsylvania and Georgia

E. Present Owner

1. Who is the current legal owner of the site? Gil Korine
2. Is there a purchase option or other legal or common control in the project? Yes No
3. Is there an existing or proposed lease for the project? Yes No
4. If yes to either above (E-2 or E-3), please explain (i.e. purchase price, term of lease):

II. PROJECT DATA

F. Project Narrative

1. Describe the project in detail, emphasizing the following:
 - A. Specific operations of the company to be conducted at the project premises (product manufactured/warehoused, services rendered)
 - B. Proposed product lines and market demands
 - C. Need for the new facility
 - D. Square footage of the old facility
 - E. Square footage of the new facility
 - F. Type of building to be constructed
 - G. Major equipment to be purchased
-

Purchase additional equipment to manufacture paper plates. Especially targeting the pizza industry. We will also purchase equipment to print paper bags for the take out food industry.

2. For pollution controls, also describe:
 - A. Type of pollution to be abated
 - B. Method of abatement
 - C. Existing orders of environmental agencies
-

N/A

III. EMPLOYMENT/SALES DATA

A. Employees	Current	First year upon completion	Second year upon completion
Full time	120	130	150
Part time	_____		
Seasonal	_____		
Total	120	130	150

B. Payroll	Current	First year upon completion	Second year upon completion
Total \$	Apx. 3.4 Million	Apx. 3.7 Million	Apx. 4.3 Million

C. Average Annual Wages	Current	First year upon completion	Second year upon completion
Total \$	Apx. 29K	Apx. 30K	Apx. 31K

D. Sales	Current	First year upon completion	Second year upon completion
Total \$	Est. 28 Million	Est. 29 Million	Est. 32 Million

IV. PROJECT CONSTRUCTION SCHEDULE

A. Key Dates (proposed)

	Month & Year
1. Construction commencement	<u>July 2016</u>
2. Construction completion	<u>August 2016</u>
3. Building Occupancy	<u>September 2016</u>

B. Please check if any of the following applications/permits have been filed for the project: (Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Change of Zone | <input type="checkbox"/> Interior Alterations |
| <input type="checkbox"/> Special Use | <input type="checkbox"/> Building |
| <input type="checkbox"/> Variance | <input type="checkbox"/> Site plan |

V. PROJECT COSTS/FINANCING

A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project.

Item	Amount
1. Land	\$ <u>N/A</u>
2. Site Work	<u>Apx. 105,000.</u>
3. Building (new construction)	<u>N/A</u>
4. Building (rehabilitation)	<u>Apx. 45,000.</u>
5. Engineering & Architectural Fees	<u>Apx. 7,500.</u>
6. Machinery & Equipment	<u>Apx. 325,000.</u>
7. Other (specify)	<u>N/A</u>
TOTAL PROJECT COST*	<u>Apx. 482,500.</u>

B. Please provide the amount of sales tax exemptions that your project requires

\$ Apx. 140,000.

B1. If your project has a landlord/tenant arrangement, please provide the breakdown of the number above N/A

C. How does the company propose to finance the project?

	Amount	Term
1. Tax Exempt IDB*	<u>N/A</u>	<u></u>
2. Taxable IDB*	<u>N/A</u>	<u></u>
3. Conventional Mortgage (with IDA sale/leaseback)	<u>N/A</u>	<u></u>
4. Owner/User Self-Financing (with IDA sale/leaseback)	<u>N/A</u>	<u></u>
5. JDA/SBA	<u>N/A</u>	<u></u>
6. Other loans	<u>N/A</u>	<u></u>
7. Company/Owner Equity contribution	<u>N/A</u>	<u></u>

TOTAL AMOUNT FINANCED \$ N/A

D. Please estimate when the above amounts will be required

N/A
Month & Year

* The Agency Fee of one-half of a basis point (.006) will be applied against the total project cost or, where applicable, against the amount of the IDB issuance. For low-cost projects, there will be a minimum fee of \$5,000.

VI. CERTIFICATIONS

A. Applicant Responsibilities

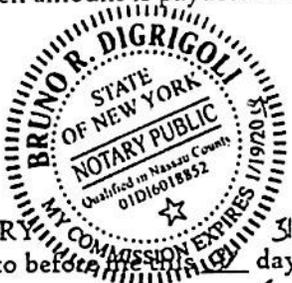
Gil Korine (name of representative of entity submitting application or name of individual submitting application) deposed and says that s/he (choose and complete one of the following two options) (a) is a/the President (title) of Avco Industries Inc. (company name), the entity named in the attached application, or (b) is the individual named in the attached application; that s/he has read the foregoing application and knows the contents thereof; and that the same is true of his/her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of her/himself or on behalf of the entity named in the attached application. The grounds of deponent's belief relative to all matters in said application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as, if deponent is not an individual applicant, information acquired by deponent in the course of his/her duties in connection with said entity and from the books and papers of said entity.

