

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

FAIRBANKS MFG LLC

(a wholly owned subsidiary of Medora Snacks LLC
(Applicant Name)

James O'Donnell
Executive Director

Office of Economic Development
Orange County Government Center
255 Main Street
Goshen, NY 10924
Tel: 845-291-2700
www.orangecountygov.com
business@orangecountygov.com

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Fairbanks Mfg LLC
Mailing Address: c/o Medora Snacks LLC, 79 Industrial Place Ext, Middletown, NY 10941
Phone No.: (845) 341-0002
Fax No.: (845) 326-9577
Fed Id. No.: 27-5099613
Contact Person: Ronald S. Kossar, Attorney (845) 343-5111

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):
The Sole Member of Fairbanks Mfg LLC is Medora Snacks LLC which holds a 100% Membership Interest in Fairbanks Mfg LLC.

Corporate Structure (*attach schematic if applicant is a subsidiary or otherwise affiliated with another entity*)

Form of Entity

☐ Corporation

Date of Incorporation: _____
State of Incorporation: _____

☐ Partnership

General: _____ or Limited: _____
Number of general partners: _____
If applicable, number of limited partners: _____
Date of formation: _____
Jurisdiction of Formation: _____

☒ Limited Liability Company/Partnership (number of members 1)

Date of Incorporation: April 25, 2011
State of Incorporation: New York

☐ Sole Proprietorship

Application for Financial Assistance

If a foreign organization, is the applicant authorized to do business in the State of New York?

☐ Yes ☐ No

APPLICANT'S COUNSEL

Name: Ronald S. Kossar Esq.
Address: 402 East Main Street, PO Box 548, Middletown, NY 10940
Phone No.: (845) 343-5111
Fax No.: (845) 343-5222

II. PROJECT INFORMATION

- A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected.

Purchase of real property consisting of a 51,408 sf building on 5.3 acres located at 79 Industrial Place Ext in Town of Wallkill (Tax Map 36-2-37.11) & 0.49 acres of vacant land in City of Middletown (Tax Map 3-1-5) in Orange County, NY. The projected costs consist of (i) purchase price of \$2,200,000 (ii) completed addition- \$750,000 (iii) proposed new addition- \$800,000 (iv) soft costs- \$50,000 and (v) equipment- \$2,700,000, for total estimated costs of \$6,500,000.

- B) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations.

A copy of the Short Environmental Assessment Form is attached hereto and made a part hereof as Schedule A.

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations.

Medora Snacks, LLC, Sole Member, owns 100% Membership Interest in Fairbanks Mfg LLC

Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.

No

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.

No

Application for Financial Assistance

Project Data

1. Project site (land)

- (a) Indicate approximate size (in acres or square feet) of project site.

Approximately 5.3 acres

- (b) Are there buildings now on the project site?

☒ Yes ☐ No

- (c) Indicate the present use of the project site.

Applicant currently leases the building as its manufacturing/distribution facility

- (d) Indicate relationship to present user of project.

Same

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings:

One existing building consisting of 51,408 square feet built in 1974

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:

No

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:

One (1) new proposed addition comprising 16,860 sf feet to be used for manufacturing

5. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered. . .

Manufacture and distribution of snack foods including "Popcorners" brand chips

. . .including the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)

None

Application for Financial Assistance

6. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

None

7. List principal items or categories of equipment to be acquired as part of the project.

Puffer machines, packaging machines, compressors, conveyors, bucket elevators and electronic scales.

8. Has construction work on this project begun?

Complete the following

(a) site clearance	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	30.00 %	complete
(b) foundation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	%	complete
(c) footings	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	%	complete
(d) steel	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	%	complete
(e) masonry work	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	%	complete
(f) other (describe below)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	%	complete

9. Will any of the funds borrowed through the Agency be used for refinancing?

No

10. Is a purchaser for the bonds in place? No

COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>	
Estimated Sales Tax Exemption	\$ <u>25,633.00</u>	New Jobs Created	<u>35</u>
Estimated Mortgage Tax Exemption	\$ <u>29,531.00</u>	Existing Jobs Retained	<u>84</u>
Estimated Property Tax Abatement	\$ <u>425,249.00</u>	Private Funds Invested	<u>\$ 1,135,000.00</u>
Estimated Interest Savings IRB Issue	\$ <u>378,022.00</u>	Other Benefits	<u>\$ 0.00</u>
		Expected Yearly Payroll	<u>\$ 2,450,000.00</u>
		Expected Gross Receipts	<u>\$ 30,000,000.00</u>

