

Niagara County Industrial Development Agency

Niagara County Center for Economic Development, 6311 Inducon Corporate Drive, Sanborn, NY, 14132

REGULAR NCIDA/NCDC/NADC BOARD MEETING

DATE: July 1, 2020
MEETING TIME: 9:00 a.m.
MEETING PLACE: VIA TELEPHONE CONFERENCE
conference call using number 716-439-7740 and entering code 8763# and access pin 1234#.
Niagara County Industrial Development Agency
Vantage Center, Suite One
6311 Inducon Corporate Drive
Sanborn, NY 14132

Board of Directors:

___ Mark A. Onesi, Chairperson
___ Jerald I Wolfgang, 1st Vice Chairperson
___ Kevin McCabe, 2nd Vice Chairperson
___ William L. Ross, Secretary
___ Mary Lynn Candella, Asst. Secretary
___ Robert B. Cliffe, Member
___ Scott Brydges, Member
___ Clifford Scott, Member
___ Jason Krempa, Member

Staff Members:

___ Susan C. Langdon, Executive Director
___ Andrea Klyczek, Assistant Director
___ Michael S. Dudley, Finance Manager
___ Dmitri Liadski, Economic Developer
___ Caroline Caruso, Accounting Associate
___ Roxanne Morgan, Property Associate
___ Mark J. Gabriele, Agency Counsel

Due to the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 220.1 issued on March 12, 2020 suspending the Open Meetings Law, the Niagara County Industrial Development Agency, the Niagara County Development Corporation and the Niagara Area Development Corporation ("Agency") Board and Committee Meetings scheduled for July 1, 2020 will be held electronically via conference call instead of a public meeting open for the public to attend in person. Members of the public may listen to the Board meeting by logging on to the conference call using number 716-439-7740 and entering code 8763# and access pin 1234#. Minutes of the Board Meeting will be transcribed and posted on the Agency's website.

- 1.0 Meeting Called to Order – *M. Onesi*
- 2.0 Roll Call – *R. Morgan*
- 3.0 Pledge of Allegiance – *M. Onesi*

- 4.0 Approval of Meeting Transcript
 - 4.1 Regular NCIDA/NCDC/NADC – June 10, 2020

- 5.0 Finance & Audit Committee Reports – *M. Onesi*

The June 30 Agency Payables, Budget Variance Report will be reviewed at the August Board meeting

- 6.0 Unfinished Business

- 6.1 Buffalo Fuel Corp – Final Resolution

- 6.2 Barge Brewing Company, LLC

- 6.3 Sexual Harassment Training

- 7.0 New Business

- 7.1 LSNY Holdings, LLC

- 7.1.1 Accept Application

- 7.1.2 Authorize Public Hearing Date

- 7.2 HUD Fund Management Plan Amendment – M. Gabriele

- 7.3 Micro Grant Applications – A. Klyczek/J. Krempa

- 7.3.1 Calhoon's Pub of Newfane, Inc.

- 7.3.2 Brewed & Bottled, LLC

- 7.4 NCDC Revolving Loan Request

- 7.4.1 Wandering Gypsy Brewing Company, Inc.

- 7.5 HELP Loan Requests

- 7.1 Neelkanth Hotel LLC

- 7.2 REHC1 Inc.

- 7.3 Falls Hotel LLC

- 7.4 HH310, LLC

- 7.5 Diverse Development Corp.

- 7.6 Galloping Falls Corp.

- 7.7 Lewiston Hotel LLC

- 7.8 Kalika Hotel LLC

- 7.9 Kabir Group Inc.

- 7.10 Sai Lodging LLC.

- 7.11 Deva Development Inc.

- 7.12 Jai Devi Inc.

- 7.13 LaSalle Hospitality Inc.

- 7.14 Merani Hospitality Inc.

- 7.15 Merani Holdings, LLC
- 7.16 Kasturi Hotel LLC
- 7.17 Niagara Falls Hospitality, Inc.
- 7.18 Har Gange LLC
- 7.19 NCRAS Five Inc.
- 7.20 Shree Ganpati LLC
- 7.21 Sairam Hotel LLC

8.0 Agency Counsel – M. Gabriele

9.0 Information Items

10.0 Any Other Matters the Board Wishes to Discuss

11.0 Next NCIDA/NCDC/NADC Meeting:

DATE: Next Regular Meeting August 12, 2020

TIME: ** 9:00 a.m. **

PLACE: Niagara County Center for Economic Development

12.0 Adjournment - *M. Onesi*

Transcript of NCIDA Telephonic Board Meeting
6/10/2020
9:00 a.m.

Present:

Mark A. Onesi, Chairman
Jerald I. Wolfgang, Vice Chairman
Kevin McCabe
William Ross
Robert Cliffe
Mary Lynn Candella
Scott Brydges, Member
Jason Krempa

Excused:

Clifford Scott

Agency Staff:

Susan C. Langdon
Andrea Klyczek
Michael Dudley
Caroline Caruso
Dmitri Liadski
Roxanne Morgan

Agency Counsel:

Mark Gabriele

Roxanne Morgan: Mr. Onesi (answered "here")
Mr. Wolfgang: (answered "here")
Mr. McCabe (answered "here")
Mr. Ross – (answered "here")
Ms. Candella (answered "here")
Mr. Robert Cliffe (answered "here")
Mr. Scott Brydges (answered "here")
Mr. Clifford Scott (absent)
Mr. Krempa (answered "here")

Mark Onesi: Did Mr. Scott just come on?

Susan Langdon: Hello

Pledge done by everyone

Mark Onesi: Approval of the minutes from way back in March. Mr. Wolfgang were the Governance Committee minutes in order?

Jerald Wolfgang: Yes, I would move their approval

William Ross: Ross seconds

Mark Onesi: All in favor

Everyone: Aye

Mr. Onesi: Any opposed? Carried. Thank you. Finance Budget Committee, I think that's where the transition was. What do you think Kevin?

Kevin McCabe: Everything is in order. I make a motion to approve.

Mark Onesi: Thank you, do I have a second?

William Ross: Ross second.

Mark Onesi: Okay thank you. All in favor?

Everyone: Aye

Mark Onesi: Anyone opposed? Thank you, carried. Alright, Mr. Ross, the meeting minutes from March 11th, were those in order? Hello, Bill.

William Ross: The meeting minutes from March 11th, Ross so moved.

Kevin McCabe: Second

Mark Onesi: Okay, all in favor?

Everyone: Aye

Mark Onesi: Any opposed? Thank you, carried. Finance and Audit Committee Reports from April.

Kevin McCabe: The Agency payables and Budget Variance reports from April appear to be in order. I make a motion to approve.

William Ross: Ross second.

Mark Onesi: Thank you, all in favor?

Everyone: Aye

Mark Onesi: Anyone opposed? Any questions? Thank you, Carried. How about May 31st?

Kevin McCabe: Found those to be in order. I make a motion to approve.

William Ross: Ross second.

Mark Onesi: All in favor?

Everyone: Aye

Mark Onesi: Any opposed? Thank you, Carried. Alright, is there any unfinished business that anyone wants to go over or talk about? Alright we will get into new business, Sue.

Susan Langdon: Thank you Mr. Chairman. We received a communication the United States Department of Commerce Economic Development Administration on May 8th, I think it was a Sunday, asking us if we would like to apply for some recovery assistance funds since we are already operating an EDA loan fund that we had originally capitalized in 1985 when with a grant from the EDA. So, to supplement those funds, we had 30 days to apply for these additional funds, and we went ahead and put the application in earlier this week. We kicked it around with our loan committee and our consultant and we thought that probably a good use for this would be to help the hospitality industry in Niagara Falls and throughout Niagara County. There are a few hotels in Pendleton and Lockport as well, but the majority are in the City of Niagara Falls. So, I just wanted to go over this for informational purposes. We did get the application for additional funds in before the deadline on June 8. I don't know how long it will take us to get approved, but we had already in the fund a little over a million dollars to lend so we are trying right now with the help of Mark Gabriele and our consultants working on the plans for the Hospitality Emergency Loan Program, or "HELP". That will be low interest loan funds to hotels throughout Niagara County to help them with working capital for their fixed costs including real property taxes. Mark Gabriele did you want to jump in?

Mark Gabriele: Yes, thank you Sue. Just a handful of things that go hand in hand with what she was talking about obviously would be the original application for additional EDA awards regarding the loan fund. As Sue mentioned, we have other loan funds that have balances for two applicable for maybe about 1.4 million maybe a little bit more actually. These loan funds unfortunately have not been as active as we would like it as we discussed with this Board about a year ago. Some of the Board members have been around for that. Because of the rates and the commercial market being so low and the agency being a secondary lender, they really don't come to us very often the way are provisions are, but what has recently happened is that the State has come down with a new directive waiving a number of the rules reflecting and regarding EDA loan funds for a period of a year which at least goes from May of this year to May of next year. They are actually allowing us the ability to reduce the interest rates of these loans down to a very low, low rate which I believe is up to zero. Not that we would do zero, but certainly they want these funds out in the public domain right now trying to help hotels out of this tough situation we are in. So, what we are going to do is try to enter into a revised Management Plan. It's only temporary because it will only last for this one year period and go back next year, which allows the agency to loan out this money to the hotels at a rate of somewhere between 1.5 to 2.0%. We are looking to do an interest only period of about 8 – 12 months, because the way we are looking at it with the discussions we have had with the hospitality industry is that his summer will be a wash for them and every one of those in Niagara Falls is very tourist driven in the summer months. So the likelihood of them having significant occupancy won't happen until next late Spring at best or early Summer. So, most of these institutions are hotels well developed, they are already built, they are already funded and operating and that would be a very important part of it. Having active rooms would be one of the requirements as shown in the application that I think is attached.