As (a) the representative of said entity, or (b) the individual applicant (such entity or individual applicant hereinafter referred to as the "Applicant"), deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Town of Islip Industrial Development Agency (hereinafter referred to as the "Agency"), acting on behalf of the Applicant in connection with this application and all matters relating to the provision of financial assistance to which this application and all matters relating to the provision of financial assistance to which this application relates. 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 an invoice, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application up to that date and time, including fees to transaction counsel for the Agency and fees of general counsel for the Agency. Upon the successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency, in accordance with its fee schedule in effect on the date of the foregoing application, which amount is payable at closing.

[Signature] pres

Print Name Gil Korine
Title President



NOTARY
Sworn to before me on this 31st day of MAY, 2010

[Signature]

VI. CERTIFICATIONS

B. Fee Structure

1. **Application Fee—\$1,000.00**
An application for IDA assistance must be accompanied by a non-refundable fee of \$1,000 plus a \$500 fee for the Town of Islip review of Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQRA). (The \$500 fee will be waived if the applicant's project has already undergone a SEQRA review during a previous process, i.e. site plan, building permit, change of zone, etc.)
2. **Agency Fee—.006 (for low-cost project, there will be a minimum fee of \$5,000)**
Upon closing of any IDA project, the Agency will assess an administrative fee of one-half of a basis point (.006) against the size of the project. For IDB projects, the .006 will be measured against the final bond amount. For straight-lease transactions, the .006 will be measured against the projected total costs.
3. **Agency Counsel—\$250 per hour**
The Town of Islip Town Attorney's Office acts as counsel to the Town of Islip IDA and must be reimbursed for time spent on IDA-related transactions. The Agency counsel bills all time spent on IDA matters at \$250 per hour. For IDA closings up to \$5 million, the Agency counsel bills a minimum of \$3,500. For projects greater than \$5 million, the Agency counsel bills a minimum of \$5,000. For all other activities, i.e. terminations, simple consents and waivers, transfer of assets, etc., the Agency counsel will bill at the aforementioned \$250 per hour.
4. **Processing Fee—\$500**
During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second mortgages, additional secured financing, etc. The Agency will charge a \$500 processing fee for each of these requests.
5. **Assignments & Assumptions—\$1,500**
Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon a sale of the IDA property. The new company often wishes to continue IDA involvement with the property in order to retain the IDA incentives. The Agency will charge a \$1,500 fee for each of these transactions.
6. **PILOT Extensions/Modifications—.006**
Occasionally, the Agency is asked to extend or modify an existing Payment n Lieu of Taxes Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT benefit

VI. CERTIFICATIONS

B. Fee Structure

7. Annual Administrative Fee— \$1,000

An Annual Administrative Fee of \$1,000 will be charged to all projects to cover the cost of all the reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

8. Bond/Transaction Counsel—fee negotiated separately

While the Town of Islip IDA is represented locally by the Town of Islip Town Attorney's Office, a separate Bond/Transaction Counsel is also necessary on any IDA project. Bond/Transaction counsels render "third party" opinions that the bond or straight lease transaction is authorized under all federal, state and local statutes. Bond/Transaction counsels also prepare all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designed the firm of Nixon Peabody, LLP as its Bond/Transaction counsel and all fees are separately negotiated with them.

I have read and understand the aforementioned explanation of the fees associated with all the Town of Islip Industrial Agency Transaction.

Signature _____



pres.

VII. REQUIRED ATTACHMENTS

A. Financial Information

(Attach the following financial information of the owner and user)

1. Financial statements for the last two fiscal years (unless included in the Owner's or User's Annual Report)
2. Owner's or User's Annual Reports (or Form 10-k's) for the two most recent fiscal years
3. Quarterly reports (Form 10-Q's) and current reports (Form 8-k's) since the most recent annual report, if any
4. In addition, if applicable, please attach the financial information described above in items A, B and C, of any expected guarantor of the proposed bond issue other than the Owner or the User
5. Upon request of the Applicant, the Agency will review the information submitted pursuant to this Section VIII and return all copies to the Applicant within two weeks after the inducement date. Please indicate whether you require the information to be returned.
 Yes No

B. Environmental Assessment Form

Please complete the attached EAF as required by the State Environmental Quality Review Act (SEQRA).

