



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

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 SOMCO, LLC
Current Address 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779
2. Company Officer certifying this application
Name Howard Somberg
Mailing Address 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779
Telephone [REDACTED] Fax [REDACTED]
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 New York
5. Principal Officers *Name* *Title*
Howard Somberg Managing Member

6. Principal Stockholders *Name* *Title*

7. Owner's Legal Counsel
Name Bram D. Weber, Esq.
Firm Name Weber Law Group LLP
Address 290 Broadhollow Road, Suite 200E, Melville, New York 11747
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]
8. Bank References
Citibank, 730 Veterans Memorial Highway, Hauppauge, NY 11787. Account# 022059356. Contact Stuart Berman.
Telephone [REDACTED]

9. Major Trade References
Not Applicable

10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
Real Estate Holding Company
11. NAICS Code Not Applicable
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 Morris Rothenberg & Son, Inc. d/b/a ROTHCO
Current Address 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779
2. Company Officer certifying this application
Name Howard Somberg
Mailing Address 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779
Telephone [REDACTED] Fax [REDACTED]
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*
Mr. Howard Somberg President
Mr. Milton Somberg Chairman of the Board
6. Principal Stockholders *Name* *Title*

7. User's Legal Counsel
Name Bram D. Weber, Esq.
Firm Name Weber Law Group LLP
Address 290 Broadhollow Road, Suite 200E, Melville, New York 11747
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]
8. Bank References
Citibank, 730 Veterans Memorial Highway, Hauppauge, NY 11787. Account# 022059356. Contact Stuart Berman.
[REDACTED]
9. Major Trade References
Zippo Manufacturing Co, 33 Barbour Street, Bradford, PA 1
Wigwam Mills, Inc, PO Box 818, Sheboygan, WI 53082. T
10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
Warehouse distributor of military apparel, outdoor clothing and accessories,

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

II. PROJECT DATA

A. Location

1. Street Address Veterans Memorial Highway and 13th Avenue, Ronkonkoma, New York 11779
2. Tax Map

<u>0500</u>	<u>125.00</u>	<u>01.00</u>	<u>017.017</u>
District #	Section #	Block #	Lot #
3. Acreage ^{+/-} 4
4. Municipal Jurisdictions
Town Islip
Village _____
School District Connetquot UFSD

B. Description (Check all that apply)

- | | | |
|--|-------------------|-------------|
| <input type="checkbox"/> New Construction | _____ | Square Feet |
| <input checked="" type="checkbox"/> Addition to Existing Facility | <u>+/- 60,000</u> | Square Feet |
| <input type="checkbox"/> Acquisition of Existing Facility | _____ | Square Feet |
| <input type="checkbox"/> Acquisition & Renovation of Existing Facility | _____ | Square Feet |
| <input type="checkbox"/> Purchase of New Machinery & Equipment | | |
| <input type="checkbox"/> Other (specify) _____ | | |

C. Related Facilities

1. Are other facilities or related companies located within the state? Yes No
Address 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779
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:

E. Present Owner

1. Who is the current legal owner of the site? SOMCO, LLC
 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):
1. Existing Lease with the Islip IDA dated June 1, 2006. Expires November 30, 2016 (Pre-expansion)
 2. Existing Sublease to Morris Rothenberg & Son, Inc. dated June 1, 2006. Expires November 30, 2016 (Pre-expansion)

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

A. Warehousing and distribution of apparel.
B. Product line includes: military apparel, outdoor clothing and accessories, law enforcement and workforce clothing. Growing market demands require additional warehouse space.
C. Applicant is seeking to expand warehouse to satisfy growing business and market demand.
D. The present facility is comprised of +/- 145,582 sq.ft. of warehouse facilities and office space on just over 8 acres.
E. The new square footage, including the addition to the existing building, will be +/- 205,125 sq.ft. The addition is +/-59,543 sq.ft.
F. Warehouse.
G. Major equipment purchases include: one (1) generator, three (3) Stock Pickers, four (4) Pallet Jacks and two (2) Fork Lifts.
2. For pollution controls, also describe:
 - A. Type of pollution to be abated
 - B. Method of abatement
 - C. Existing orders of environmental agencies

A. Sediment erosion and run-off control.
B. Stabilized construction entrance and straw bale erosion control perimeter around the construction area.
C. Not Applicable.