Susan Langdon: It's not attached Mark

Mark Gabriele: Okay, it's not, we can send that over to you. What's on there includes we want to know exactly how much they paid in 2019 real property taxes or PILOT payments and basically the loan amount will be derived from what that amount is.

Mark Onesi: Excuse me Mark. Can everyone put your phone on mute until you want to talk. We are hearing a lot of background noise and it's hard to hear Mark, thank you.

Mark Gabriele: So basically the amount of the loan itself would be based upon a factor of up to 1.2 of what they paid in taxes the year before and a prerequisite would be that they are up-to-date through 2019 with their real property tax payments and that the proceeds have to first go to their 2020 obligations. So I think it's something that not only helps the not just the hotels, but I think it helps the taxing jurisdictions as well by making sure they are getting their tax revenue. It helps out of the hotels with low interest loans. It helps them with working capital because at this tough time all they have to pay back is the interest for a period of a year or so. It helps the agency in that we are doing something for the community and getting this money into circulation. Are there any questions on this? I know we talked about it briefly last month.

Jason Krempa: Just a quick question, so this sounds super positive. I like the fact that we are going to cap it at one year or a 120% of one year taxes. So if we decide to give them 12 months of interest only period what's the payback period after that? Is that to be determined? Is that going to be locked in? Are we going to give them 12 months to pay it back after 12 months of interest only?

Mark Gabriele: We are going to look for guidance, but right now most of our other loans are usually anywhere from a 3 to 7 year period. What we are anticipating is more of a 3 to 5 year period of repayment of this however it is amortized over that period.

Jason Krempa: That would make sense if you look at the likes of the PPP program was set up initially it had been 6 months of interest only with 18 months of payback. It extended the 18 months out to 4.5 years. I think with what we are talking about 3 to 5 years makes a lot of sense or even 5 years included of that interest only period with a 4.5 – 5 year payback makes a lot of sense.

Mark Gabriele: Your pretty dead on and dead on for the reasoning as well.

Susan Langdon: Mark, this is Sue. Does the Board have to take formal action on the Management Plan change or amendment?

Mark Gabriele: Yes, if you don't mind referring to that. Basically we have a Management Plan that is required by us for the revolving loan fund, which amends an existing Management Plan. Thanks for reminding me Sue. Again, it's only a temporary one year it will then go back to our entrance plan that stands today in one year, but we will take advantage of the New York State directive and some of these opportunities to lower interest rates and relax some of the other requirements during this next one year period. There will have to be an adoption action by the Board on this. Thank you Sue for reminding me.

Susan Langdon: Will we do that now or at a subsequent meeting.

Mark Gabriele: No, if we wait another month, I don't see that as being beneficial to the community or the hotels. If we could move forward with that now that way we could actively pursue and let the hotels in the area know that this program is available beginning this afternoon.

Mark Onesi: So we need a motion to put that in and a vote.

Mark Gabriele: Yes, please. Even though it doesn't need a roll call, anytime we are on a teleconference, I recommend a roll call.

Mark Onesi: Do we have a motion to approve the addendum to the Management Plan for the H.E.L.P. loan program?

Jerald Wolfgang: So moved.

Scott Brydges: Second.

Mark Onesi: Okay, thank you. Do the roll call please.

Roxanne Morgan: Mr. Onesi (answered "yes")
Mr. Wolfgang (answered "yes")
Mr. McCabe (answered "yes")
Mr. Ross – (answered "yes")
Ms. Candella (answered "yes")
Mr. Robert Cliffe (answered "yes")
Mr. Scott Brydges (answered "yes")
Mr. Clifford Scott (absent)
Mr. Krempa (answered "yes")

Mark Onesi: The motion passes

Mark Onesi: 7.2 Barden & Robeson Corporation, Mr. Gabriele.

Mark Gabriele: There are two actions here. One may not come to fruition here and one will. Basically it's a consent as it states on your agenda to refinance. That refinance may or may not take place, but it goes hand in hand with the second request in the later which is they presently have a with the agency it's actually coming to the end of it. They are looking to release a part of their existing parcel and sell it to another company that is looking to develop it and is actually coming to the agency as well. So in order to do that the Board has to agree to release the parcel, which will result in lack of any other terms, we would take the legal description now and supplement it with another legal description of Schedule A of our various documents and after that make a revision to our underlying lease PILOT and let the County and the tax jurisdiction know of the change, but as required by our documents it requires consent to both potential refinance as well as the release of the parcel so what I'm asking this morning that the agency agree to release a portion of the parcel of the existing lease with respect to the project with Barden & Robeson.

William Ross: Mark, this is the same Barden & Robeson that we visited years ago in the pre-builds the framing and all that in Middleport.

Mark Gabriele: Yes

William Ross: I think several of us on the IDA went through their plant at the time. Very good operation.

Mark Garbrielle: This is fairly standard. The improvements stay on the property. If it ever happened that the improvements left and the jobs left then instead of asking for the release of the parcel I would

basically be bringing this to the Board for termination. They are just taking some of the vacant land adjacent to it and selling it.

Mark Onesi: How much are they taking?

Susan Langdon: I think something like 10 acres. It's not in their letter, but I did have a conversation with them.

Mark Onesi: We need a motion from the Board.

William Ross: So moved.

Jason Krempa: Second.

Roxanne Morgan: Mr. Onesi (answered "yes")
Mr. Wolfgang (answered "yes")
Mr. McCabe (answered "yes")
Mr. Ross – (answered "yes")
Ms. Candella (answered "yes")
Mr. Robert Cliffe (answered "yes")
Mr. Scott Brydges (answered "yes")
Mr. Clifford Scott (absent)
Mr. Krempa (answered "yes")

Mark Onesi: Thank you, motion passes. 7.3 Microenterprise Grant Applications, Andrea.

Andrea Klyczek: Yes, thank you Mr. Chairman. As the Board may recall back in March, I believe was our last meeting, we presented the agreement with Niagara County to administer the Microenterprise program and the Board voted to approve that. Our goal was to have as many companies come before the loan committee as soon as possible and get this money out to these companies and I think we have done a good job of that. The first one that I hope you will be approving today is Craft Coffee House. It is a small coffee house in Pendleton that is looking to acquire a larger facility across the street. They have a successful existing business, good existing credit, large amount of personal investment and the Board voted to approve them for a \$25,000 grant. Excuse me, the Committee.

Mark Gabriele: If I may interject Andrea, just for the Board's information. Now we have one committee which will review loans and micro grant applications and make a recommendation to the Board. This Coffee House for example they are making a recommendation to the Board to approve it. Now the Board can ask questions and vote to grant or not to grant. Thank you.

William Ross: I would just like to interject that Jason Krempa did a nice job on these grant applications and they are four good ones here. I have read through them and I think that these people could be successful. At least three out of the four without any question. Again Jason good job.

Jason Krempa: We had some very robust conversation around each of them. So I wouldn't say there is a rubber stamp on any of them, but I would say these four are all good indications of the kind of businesses that will be helped by this amount of money.

William Ross: If anyone as at the last leadership luncheon for Community College on March 12 at the Culinary Center we had the Craft Coffee House. That couple made a presentation there. I know a few of

you were at that one. The Graves Coffee House seen at that time making a presentation and going over their application, outstanding.

Mark Onesi: Any other questions or comments? We need a motion Mark?

William Ross: Ross, I'll move that one.

Kevin McCabe: Second.

Mark Onesi: Thank you, I need a roll call vote.

Roxanne Morgan: Mr. Onesi (answered "yes")
Mr. Wolfgang (answered "yes")
Mr. McCabe (answered "yes")
Mr. Ross – (answered "yes")
Ms. Candella (answered "yes")
Mr. Robert Cliffe (answered "yes")
Mr. Scott Brydges (answered "yes")
Mr. Clifford Scott (absent)
Mr. Krempa (answered "yes")

Mark Onesi: Thank you, 7.3.2 Brenda L. Kephart dba B & B BBQ, did they bring any to the meeting?

Susan Langdon: Unfortunately no.

Andrea Klyczek: B&B BBQ, Brenda had a successful food truck business and she is looking into acquiring a facility. If you look at the application you can see that our Underwriter gave some positive and negative factors. I think the committee voted to approve this based on the fact that she did have a successful food truck business in the past. She has put in a significant amount of her own personal funding. She's got good credit and she's going to be partaking in business classes with SBDC.

Mark Onesi: Any questions on this? Are these all \$25,000 grants?

Andrea Klyczek: They are.

Mark Onesi: Mark do you have any comments?

Mark Gabriele: No, again you just have to do roll call on each one.

Mark Onesi: Motion to put it before the Board first.

Robert Cliffe: So moved.

Scott Brydges: Second.

Roxanne Morgan: Mr. Onesi (answered "yes")
Mr. Wolfgang (answered "yes")
Mr. McCabe (answered "yes")
Mr. Ross – (answered "yes")
Ms. Candella (answered "yes")

Mr. Robert Cliffe (answered "yes")
Mr. Scott Brydges (answered "yes")
Mr. Clifford Scott (absent)
Mr. Krempa (answered "yes")

Mark Onesi: Thank you, motion carried. Graham Bros Enterprises.

Andrea Klyczek: Graham Bros. Enterprise, again another successful small business. Two brothers, excellent credit. The grant is \$25,000 to purchase a utility tractor and they are going to be funding the other 50% of this piece of equipment and it is going to allow them to expand their business quite a bit and they will be hiring a low to moderate income person as in the guidelines for this funding.