C. Form RP 485-b

Please complete the attached Form RP 485-b as required by Section 485-b of the Real Property Tax Law

NEW YORK STATE DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICESAPPLICATION FOR REAL PROPERTY TAX
EXEMPTION FOR COMMERCIAL, BUSINESS OR INDUSTRIAL PROPERTY
(Real Property Tax Law, Section 485-b)

(Instructions for completing this form are contained in Form RP-485-b-Ins)

1. Name and telephone no. of owner(s) Avco Industries Inc.

Day No.
Evening No. () Same as above
E-mail address (optional) N/A
2. Mailing address of owner(s) 120 Windsor Place

Central Islip, NY 11722

3. Location of property (see instructions)
- | | |
|---|--|
| <u>120 Windsor Place</u>

Street address | _____
Village (if any) |
| <u>Central Islip</u>

City/Town | <u>Central Islip</u>

School district |

Property identification (see tax bill or assessment roll)

Tax map number or section/block/lot 500/122/3/56

4. Description of property for which exemption is sought:
- a. New construction Alteration Installation Improvement
- b. General description of property (if necessary, attach plans or specifications): Industrial Building adding additional machinery with minor alterations to building

- c. Type of construction: N/A

- d. Square footage: 32,000

- e. Total cost: 450,000.

- f. Date construction, alteration, installation or improvement was started: August 2016

- g. Date completed (attach copy of certificate of occupancy or other documentation of completion):
N/A

- h. Describe any real property replaced or removed in connection with the new construction, alteration, installation or improvement: N/A

5. Use of Property.

a. Describe the primary use of the property and the type of business to be conducted. Purchase additional equipment to manufacture paper plates

b. Describe any other use or uses of the property. Print and manufacture pizza boxes

c. Is any part of the real property used for a purpose other than buying, selling, storing or developing goods or services; the manufacture or assembly of goods or the processing of raw materials; or hotel or motel purposes? Yes No

d. If yes, describe in detail the other use or uses of the property and state the extent to which the property is so used (e.g., 30% of floor space, 25% of income, etc.).

6. Other exemptions.

a. Is the property receiving or has it ever received any other exemption from real property taxation? Yes No

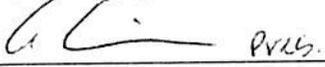
b. If yes, what exemption was received? _____ When? _____

Were payments in lieu of taxes made during the term of that exemption? Yes No

If yes, attach a schedule showing the amounts and dates of such payments, and the purposes for which such payments were made (i.e., school district, general municipal, etc.). Also attach any related documentation, such as a copy of the agreement under which such payments were made.

CERTIFICATION

I, Gil Korine, hereby certify that the information on this application and any accompanying pages constitutes a true statement of facts.


Signature

6/6/16
Date

FOR ASSESSOR'S USE

- 1. Date application filed: _____
- 2. Applicable taxable status date: _____
- 3. Action on application: Approved Disapproved
- 4. Assessed valuation of parcel in first year of exemption: \$ _____
- 5. Increase in total assessed valuation in first year of exemption: \$ _____
- 6. Amount of exemption in first year:

	Percent	Amount
County	_____	\$ _____
City/Town	_____	\$ _____
Village	_____	\$ _____
School District	_____	\$ _____

Assessor's signature

Date

PILOT for Freeport Paper (120 Windsor Place, Central Islip NY)

Formula: 10-year abatement starting at 50% decreasing 5% annually

Tax Year

2017/18 100% normal tax on the taxable assessed value of \$107,500

2018/19 100% normal tax on the taxable assessed value of \$118,250

2019/20 100% normal tax on the taxable assessed value of \$129,000

2020/21 100% normal tax on the taxable assessed value of \$139,750

2021/22 100% normal tax on the taxable assessed value of \$150,500

2022/23 100% normal tax on the taxable assessed value of \$161,250

2023/24 100% normal tax on the taxable assessed value of \$172,000

2024/25 100% normal tax on the taxable assessed value of \$182,750

2025/26 100% normal tax on the taxable assessed value of \$193,500

2026/27 100% normal tax on the taxable assessed value of \$204,250

2026/27 100% normal tax on the taxable assessed value of \$215,000