III. EMPLOYMENT/SALES DATA

A. Employees	Current	First year upon completion	Second year upon completion
Full time	140*	148	156
Part time	15	16	17
Seasonal	5	6	7
Total	160	170	180

B. Payroll	Current	First year upon completion	Second year upon completion
Total \$	13,035,561.00	13,994,000.00	15,010,024.00

C. Average Annual Wages	Current	First year upon completion	Second year upon completion
Total \$	81,472.26	82,317.65	83,389.02

D. Sales	Current	First year upon completion	Second year upon completion
Total \$	78,699,000.00	83,420,940.00	88,426,196.40

*Please note in anticipation of the building project we have employed 7 more employees from Jan 1-May 1 2013.

IV. PROJECT CONSTRUCTION SCHEDULE

A. Key Dates (proposed)

	Month & Year
1. Construction commencement	April 1, 2013
2. Construction completion	December 10, 2013
3. Building Occupancy	December 10, 2013

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 checked="" type="checkbox"/> Special Use | <input checked="" type="checkbox"/> Building |
| <input checked="" type="checkbox"/> Variance | <input checked="" 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	\$ 3,650,000.00
2. Site Work	\$858,840.00
3. Building (new construction)	\$3,822,895.00
4. Building (rehabilitation)	N/A
5. Engineering & Architectural Fees	\$20,000.00
6. Machinery & Equipment	\$415,000.00
7. Other (specify) \$121,000.00 for insurance	
TOTAL PROJECT COST	\$8,887,735.00

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

	Amount	Term
1. Tax Exempt IDB*	_____	_____
2. Taxable IDB*	_____	_____
3. Conventional Mortgage (with IDA sale/leaseback)	_____	_____
4. Owner/User Self-Financing (with IDA sale/leaseback)	_____	_____
5. JDA/SBA	_____	_____
6. Other loans	_____	_____
7. Company/Owner Equity contribution	_____	_____
TOTAL AMOUNT FINANCED	\$ _____	

C. Please estimate when the above amounts will be required

Not Applicable _____
Month & Year

* The Agency Fee of one-half of a basis point (.005) will be applied against the total project cost or, where applicable, against the amount of the IDB issuance.

VI. CERTIFICATIONS

A. Applicant Responsibilities

Howard Somberg (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 Managing Member (title) of SOMCO, LLC (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.

CATHY I. SORDYL
Notary Public, State of New York
No. 01SO6067900
Qualified in Suffolk County
Commission Expires Dec. 24, 2013

[Signature]
Print Name Howard Somberg
Title Managing Member

NOTARY
Sworn to before me this 6 day of MAY, 2013

VI. CERTIFICATIONS

B. Fee Structure

1. Application Fee—\$1,000.

An application for IDA assistance must be accompanied by a non-refundable fee of \$1,000 a \$500 fee for the Town of Islip review of an 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

Upon closing of any IDA project, the Agency will assess a fee of 6/10 of one per cent (60 basis points) 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 In Lieu of Taxes Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT benefit.

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 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 counsel also prepares all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designated 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 Town of Islip Industrial Development Agency Transactions.

SOMCO, LLC

Signature _____


Howard Somberg, Managing Member

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

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

Project Summary

A. General

Name of Project _____

Location of Project _____

Contact Person & Phone Number _____

B. Key Dates

Application Submitted _____

Projected Inducement _____

Agenda Closing _____

C. Project Type

- Industrial Not-for-profit Commercial
 Office Housing Other _____

D. Project Size

Acreage _____ New construction _____ Rehabed _____

Total Project Cost _____

E. Type of Assistance

- Sale Leaseback Tax Exempt Bonds Taxable Bonds

F. PILOT

- 485-b Double 485-b Affordable Housing
 Empire Zone Not-for-profit Other _____

G. Jobs/Payroll

Retained Jobs _____ New Jobs _____

Current Payroll _____ New Payroll _____

Average Annual Wage _____

New Average Annual Wage _____

H. Projected Agency Fee _____

I. Additional Notes