Mark Onesi: Are there any questions?

William Ross: Mark, just a little background on these Graham Bros. from Pendleton. They both attended NCCC one in horticulture and the other in business administration, so they were well suited and prepared to open a business although it just opened a couple of years ago in 2018 and they don't have to worry about a lot of capital in buildings because they are using their father's farm for storage and things like that. I was amazed at what they accomplished since 2018, the two brothers. They are well prepared. That preplanning and preparation really pays off.

Mark Onesi: That NCCC education doesn't hurt. Do we have any questions or comments? Do we have a motion to put it before the Board. I'm sure Mr. Ross wants to make that motion.

William Ross: Yes, Ross makes that motion. I was really impressed by these two men.

Scott Brydges: Second.

Mark Onesi: Roll call.

Roxanne Morgan: Mr. Onesi (answered "yes")
Mr. Wolfgang (answered "yes")
Mr. McCabe (answered "yes")
Mr. Ross – (answered "yes")
Ms. Candella (answered "yes")
Mr. Robert Cliffe (answered "yes")
Mr. Scott Brydges (answered "yes")
Mr. Clifford Scott (absent)
Mr. Krempa (answered "yes")

Mark Onesi: Great, motion carried. Last one 7.3.4, Northridge Printing Inc.

Andrea Klyczek: Northridge Printing, Mr. Verheyn he inherited the business rather unexpectedly from his father. He had worked in the company for years, but had left to do his own thing, but his father unexpectedly passed so he took over the company. He has been upgrading and expanding the operations. He has been purchasing new machinery and really modernizing the business. Oddly enough as a result of the Covid 19 epidemic he has actually created a lot of new business for him for manufacturing of labels and things of that sort. This grant will be helping him expand his business and he expects to be hiring several low to moderate income individuals within the next two years.

Mark Onesi: Do you know how many they are going to hire?

Andrea Klyczek: I think it is two.

William Ross: I think it is. I didn't write it down, but I thought it was two.

Andrea Klyczek: His obligation for the grant requirement is to hire one low to moderate income person within the next two years.

Mark Onesi: Then two would be good.

William Ross: The keyword here is stability. The father stated this way back in 1991. When he passed away, the son took it over. They have a long successful history. I just wanted to interject that.

Mark Onesi: Thank you. Do we have a motion or do we have any other questions first? Do we have a motion to put it before the Board?

William Ross: I make the motion.

Kevin McCabe: Second.

Mark Onesi: Roll call vote please.

Roxanne Morgan: Mr. Onesi (answered "yes")

Mr. Wolfgang (answered "yes")

Mr. McCabe (answered "yes")

Mr. Ross – (answered "yes")

Ms. Candella (answered "yes")

Mr. Robert Cliffe (answered "yes")

Mr. Scott Brydges (answered "yes")

Mr. Clifford Scott (absent)

Mr. Krempa (answered "yes")

Mark Onesi: Motion carried. Okay, information items. I don't think we have any.

Susan Langdon: Yes, this is Sue. I would like to let the Board know that as of two weeks ago Barb Gill, our Administrative Assistant, filed her retirement papers after 27 years of service here and she was pretty much an institution here and she will be missed.

William Ross: Her official retirement date Sue?

Susan Langdon: I believe it was May. Mike Dudley is handling that.

William Ross: So it is back dated. We will miss her. She did a good job. We always got our material, right Mark?

Mark Onesi: Always did, never a problem. That will be a big loss. Okay, anything else? Mark you have anything?

Mark Gabriele: Just two quick things. One, I just wanted to make sure I was clear. On the proposed HELP fund, we are not just limiting these loans to those groups that have PILOTS. It is open to any hotel that has an active bed. If it is being built and not operational, obviously that's a disqualifier. They have to be paying taxes and or PILOTS I just wanted to make sure that was clear and finally the Governor's directive in regards to open meeting law was extended as you can probably guess since we are doing a conference call today, it has been extended through July 6, 2020. Just for your purposes that is a Monday. Our next Board meeting is actually scheduled for Wednesday, July 8. So we are going to have to see how this plays out. If the Board is still not comfortable under these circumstances meeting in person, which is certainly understandable, we may entertain or discuss moving that date up a week or a couple of days. I just wanted to make sure that the Board understands that. It is being open up on July 6 it may present a small problem for our meeting on July 8.

Mark Onesi: A lot of things are going to be tentative until they come up with a plan. They make them last minute. We can keep that in mind. I have a Zoom account, but it's only good for a 40 minute meeting then call back in.

Susan Langdon: IDA has a Zoom account as well.

Mark Onesi: Good, at least we could get to see each other. Are there any other matters that the Board wants to talk about? Sue and Mark I would like you to stay on the line I have a couple of questions.

Susan Langdon: Okay.

Mark Onesi: So any other matters? Like Mark said the next meeting is July 8, 2020. Motion to adjourn, all in favor?

Everyone: Aye

Mark Onesi: Any opposed, Carried.

Meeting adjourned at 9:37 a.m.

PROJECT SUMMARY

Buffalo Fuel Corp.



Applicant:	Buffalo Fuel Corp.	
Project Location:	4870 Packard Rd City of Niagara Falls	
Assistance:	15 Year PILOT Sales Tax Abatement Mortgage Recording Tax Abatement	
Description:	<p>A 32,000 square foot ClearSpan building will be built, to be used as a TSD (Treatment, Storage, and Disposal) facility.</p> <p>The Building will also function as a recycling facility, and will be leased to SGS Recovery.</p> <p>Offices and bathrooms in the existing building, as well as the truck and maintenance shop will be renovated into a warehouse for fiber storage.</p>	
Project Costs:	Construction/Improvements Furniture, Fixtures & Equipment Soft costs & other <p style="text-align: right;">TOTAL</p>	\$ 1,917,000 \$ 300,000 <u>\$ 23,000</u> \$ 2,240,000
Employment:	Current jobs in Niagara County 23 New Jobs in Niagara County within 3 years: 11 Total Annual Payroll End Year 3: \$1,471,922 Skills: Management, Administrative, Production	
Evaluative Criteria:	Distressed Census Tract Eligible, Regional Wealth Creation	

REGIONAL ECONOMIC IMPACT ANALYSIS
Buffalo Fuel Corp.

Estimated State & Regional Benefits / Estimated Project Incentives Analysis

Total State and Regional Benefits	\$ 2,563,621
Total Project Incentives	\$ 527,141
Community Benefit to Cost Ratio	4.86:1
Projected Employment	State Region
Total Employment	102 102
Direct**	34 34
Indirect***	23 23
Induced****	26 26
Temporary Construction (Direct and Indirect)	19 19

Estimated State & Regional Benefits (Discounted Present Value*)

Total State and Regional Benefits	\$ 2,563,621
Income Tax Revenue	\$ 1,633,315
Sales Tax Revenue	\$ 552,249
Property Tax Revenue	\$ 378,057

Estimated Project Incentives (Discounted Present Value*)

Total Project Incentives	\$ 527,141
Property Tax	\$ 409,661
Sales Tax	\$ 100,680
Mortgage Tax	\$ 16,800

* Figures over 15 years and discounted by 3.49%

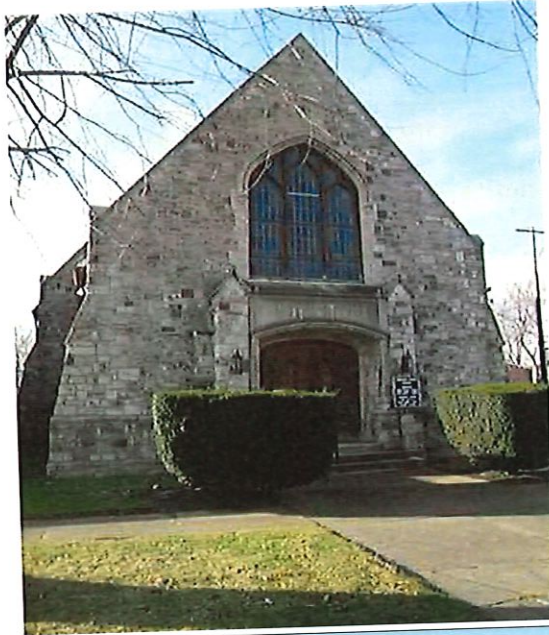
** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

Utilizing informANALYTICS modeling software, an economic impact analysis was conducted to measure new investment and employment for the project. This software is a widely accepted and an industry standard for economic impact modeling measuring employment and salary impacts and facility output on the community for a given project.

PROJECT SUMMARY
LSNY Holdings, LLC



Applicant:	LSNY Holdings, LLC	
Project Location:	650 Park Place, and 545 4 th St. City of Niagara Falls, 14301	
Assistance:	10 Year PILOT, Sales Tax Exemption	
Description:	<p>Acquisition and re-purposing of a vacant church, and two houses across the street into the <i>Museum of art and culture for Kashmir</i>, as well as residential space for visiting artists.</p> <p>The Museum will contain 600 original paintings, etchings, drawings and artifacts; the largest collection of Kashmiri art outside of Kashmir. Building 2 + 3 will be residential, to fully accommodate visiting artists, scholars and contributors.</p> <p>Residents will engage via art and cultural clinics with the local community, with possible partnerships with the Rapids Theater, Niagara Arts and cultural Center and Niagara University.</p>	
Project Costs:	Construction/Improvements Furnishings, Fixtures & Equipment Property Acquisition Soft costs & other <p align="right">TOTAL</p>	\$ 1,250,000 \$ 250,000 \$ 200,000 \$ 300,000 \$ 2,000,000
Employment:	Current jobs in Niagara County 0 New Jobs in Niagara County within 3 years: 4 Total Annual Payroll End Year 3: \$170,120 Skills: Management, Professional, Administrative, Independent Contractor	
Evaluative Criteria:	Distressed Census Tract, Regional Wealth Creation, Supports Local Business or Cluster.	