Application for Financial Assistance

B) Project Address: 79 Industrial Place Extension, Middletown, New York 10941

Tax Map Number 36-2-37.11 and 3-1-5
(Section/Block/Lot)

Located in City of: Middletown (Tax Map 3-1-5)

Located in Village of _____

Located in Town of Wallkill (Tax Map 36-2-37.11)

School District of Middletown City School District

C) Are utilities on site?

Water	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Electric	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Gas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Sanitary/Storm Sewer	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

D) Present legal owner of the site: 79 INDUSTRIAL PLACE, LLC
If other than from applicant, by what means will the site be acquired for this project?
Financing

E) Zoning of Project Site: Current: 710-Manuf Proposed: same

F) Are any variances needed? No

G) Principal use of project upon completion: Manufacturing and Distribution

H) Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another? ☐ Yes ☒ No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York? ☐ Yes ☒ No

I) Estimate how many construction/permanent jobs will be created or retained as a result of this project and the estimated annual salary range:

	<u>Number of jobs created</u>		<u>Estimated Annual Salary Range</u>
Construction:	<u>55</u>	\$ 39,000	to \$ 100,000
Permanent	<u>84</u>	\$ 25,000	to \$ 250,000
Retained	<u>84</u>	\$ 25,000	to \$ 250,000

J) Financial Assistance being applied for:

	<u>Estimated Value</u>
<input checked="" type="checkbox"/> Real Property Tax Abatement	\$ <u>425,249.00</u>
<input checked="" type="checkbox"/> Mortgage Tax Exemption	\$ <u>29,531.00</u>
<input checked="" type="checkbox"/> Sales and Use Tax Exemption	\$ <u>25,633.00</u>
<input checked="" type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds	\$ <u>378,022.00</u>

Application for Financial Assistance

K) Project Costs (Estimates)

Land	200,000.00
Building	\$2,000,000.00
Equipment	\$2,700,000.00
Soft costs	\$50,000.00
Other	\$1,550,000.00
Total	\$6,500,000.00

III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Fillings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- F. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of

Application for Financial Assistance

the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

FAIRBANKS MFG LLC

BY: _____

(Applicant Signature)

ALAN MADNICK

(Name of Officer)

MANAGER

(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o James O'Donnell, Executive Director, Orange County Government Center, 255 Main Street, Goshen, NY 10924 Tel: (845) 291-2700.

The Agency will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE (page 10)

Bond Counsel
CHARLES SCHACHTER, ESQ./
RUSSELL GAENZLE, ESQ.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817

Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years.

Application for Financial Assistance

3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.
4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.

(Applicant Signature)

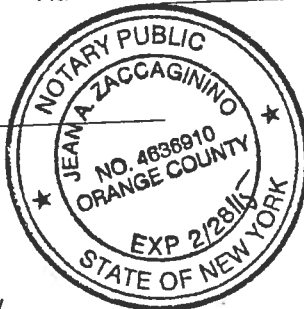
FAIRBANKS MFG LLC

By: _____

Name: Alan Madnick

Title: Manager

Jeana Zaccagnino
(Notary Public)



Sworn to before me this 14 day

[stamp]

of February, 2013

Application for Financial Assistance

***FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:***

IDA

One-percent of the first \$2,000,000 plus one-half percent of amount above that, due at closing.*

Application Fee

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Bond Counsel Fee: \$12,000-15,000 for straight lease transactions; fee for Tax-exempt transactions to be quoted depending on complexity of deal. \$2,500 due at application and balance due at closing for all deals.

NOTE: IDA reserves the right to seek additional IDA and Bond Counsel fees for exceptionally complex transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

*255 Main Street
Goshen, New York 10924*

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the IDA financing benefits provided to the project cost.

Labor Policy

Adopted May 18, 2006, it is the Labor Policy of the Orange County Industrial Development Agency to *encourage* all companies availing themselves of IDA benefits to use local workforce and pay prevailing wages on their project where possible.