REGIONAL ECONOMIC IMPACT ANALYSIS
LSNY Holdings, LLC

Estimated State & Regional Benefits / Estimated Project Incentives Analysis

Total State and Regional Benefits	\$ 334,538
Total Project Incentives	\$ 223,190
Community Benefit to Cost Ratio	1.50:1

Projected Employment	State	Region
Total Employment	20	20
Direct**	4	4
Indirect***	1	1
Induced****	3	3
Temporary Construction (Direct and Indirect)	12	12

Estimated State & Regional Benefits (Discounted Present Value*)

Total State and Regional Benefits	\$ 334,538
Property Tax Revenue	\$ 171,839
Income Tax Revenue	\$ 121,497
Sales Tax Revenue	\$ 41,202

Estimated Project Incentives (Discounted Present Value*)

Total Project Incentives	\$ 223,190
Property Tax	\$ 153,190
Sales Tax	\$ 70,000

* Figures over 15 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

Utilizing informANALYTICS modeling software, an economic impact analysis was conducted to measure new investment and employment for the project. This software is a widely accepted and an industry standard for economic impact modeling measuring employment and salary impacts and facility output on the community for a given project.

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

LSNY Holdings, LLC

(Applicant Name)

6311 Inducon Corporate Drive, Suite One
Sanborn, New York 14132

Phone: 716-278-8760 Fax: 716-278-8769

<http://niagaracountybusiness.com>

Updated 2020

- I. Subject to the applicable statute, information provided by applicant will be treated as confidential until such time as the Agency takes action on the request. However, in accordance with Article 6 of the Public Officers Law, all records in possession of the Agency are open to public inspection and copy.
- II. The Niagara County Industrial Development Agency has a one thousand dollar (\$1000.00) non-refundable application fee that must accompany the application submission.
- III. At the time of the project closing, project applicant is required to pay certain costs associated with the project. The applicant shall be responsible for the payment of an Agency fee in the amount of one percent (1.00%) of the total value of the project, together with Agency counsel fees as set forth in the Agency fee policy schedule, together with various related costs, including but not limited to public hearing expenses. Upon request, a fee summary will be provided to each applicant.
- IV. One (1) original signed copy of the Application and Environmental Assessment form should be submitted with the Application for Assistance.

The Niagara County Industrial Development Agency does not discriminate on the basis of race, color, religion, sex, sexual orientation, marital status, age, national origin, disability or status as a disabled or Vietnam Veteran or any other characteristic protected by law.

6311 Inducon Corporate Drive ■ Sanborn, NY 14132-9099 ■ 716-278-8760
Fax 716-278-8769 ■ www.niagaracountybusiness.com

NIAGARA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: LSNY Holdings, LLC

Mailing Address: 8100 Floss Ln., East Amherst, NY 14051

City/Town/Village & Zip code: East Amherst

Phone: 716-541-4401

Website: centerforkashmir.org

Fed Id. No.: 85-1071855

Contact Person, and Title: Dr. Khurshid A. Guru

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Dr. Khurshid A. Guru, and Dr. Lubna S. Guru

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 2)

Date of organization: May 18, 2020

State of Organization: New York

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

APPLICANT'S COUNSEL

Company Name: Nixon Peabody LLP

Contact Person, and Title: Anita Pelletier

Mailing Address: 1300 Clinton Square

City/Town/Village & Zip code: Rochester, NY 14604-1792

Email: apelletier@nixonpeabody.com

Phone: 716-597-5344

Fax No.: 716-299-8951

II. PROJECT INFORMATION

- A) Project Address 1: 650 Park Place, Niagara Falls, NY 14301
Project Address 2: 545 4th St Niagara Falls, NY 14301

Tax Map Number (SBL) 159.21-1-8 & 159.21-2-43
(Section/Block/Lot)

Swiss Number _____

Located in City of _____

Located in Town of _____

Located in Village of _____

School District of _____

- B) Current Assessment of Property:
Land \$17,300 + 2,100 = \$19,400
Total \$68,000 + \$20,000 = \$88,000

- C) Present legal owner of the site Michael Suszek
If other than from applicant, by what means will the site be acquired for this project?

N/A

- D) 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.

- E) Describe the project:

Acquisition and re-purposing of an unused property (church) + two houses across the street.

F) *Estimated Project Costs:*

Property Acquisition	\$200,000
Construction (Improvements)	\$1,250,000
Equipment Purchases/Fixtures/Furnishings	\$250,000 (Including HVAC, FF&E)
Soft costs (i.e., engineering, architectural)	\$175,000 (Including Design)
Other (describe)	\$125,000
TOTAL USES OF FUNDS	\$2,000,000

G) *Sources of Funds for Project Costs (Must match Total uses of Funds):*

Bank Financing	
Equity	\$1,500,000
Grants/Tax Credits	\$500,000
Tax Exempt Bond	\$
Taxable Bond	\$
TOTAL SOURCES OF FUNDS	\$2,000,000

Identify each state and federal grant/credit:

Federal and State Historical Tax Credits	\$500,000
	\$
	\$

	\$
TOTAL PUBLIC FUNDS	\$500,000

H) Inter-Municipal Move Determination

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 or No

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York?

Yes or No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York?

Yes or No

If Yes to any of the questions above, 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:

Project Data

1. Project site (land)

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

0.2 acres (building 1) + 0.2 acres (building 2+3)

(b) Indicate the present use of the project site.

9,468 SF (building 1 - church) + 3,700 SF (building 2 & 3 - residential)

2. Indicate number, size (in square feet) and approximate age of existing buildings on site

3 buildings. 1 building (church 9,468 SF), 97 years old + 2 buildings (residential 3,700 SF each), 52 years old.

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size (in square feet) 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.

Building 1: new roof + masonry repair+ complete interior gutting and repurposing + new mechanicals/engineering + new electrical. Building 2 + 3: fix foundation + finish flooring + finish walls + new HVAC + new electrical – essentially needs complete rehabilitation (currently houses are boarded)

5. 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.

N/A

6. List principal items/categories of equipment to be acquired as part of the project.

HVAC + Humidity Control Systems + Security Systems

Building 1: Museum of art and culture for Kashmir, 600 original paintings, etchings, drawings and artifacts; the largest collection of Kashmiri art outside of Kashmir. Building 2 + 3: Residential, to fully accommodate visiting artists, scholars and contributors. Residents will engage via art and cultural clinics with local community, with possible partnership with Rapids Theater, Niagara Arts and cultural Center and Niagara University.

8. Has construction work on this project begun?

No

III. **FINANCIAL ASSISTANCE REQUESTED**

A) Benefits Requested:

Sales Tax Exemption Mortgage Recording Tax Exemption

Real Property Tax Abatement (PILOT)

B.) Value of Incentives:

Property Tax Exemption (To be estimated by NCIDA Staff. See Page 14)

Estimated duration of Property Tax exemption: 10 Year PILOT

Sales and Use Tax

Estimated value of Sales Tax exemption for facility construction: \$50,000

Estimated value of Sales Tax exemption for fixtures and equipment: \$20,000

Estimated duration of Sales Tax exemption: 12 Months

Mortgage Recording Tax Exemption Benefit

Estimated value of Mortgage Recording Tax exemption: \$N/A

C.) Likelihood of Undertaking Project without Receiving Financial Assistance:

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes or No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

The Center for Kashmir (CFK) would be a key investment in the City's economic rebirth. The CFK museum would be a unique addition to the tourist attraction stops. The CFK museum already has a collection worth \$2,000,000 that is ready to be displayed. The Center will immediately add five new jobs, all of them are planned as local hires. With our estimated full calendar of weekend events (wedding receptions, etc.), there will be ongoing need for part-time jobs in the double digits. Museum supplies and gift shops materials will all be sourced from local vendors.

IV. EMPLOYMENT PLAN

	Current # of jobs at proposed project location or to be relocated to project location	If financial assistance is granted, what is the number of Full Time Equivalent (FTE) jobs to be RETAINED	If financial assistance is granted, what is the number of Full Time Equivalent (FTE) jobs to be CREATED upon three years after project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	0	0	3	3
Part Time (PTE)	0	0	2	2
Total Payroll	0	0	\$170,120	\$170,120

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Local Labor Marker Area, in the fourth column. The Local Labor Marker Area includes Niagara County, Erie County, Chautauqua County, Cattaraugus County, Allegany County, Wyoming County, Genesee County, and Orleans County.

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	Number of Jobs Per Category	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	2	\$35,000 - \$70,000	Health + Dental
Professional	1	\$15,000 - \$25,000	Annual Bonus
Administrative	1	\$14,400	Annual Bonus
Production			
Independent Contactor	1	\$30,720	N/A

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) ("JTPA") 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 JTPA 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. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would 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 or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

G. Compliance with Applicable Laws: The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

H. False and Misleading Information: The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

I. Recapture: Should the Applicant not expend or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.

J. 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 the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein 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.

STATE OF NEW YORK)
COUNTY OF Erie) ss.:

I, Khurshid A. Guru, being first duly sworn, deposes and says:

1. That I am the CEO (Corporate Office) of LSNY Holdings LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

Khurshid Guru
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 22 day of June, 2022

Ann Marie Gibney
(Notary Public)

ANN MARIE GIBNEY
Notary Public, State of New York
Reg. # 01G15025722
Qualified in Erie County
My Commission Expires April 4, 2022

This Application should be submitted to the Niagara County Industrial Development Agency, 6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132.

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

HOLD HARMLESS AGREEMENT

Applicant hereby releases the NIAGARA 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.

Khurshid Gurm
(Applicant Signature)

By: LSNY Holdings LLC
Name: KHURSHID A. GURM
Title: CEO, LSNY Holdings LLC

Ann Marie Gibney
(Notary Public)

ANN MARIE GIBNEY
Notary Public, State of New York
Reg. # 01G15025722
Qualified in Erie County
My Commission Expires April 4, 20 22

Sworn to before me this 22 day
of June, 2020

[stamp]

Real Property Tax Benefits (Detailed)

** This section of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$1,500,000	\$400,000	\$9.543135	\$37.512484	\$19.548715

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	20	\$763	\$3,001	\$1,564	\$5,328	\$26,641	\$21,313
2	25	\$954	\$3,751	\$1,955	\$6,660	\$26,641	\$19,981
3	30	\$1,145	\$4,501	\$2,346	\$7,993	\$26,641	\$18,649
4	35	\$1,336	\$5,252	\$2,737	\$9,325	\$26,641	\$17,317
5	40	\$1,527	\$6,002	\$3,128	\$10,657	\$26,641	\$15,985
6	45	\$1,718	\$6,752	\$3,519	\$11,989	\$26,641	\$14,653
7	50	\$1,909	\$7,502	\$3,910	\$13,321	\$26,641	\$13,321
8	55	\$2,099	\$8,253	\$4,301	\$14,653	\$26,641	\$11,989
9	60	\$2,290	\$9,003	\$4,692	\$15,985	\$26,641	\$10,657
10	65	\$2,481	\$9,753	\$5,083	\$17,317	\$26,641	\$9,325
TOTAL		\$16,223	\$63,771	\$33,233	\$113,227	\$266,410	\$153,190

*Estimates provided are based on current property tax rates and assessment value

Cost Benefit Analysis:

To be completed/calculated by AGENCY

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
*Estimated Sales Tax Exemption	\$ <u>70,000</u>	New Jobs Created Permanent <u>4</u> Temporary <u>0</u>
		Existing Jobs Retained Permanent <u>0</u> Temporary <u>0</u>
Estimated Mortgage Tax Exemption	\$ <u>N/A</u>	Expected Yearly Payroll \$ <u>170,120</u>
Estimated Property Tax Abatement	\$ <u>153,190</u>	Additional Revenues to School Districts \$ <u>33,233</u>
		Additional Revenues to Municipalities County: \$ <u>16,223</u> City: \$ <u>63,771</u>
		Other Benefits <u>\$500,000 Grants</u>
Estimated Interest Savings IRB Issue	\$ <u>N/A</u>	Private Funds invested \$ <u>1,500,000</u> Likelihood of accomplishing proposed project within three (3) years <input checked="" type="checkbox"/> Likely or <input type="checkbox"/> Unlikely

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's Involvement in the Project. PLEASE NOTE: These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture" on page 11).

\$ 875,000

(to be used on the NYS ST-60)

UPDATED 2020

**Request for Grant Approval
Niagara County Industrial Development Agency
Microenterprise Assistance Program**

Grant Applicant: Calhoon's Pub of Newfane, Inc., "Calhoon's", a New York subchapter S Corporation formed on February 4, 1976

Tax ID#: 16-1061088

DUNS: 04-270-7125

Current Business Address: 2598 Main Street, Newfane, NY 14108

Proposed Business Address: SAME

Telephone: Business: 716-638-0455
Morgan Calhoon: 716-523-7247

Management/Ownership: Morgan Calhoon- Pres. 100%

Website: <https://www.facebook.com/calhoonspub>

Business: Tavern and limited food menu items

NAICS#: 722410-Drinking Establishments (alcoholic beverages)
722513 – diners, limited service

Date of Review: June 3, 2020

Grant Request

Grant Amount: \$25,000

Grant Term: Release upon grantee compliance with all grant requirements and closeout of OCR grant.

Interest Rate: 0% - Grant Request

Repayment: None – Grant Request

Project Description: Calhoon's Pub of Newfane is currently closed for business due to the COVID-19 pandemic and concerns about the health and safety of staff and customers. The owner has plans to open in mid-June for curbside take out service only to start. Ms. Calhoon has used the time since closing in March to plan improvements to the business. The project costs total \$33,000, which include renovations to the interior bar/restaurant and remodeling of the kitchen allowing the company to expand their cooking capabilities and menu offerings; in addition the renovations will provide increased prep space allowing for increased production of their unique barbeque sauce. Project costs also include funds for inventory

for the food service and their barbeque sauce production; funds for working capital, including improving the business website to include the history of the business and new menus, and to allow for online ordering. The renovated space with new kitchen equipment will provide the business with increased capacity to expand its menu offerings and meet customer demand.

Uses of Funds: Grant funds will be used for the purchase of kitchen equipment, inventory and working capital as detailed in the attached Addendum.

History and Background of the Applicant

Calhoon's Pub of Newfane, Inc. ("Calhoon's"), a New York subchapter S corporation formed in 1976, has been a mainstay of the Newfane community for over 30 years and has been operated by three generations of the Calhoon family, most recently Morgan Calhoon (the 100% owner) and her husband Tom Lang. Calhoon's is located at 2598 Main Street in the Town of Newfane. The business includes a bar and restaurant, an outdoor pavilion and a "grove". The outdoor space is used for a summer volleyball league and live music and other events and is routinely donated to local organizations for fundraisers. Calhoon's is known for supporting local breweries and distilleries, and offers beverages from Blackbird Cider Works, Woodcock Brothers, New York Beer Project, Schulze Vineyard and Winery, Black Willow Winery, and Victorianbourg Wine Estate. Food is purchased from local farm stands and markets and other local businesses. Morgan Calhoon has been active in the Newfane Business Association and the Town of Newfane Tourism Committee and has sponsored events to promote local businesses. In September 2019, Calhoon's launched its own barbeque sauce, Bumper's Mighty Fine BBQ sauce, which it produces onsite and markets locally.

Morgan made the decision to close the business in March 2020 due to the COVID-19 pandemic and concerns about the health and safety of staff and customers. They plan to reopen on June 17, offering curbside service only, and have developed a new takeout menu. The takeout business will operate Wednesday-Saturday 4:30 p.m. -8:30 p.m. Initially, the business will be staffed by Morgan and Tom only. It is hoped that business volume will be sufficient to allow for the hiring of a part time bartender within 3 months and that they will be able to add additional part time bartenders and a part time kitchen staffer within twelve months. Based on their Federal tax returns, Morgan and Tom do not qualify as low-moderate income pursuant to HUD regulations and, therefore, will be required to create one full-time equivalent job that is available to low-mod individuals based on the requisite skills, education, and experience.

Morgan and Tom have used the time since closing the business to plan improvements to the overall business. A pressing need is the remodeling of the kitchen which is outdated and could not efficiently handle the volume of food production prior to the shutdown. The redesign of the kitchen will allow them to expand their cooking capabilities (and menu offerings) and will provide increased prep space as well as allowing them to increase production of their barbeque sauce. They also plan to improve the business' website, which will include the history of the business and menus and will allow for online ordering. They are requesting a \$25,000 grant which will be used to fund the purchase of kitchen equipment, working capital, inventory for the food service and barbeque sauce production, and the website redesign. Building renovations will be funded from company equity.

The Project

Calhoon's Pub has been temporarily closed since early March 2020. The owner and her spouse have planned a redesign of the kitchen to allow for expanded cooking capabilities and menu offerings. The kitchen will have increased prep space as well as space for the increase production of their barbeque sauce. In addition, the project involves the purchase of new kitchen equipment as evidenced by the quotes attached to the analysis.

The anticipated NDCD microenterprise grant funds will be used to fund the purchase of new kitchen equipment, inventory and working capital. The building renovations will be funded from company equity. See sources and uses of funds below.

Sources and Uses of Funds

	Niagara Co. Micro Grant	Owner Equity	Total Budget
Renovations		8,000	8,000
Equipment *	17,000		17,000
Inventory	1,550		1,550
Working Capital	6,450		6,450
Total	25,000	8,000	33,000
	76%	24%	100%

* Attached to the analysis is the cost documentation including quotes, estimates and/or screenshots of the equipment to be purchased.

Financial Analysis

Historical Financials & Financial Projections

We are in receipt of 2017-2018 corporate tax returns and internally prepared 2019 FYE financials. The company generated on average \$340-350M in gross revenues per year. Food purchases account for approximately 24% of total sales and bar/(alcohol) revenues ~74%. Less than ~2% of total sales were from merchandise and barbeque sauce sales. The restaurant is approximately 4,500 sf and has a maximum occupancy of 135 persons. The commercial real estate, currently unencumbered, is owned personally by Morgan Calhoon. Ms. Calhoon does not charge the operating company rent yet but may do so in the future when there is consistent profitability. The current space constraints in the kitchen limit the equipment and storage space which in turn limits the menu. Total revenues for 2020, which includes January through the second week in March when the business closed, amounted to \$59M.

The following three-year financial projections were provided by the applicant with the assistance of the Small Business Development Center. Both the owner and her spouse will be working full-time at the bar/restaurant. They plan to reopen on June 17th, offering curbside service only and have developed a new takeout menu. Initially, the business will only offer takeout food and will have limited hours and operate four days per week. Their plan is to slowly increase business volume sufficient to allow for the hiring of a part time bartender within three months and additional staff within 12 months.

The owner has conservatively forecasted Year 1 projected revenues at 40% less than 2019 revenues due to timing of restaurants being allowed to open for dine-in seating as directed by NYS mandated guidelines. Year 2 revenues are projected to return to levels that the company had generated in previous years, in the \$300M range. Prior to 2017, the business was owned by Ms. Calhoon's mother who died in late 2016. According to Morgan Calhoon, many patrons supported the business shortly after her mother passed thereby achieving higher than usual sales levels. Later, Morgan Calhoon and her husband changed menu items and increased prices to cover increases in their costs, which caused sales to fluctuate. Morgan admits that when the business was owned by her mother, sales were slightly higher but profitability suffered as her mother did not increase prices to keep up with increases in cost of good sold.

The projections reflect sales figures similar to a start-up business and management will take careful steps re-opening, modifying the menu for take-out only to start and ramping up as dine-in seating is phased in. However, after a ramp-up year, based on the increased production capacity and more efficient kitchen prep space, Year 2 and 3 show a 50% and 10% growth rate respectively, with a net profitability in both years.

Since this analysis involves a \$25,000 grant, there is no commentary regarding debt service/ability to pay. It is important to note that the company has no current long-term debt and does not forecast future borrowings.

Source:	Corp. Tax Returns		Internal	3 mos. *	Projections		
Calhoon's Pub of Newfane, Inc.	2017	2018	2019	2020	Year 1	Year 2	Year 3
Total Revenues	355,578	359,381	340,646	58,849	204,031	306,047	336,651
Cost of Goods Sold	(162,262)	(150,991)	(142,071)	(16,686)	(91,814)	(117,773)	(129,550)
Gross Profit	193,316	208,390	198,575	42,163	112,217	188,274	207,101
SG&A Expenses							
Officer salary	41,325	28,061	27,300	10,140	28,061	28,903	29,770
Salaries/Wages	51,164	66,146	76,477	21,754	17,049	59,496	65,900
Taxes and licenses	15,884	16,238			16,238	16,725	17,227
Depreciation & Amortization	2,854	2,804			6,417	6,417	6,417
Interest Expense	128	0			0	0	0
Other SG&A expenses	88,343	78,396	84,447	10,785	49,712	52,585	56,102
Total Operating Expenses	199,698	191,645	188,224	42,679	117,477	164,126	175,416
Pre-Tax Net Income/(Loss)	(6,382)	16,745	10,351	(516)	(5,260)	24,148	31,685
Add Back:							
+ Depreciation Exp.	2,854	2,804	0	0	6,417	6,417	6,417
+ Interest Exp.	128	0	0	0	0	0	0
Cash Flow Available for Debt Service	(3,400)	19,549	10,351	(516)	1,157	30,565	38,102
Debt Service:							
<i>no long term debt</i>							
Projected Debt Service	0	0	0	0	0	0	0
Debt Service Coverage							

* Business operations ceased March 15, 2020 due to the outbreak of the pandemic COVID-19 and management's decision to adhere to the NYS Governor mandate for close of non-essential businesses.

Balance Sheet Projection

A three-year balance sheet projection was provided by the applicant. Since the commercial real estate is owned by Morgan Calhoun individually, the balance sheet below lists nominal fixed assets. The company has no long-term debt and does not expect to borrow in the near future.

	5/13/2020	Project	Year 1	Year 2	Year 3
ASSETS					
Current Assets					
Cash	78,441	5,400	70,387	98,951	134,313
Inventory	0	1,550	5,500	7,500	9,550
Total Current Assets	78,441	6,950	75,887	106,451	143,863
Fixed Assets					
Leasehold Improvements (renovations)	0	8,000	8,000	8,000	8,000
Equipment, Furn., Fixtures	1,560	17,000	18,560	18,560	18,560
Less: Accumulated Deprec. & Amort.	0	0	(6,417)	(12,833)	(18,560)
Net Fixed Assets	1,560	25,000	20,143	13,727	8,000
Other Assets					
Website Design	0	1,050	1,050	1,050	1,050
Net Other Assets	0	1,050	1,050	1,050	1,050
Total Assets	80,001	33,000	97,080	121,228	152,913
LIABILITIES					
Current Liabilities					
Account Payables	12,628		1,967	1,967	1,967
Accruals	22,634		22,634	22,634	22,634
Deposits	6,372		6,372	6,372	6,372
Sales Tax Payable	26,162		26,162	26,162	26,162
Current Portion of LTD	0		0	0	0
Total Current Liabilities	67,796	0	57,135	57,135	57,135
Shareholders' Equity					
Opening Balance Equity	11,198		11,198	11,198	11,198
Owner's Investment	0	8,000	8,000	8,000	8,000
Microenterprise Grant	0	25,000	25,000	25,000	25,000
Net Income/(Loss)	10,351		(5,260)	24,148	31,685
Retained Earnings	(9,344)		1,007	(4,253)	19,895
Total Shareholders' Equity	12,205	33,000	39,945	64,093	95,778
Total Liabilities & Owner's Equity	80,001	33,000	97,080	121,228	152,913

Employment

Based upon their 2018 Federal tax returns, Morgan and Tom do not qualify as low-moderate income pursuant to HUD regulations and, therefore, will be required to create one full-time equivalent job that is available to low-mod individuals based on the requisite skills, education, and experience. Ms. Calhoun is anticipating hiring three part-time employees (bartenders and kitchen person) within the first 12 months and a full-time employee by the end of year two. The new employment will satisfy a national objective and obligation of the business.

Credit Reports and Personal Financial Statement

Corporate D&B

On the company's D&B report dated March 4, 2020, the company's Commercial Credit Score Percentile is 87. This indicates that it pays its vendors on time and is considered a low to moderate risk of payment delinquency. The D&B report shows no public filings registered for the business. An online search showed no public lien filings against the company's assets. No bankruptcy, derogatory liens, judgments or derogatory payment information were reported.

Personal Credit Report

The Equifax personal credit report dated May 18, 2020, for **Morgan Calhoon** shows a FICO Score of 686 and a credit rating of Good Credit. Credit has been established since 2004. The credit report shows four open revolving credit lines totaling \$35,000 with total outstanding balance of \$1,441. The report also shows a real estate mortgage, with an outstanding balance of \$106,000, and education loans totaling \$45M. The mortgage and education loan figures are fairly consistent with information reported on the applicant's personal financial statement. Applicant did not report any outstanding revolving balances. All accounts are paid timely and as agreed. No bankruptcies, judgments or delinquencies were reported.

Personal Financial Statement

Morgan Calhoon submitted a Personal Financial Statement dated on March 4, 2020, which is shown below.

<u>Assets</u>	<u>Morgan Calhoon</u>	
Cash on Hand	\$	4,190
IRA		86,576
Automobiles		7,750
Personal Residence *		77,500
Business Property *		129,200
Rental Property *		265,000
Total Assets	\$	570,216
<u>Liabilities</u>		
Education loans		37,341
Mortgage- Rental Property *		106,894
Total Liabilities	\$	144,235
Net Worth	\$	425,981
<u>Liquidity</u>		
Cash on Hand		4,190
	\$	4,190

* The personal residence at 2594 Main Street in Newfane, which is next door to the bar/restaurant, is unencumbered as well as the business property at 2598 Main Street in Newfane, NY. Rental property on Shosone Street in Buffalo, having a market value of \$265,000, has an outstanding mortgage of \$106,894.

Based on their 2018 federal personal tax returns, the Calhoon/Lang family income does not qualify them as a low-moderate income persons per HUD regulations. As a result, they are required to create one full-time equivalent job that is available to low-mod individuals based on the requisite skills, education, and experience in order to satisfy a national objective.

Risk Assessment

Positive Factors:

- Owner is the third generation of the Calhoon family to own and operate the bar/restaurant business, which has been a mainstay in the Newfane community for over 30 years.
- Business operates a bar and restaurant which includes an outdoor pavilion and grove, providing ample space to hold outdoor live music and other events as well as fundraisers and a volleyball league.
- Owner has strong relationships with local organizations, suppliers, business partners (farmers markets, wineries/breweries), and is active in local business associations and tourism committees. The company has sponsored many events in an effort to promote local businesses.
- Over the years, the business has developed a strong following for their food and an increased demand for their recently launched unique barbeque sauce, Bumper's Mighty Fine BBQ sauce, which is sold on-site and marketed locally.
- New kitchen design and layout, along with new kitchen equipment, will provide increased production space for dining/take-out food and BBQ sauce production which will allow expanded menu offerings to meet forecasted customer demand.
- Funds are earmarked for marketing and advertising strategies to improve company's website to allow for online ordering and new menu items. The company intends to capitalize on their strong presence on social media where they have over 2,300 Facebook and Instagram followers.
- Owner has a good personal credit score and history and has a financial cushion to support potential cost overruns.
- They plan to hire new employees within the next two years.
- Owner will make a personal capital injection of \$8,000 which represents 24% of the total project cost.

Negative Factors:

- Success for the business has a strong reliance on marketing and repeat clientele to grow the business and cover expenses.
- The extent of the impact of COVID-19 on the company's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on customers, employees, and vendors, all of which cannot be predicted.

Summary / Recommendations

If approved based on the positive factors noted above, it is recommended that grant be structured as follows:

Grant Amount: \$25,000

Grant Term:	Release upon closeout of OCR grant and satisfaction of any repayment obligation
Interest Rate:	N/A
Repayment:	Grant subject to recapture if Grantee fails to comply with grant requirements
Collateral/Security:	None.
Training:	Grantor should obtain documentation confirming that the owner of the business has completed an approved Microenterprise Technical Assistance Program prior to disbursing grant proceeds.
Equity Injection:	Grantor should obtain documentation evidencing the minimal injection of \$3,300 (10% of total project) in cash equity by the owner prior to disbursing grant proceeds.
Employment:	Grantor should obtain documentation confirming that the Grantee has created at least one FTE job which is available to low-moderate income persons prior to disbursing grant funds.

Grant Assessment

Eligibility

- The business is a commercial enterprise that has five (5) or fewer employees, one (1) or more of which is the principal and owns the enterprise.
- The business ownership has committed a minimum of 10% equity toward the project budget.
- A principal of the business has completed an approved Microenterprise Technical Assistance Program. (Verification required that this condition has been satisfied.)

National Objective

- The microenterprise owner is a person of low- or moderate-income as defined by the U.S. Department of Housing and Urban Development; or
- The microenterprise will create at least one full-time equivalent job available to individuals of low- or moderate-income.

Microenterprise Type

- The microenterprise is a "start-up business", defined as having been in operation for less than six (6) months from the time of application; or
- The microenterprise is an existing business that as of the time of application has been operating for longer than six (6) months.

Feasibility

The applicant is a well-established business in Newfane in Niagara County. The business has been recently closed due to COVID-19 pandemic and resulting concerns for the safety of their employees and customers. With her past experience and background, Ms. Calhoon has demonstrated her commitment re-start the business and to grow and expand its reach in Niagara County. Based upon the historical revenues and profitability of the business as well as the projected financials, it is feasible that the business will continue successfully with their expansion plans.

Impact

The applicant will offer a newly designed interior and expanded kitchen prep area along with new kitchen equipment to provide additional menu items for lunch and dinner. The business provides the community with affordable food and beverages and provides employment for Ms. Calhoon and future employees.

10% Equity Contribution Requirement

The grant applicant is aware that receipt of a grant and the subsequent disbursement of grant funds is subject to evidence of an equity contribution by the grant recipient of at least 10% of total project costs in compliance with the guidelines of the Niagara County Microenterprise Program.

Prepared by: Elizabeth M. Kraus, VP Commercial Finance
H. Sicherman / the Harrison Studio
June 3, 2020

**Request for Grant Approval
Niagara County Industrial Development Agency
Microenterprise Assistance Program**

Grant Applicant: Brewed & Bottled, LLC dba Brewed and Bottled Craft Beer Shop ("Brewed & Bottled"), a New York limited liability company formed on July 21, 2015

Tax ID#: 47-4672649

DUNS: 04-436-1089

Business Address: 442 Center Street, Lewiston, NY 14092

Telephone: 716-741-3147

Management/
Ownership: Christopher Budde, Principal 100%

Website: www.brewedbottled.com

Business: Sales of beer and hard cider; retail sales; permit to drink on premises

NAICS#: 722410 (drinking places and retail)

Date of Review: June 12, 2020

Grant Request

Grant Amount: \$25,000

Grant Term: Release upon grantee compliance with all grant requirements and closeout of OCR grant.

Interest Rate: 0% - Grant Request

Repayment: Grant subject to recapture if Grantee fails to comply with grant requirements

Collateral/Security: None

Project Description: Brewed & Bottled is a combination bar and retail shop offering local craft beer and hard cider to drink and/or purchase in the Town of Lewiston. The company is moving its operation due to the sale of its original location. The project includes outfitting new space (1,000 sf) at a new location on Center Street in Lewiston, not far from the original business location. The new location, which includes a beer garden behind the shop, is a build-to-suit space and the owner has signed a three-year lease with the property owner. The total project cost of \$39,940 includes funds for FF&E, inventory, and working capital, including professional fees, permits, filing fees, legal expenses, and equipment relocation costs. The owner is expecting to re-open once renovations are complete and FF&E is in place, which is anticipated to be in late August/early September.

Uses of Funds: The requested grant proceeds will be used for equipment, furnishings and fixtures. The cost documentation is attached to this analysis.

History and Background of the Applicant

Brewed & Bottled, LLC, a New York limited liability company formed in 2015 and doing business as Brewed & Bottled Craft Beer Shop ("Brewed & Bottled"), is a combination bar and retail shop offering craft beer and cider to take home or drink on premises based in Lewiston, New York. The company is 100% owned by Christopher Budde. Mr. Budde has an Associate's degree in Digital Media from NCCC and, prior to starting Brewed & Bottled, held various positions with Black Bird Cider Works located in Barker, New York. The business officially opened in August of 2016 and was located at 402 Center Street in Lewiston until January 2020. The property was sold at the end of 2019 and Mr. Budde was able to find a new location at 442 Center Street. The new location is a build to suit space and Mr. Budde has signed a three-year lease with the property owner. The new location will be approximately 1000 sq. ft. and will include a beer garden behind the shop. There will be 6 tables inside, seating approximately 36 people, and 12 high top tables outside in the beer garden. Construction stopped due to the COVID-19 pandemic, delaying the move. Construction of the tenant improvements has restarted but the opening may be delayed depending on the "phased in" plan for this particular type of business. It is currently anticipated that the business may be able to reopen in August or September 2020.

Brewed & Bottled has a reputation for carrying a unique selection of craft beer and hard cider, plus a rotating selection of draft beer and hard cider. The company works closely with local breweries and cideries from Niagara County including Woodcock Brothers, Brickyard Brewing Company, and BlackBird Cider Works. They also have close relationships with many other New York State breweries and support local beer distributor, Try It, including their Buffalocal portfolio, a collection of Western New York breweries. The business will continue to host product releases for breweries, including limited releases that are not widely available in Western New York. In addition to supporting local breweries, Brewed & Bottled also works with local restaurants for food and beer pairings and sells products from The Spicy Pickle, a local Mexican restaurant, and Sgt. Pepper's Hot Sauce Etc., a local specialty food and gourmet shop. The new location will include a beer garden where events supporting Niagara County artists, craft makers, and food vendors can be held.

Brewed & Bottled has a strong social media presence on Instagram, Facebook, Twitter and Untapped. They have over 3,000 Facebook and Instagram followers. Their website www.brewedbottled.com feeds all of the information from Instagram, etc. and each are updated two times a day, four days a week. Jessica Budde, (Chris's wife) is a digital marketer and handles the background analytics to get optimal views and followers. Once the new location is open, Mr. Budde plans on joining the Buffalo-Niagara Brewers Association for additional exposure and partnering with other local breweries.

Brewed & Bottled has lost revenue as a result of its temporary closure related to its relocation, which has been extended by restrictions related to COVID-19. In addition to delaying its reopening, the pandemic will also impact future revenues as a result of the cancellation of the Taste of Lewiston, Garden Fest, and the Annual Art Festival, which typically generate around \$15,000 in revenues. If the Lewiston Jazz Festival and Lewiston Harvest & Hops Festival are also cancelled, the business could face another \$18,000 of lost revenue. In addition to facing lost revenues, the company will be incurring the cost of purchasing additional refrigeration equipment and fixtures for the new location, along with the expense of re-permitting through the NYS Liquor Authority and other moving expenses. Totals costs are

estimated at \$39,940. The company is seeking a grant of \$25,000 to fund equipment and fixtures and working capital expenses associated with reopening the business. The company's equity contribution will come from cash reserves generated in 2019 and revenues from the liquidation of its inventory prior to closing its original location. Mr. Budde does not qualify as a low-moderate income person and will be required to create one FTE. He expects to hire two part time employees once the move is complete.

The Project

The owner is requesting \$25,000 microenterprise grant funds for new equipment, furnishings and fixtures and inventory associated with the outfitting of their new space on Center Street in the Town of Lewiston. The owner plans to inject 63% of the total project costs, with the remaining funds to come from the Niagara County microenterprise grant. We are in receipt of the cost documentation for the FF&E which represents quotes and estimates from various restaurant purveyors. See sources and uses below for breakdown of the funds for the project.

Sources and Uses of Funds

	Niagara Co. MicroGrant	Owner Equity	Total Budget
Equipment, furnishings & fixtures	19,140		19,140
Inventory	5,860	7,140	13,000
Working Capital *		7,800	7,800
Total	25,000	14,940	39,940
	63%	37%	100%

* Working capital includes professional fees i.e. NYS Liquor Authority permits and filing fees, legal and equipment relocation fees.

Financial Analysis

Historical Financials & Financial Projections

We are in receipt of 2017-2019 corporate tax returns for the company. The business started operations in August 2016 and the historical financials set forth below include three full years. The business sells locally brewed craft beer and hard cider (with a license permitting drinking on premises) along with merchandise in a retail shop. Sales have steadily increased over the years and reached a high of \$380M in sales at 12/31/2019 due to repeat clientele and marketing on social media. The landlord sold the building in November 2019 and owner Chris Budde found a new location on Center Street near their former location. The costs to renovate the new space is built into the three-year lease. Mr. Budde takes a draw from the operations, ~\$45,000, when the business can afford to do so rather than a specific officer salary.

The three-year financial projections were prepared with the assistance of the Small Business Development Center. According to management, the projections were dramatically reduced due to the national COVID-19 pandemic and the process of re-opening under new guidelines. The first full year of sales takes into account phasing in occupancy levels at 25% and 50%. The second and third pro forma year assumes full occupancy levels for both indoor drinking/seating and with an increase in sales by 25%

leveling at 15% years thereafter. First full year of operations after re-locating shows a net loss typical of a "start up" operation. Management states that there are funds available to cover the shortfall and continue operations successfully.

Since this analysis involves a \$25,000 grant, there is no commentary regarding debt service/ability to pay. It is important to note that the company has no long-term debt other than a shareholder loan of \$72M and does not forecast future borrowings. The shareholder loan has been in place since the start and is not evidenced with a promissory note. There is no scheduled payment to shareholder.

Source:	Corp. Tax Returns			Projections		
Brewed & Bottled, LLC *	2017	2018	2019	Year 1	Year 2	Year 3
Total Revenues	314,471	320,270	380,291	219,289	274,111	315,228
Cost of Goods Sold	(207,534)	(209,823)	(232,669)	(133,766)	(167,208)	(192,289)
Gross Profit	106,937	110,447	147,622	85,523	106,903	122,939
SG&A Expenses						
Salaries/Wages	2,178	10,133	20,791	25,105	25,858	26,634
Rent	10,475	20,120	16,454	28,800	28,800	28,800
Merchant Acct Fees	6,420	7,765	5,715	7,431	7,654	7,883
Depreciation & Amortization	821	821	821	3,760	3,760	3,760
Other SG&A expenses	30,275	23,951	15,707	18,305	19,199	19,861
Total Operating Expenses	50,169	62,790	59,488	83,401	85,271	86,938
Operating Income	56,768	47,657	88,134	2,122	21,632	36,001
Other Income-bottle return	0	390	389	399	411	423
Other Expenses **				(7,800)	0	0
Net Income	56,768	48,047	88,523	(5,279)	22,043	36,424
Add Back:						
+ Depreciation Exp.	821	821	821	3,760	3,760	3,760
Cash Flow Available for Debt Service	114,357	96,915	177,867	(1,519)	25,803	40,184
Debt Service:						
<i>no long term debt</i>						
Projected Debt Service	0	0	0	0	0	0
Debt Service Coverage						

* Business operations ceased mid January 2020 due to the sale of the building from which Brewed & Bottled operated, requiring the business to close and seek a new location.

** Other expenses include State Liquor Authority fees, legal fees and moving expenses related to the relocation.

Balance Sheet Projection

A three-year balance sheet projection was provided by the applicant. The business does not own the real estate and therefore the balance sheet below lists nominal fixed assets. The company has no long-term debt other than the shareholder loan of \$72M and does not expect to borrow in the near future.

ASSETS	Internally	Project	Pro Forma		
	Prepared 12/31/2019		Year 1	Year 2	Year 3
Current Assets					
Cash	\$ 188,405	\$ 7,800	\$ 194,686	\$ 220,489	\$ 260,674
Inventory		13,000	26,000	26,000	26,000
Total Current Assets	\$ 188,405	\$ 20,800	\$ 220,686	\$ 246,489	\$ 286,674
Fixed Assets					
Leasehold Improvements		6,124	18,434	18,434	18,434
Equipment, Furn., Fixtures	31,995	13,016	32,699	32,699	32,699
Less: Accumulated Depreciation	(22,455)	0	(26,214)	(29,974)	(33,735)
Net Fixed Assets	\$ 9,540	\$ 19,140	\$ 24,919	\$ 21,159	\$ 17,398
Total Assets	\$ 197,945	\$ 39,940	\$ 245,605	\$ 267,648	\$ 304,072
LIABILITIES					
Current Liabilities					
Accounts Payables/cr. Card debt	8,582		21,582	21,582	21,582
Curr. Portion of LTD	0		0	0	0
Total Current Liabilities	\$ 8,582	0	21,582	21,582	21,582
Long-Term Liabilities					
Shareholder loan *	72,425		72,425	72,425	72,425
Total Long Term Liabilities	\$ 72,425	0	72,425	72,425	72,425
Shareholders' Equity					
Common Stock	11,500		11,500	11,500	11,500
Opening Balance Equity	0	14,940	14,940	14,940	14,940
Niagara Co. IDA MicroGrant	0	25,000	25,000	25,000	25,000
Retained Earnings	18,051	0	105,437	100,158	122,200
Net Income/(net loss)	87,387	0	(5,279)	22,043	36,425
Total Shareholders' Equity	\$ 116,938	39,940	151,598	173,641	210,065
Total Liabilities & Owner's Equity	\$ 197,945	39,940	245,605	267,648	304,072

Employment

Owner Christopher Budde works in the business, which is not currently operating during the relocation and COVID-19 pandemic. Mr. Budde's spouse also works in the business on an as needed basis. Based upon Mr. Budde's family income, he does not qualify as a low-moderate-income person per HUD regulations and will be required to create a minimum of one full-time equivalent job which will have to be available to low-moderate income persons. The company is anticipating hiring two part time employees and potentially additional part time employees within the next two years. The job description is beer associate and beertender, serving customers at the bar and within the retail operations. Pursuant to HUD regulations, 51% of all positions created must be available to low-moderate income persons. The new employment will satisfy a national objective and obligation of the business.

Credit Report and Personal Financial Statement

Personal Credit Report

A personal credit report obtained from Equifax for Christopher Budde shows a FICO Score of 797 and a credit rating of Very Good Credit. The Equifax Report dated May 28, 2020, indicates three open revolving credit lines totaling \$23M with total outstanding balances of \$3.5M. The report indicates an auto loan paid in full. There were no real estate-related mortgages. The credit report information is mostly consistent with the information reported on the applicant's personal financial statement (pfs). There were two nominal credits, a line of credit and installment loan, not reported on the pfs but reflected on the credit report. Applicant has established credit since 2013 with all accounts paid timely and as agreed. No bankruptcies, judgments or liens were reported.

Personal Financial Statements

Christopher and Jessica Budde submitted their *combined* Personal Financial Statement signed and dated on May 1, 2020, which is shown below.

	Christopher and Jessica Budde as of 5/1/2020
<u>Assets</u>	
Cash on Hand (including savings)	\$ 68,586
Retirement Accounts	83,004
Accounts Receivable*	72,425
Automobiles	16,600
Real Estate**	220,000
Other Assets	126,094
Total Assets	\$ 586,709
<u>Liabilities</u>	
Installment Account	6,843
Total Liabilities	\$ 6,843
Net Worth	\$ 579,866
<u>Liquidity</u>	
Cash on Hand	\$ 68,586
	\$ 68,586

* Christopher Budde-personal loan to business-Brewed & Bottled.

** The real estate is identified applicants' primary residence located at 890 Onondaga St, Lewiston, NY. Property was purchased January 2014 and it is currently unencumbered.

Based on the 2019 federal personal tax returns, Mr. Budde's family income does not qualify him as a low-moderate income person per HUD regulations and he will be required to create a minimum of one full-time equivalent job which will have to be available to low-moderate income persons. He anticipates hiring two and potentially more part time employees within the next two years. Pursuant to HUD regulations, 51% of all positions created must be available to low-moderate income persons. The new employment will satisfy a national objective and obligation of the business.

Risk Assessment

Positive Factors:

- Owner has background, education and experience in the industry and has operated a successful business selling locally-produced craft beer and retail items.
- The new location has seating capacity for 36 persons and outdoor seating (beer garden) in warmer months. Landlord incorporated costs of outfitting space into a 3-year lease agreement.
- The new location is within the same vicinity as the prior location, which is a densely populated area on a high traffic street, with shopping and dining nearby.
- Good marketing and advertising strategies with a presence on social media--over 3,000 Facebook and Instagram followers. Owner's spouse works in the digital media business and lends her expertise to this business.
- Owner has an excellent personal credit score with nominal personal debt and own a residential home (market value ~\$220M) free and clear of any encumbrances.
- Access to additional personal equity should business require it. Owner takes a draw from the business as sufficient profits will allow.
- Financial projections are conservative with a ramp up period due to NYS mandate of re-opening bar/restaurants initially with outdoor seating only, with limited indoor seating to follow.
- Expected to hire new employees within the next two years.
- Personal capital injection of \$14,940 which represents 37% of the total project cost.

Negative Factors:

- Success for the business has a strong reliance on marketing and repeat clientele to grow the business and cover expenses especially after a relocation of the business.
- The extent of the impact of COVID-19 on the company's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on customers, employees, and vendors, all of which cannot be predicted.

Summary / Recommendations

If approved based on the positive factors noted above, it is recommended that grant be structured as follows:

Grant Amount:	\$25,000
Grant Term:	Release upon closeout of OCR grant and satisfaction of any repayment obligation
Interest Rate:	N/A
Repayment:	Grant subject to recapture if Grantee fails to comply with grant requirements
Collateral/Security:	None
Training:	Grantor should obtain documentation confirming that the owner of the business has completed an approved Microenterprise Technical Assistance Program prior to disbursing grant proceeds.

Equity Injection: Grantor should obtain documentation evidencing the minimal injection of \$3,994 (10% of total project) in cash equity by the owner prior to disbursing grant proceeds.

Employment: Grantor should obtain documentation confirming that the Grantee has created at least one FTE job which is available to low-moderate income persons prior to disbursing grant funds.

Grant Assessment

Eligibility

- The business is a commercial enterprise that has five (5) or fewer employees, one (1) or more of which is the principal and owns the enterprise.
- The business ownership has committed a minimum of 10% equity toward the project budget.
- A principal of the business has completed an approved Microenterprise Technical Assistance Program.

National Objective

- The microenterprise owner is a person of low- or moderate-income as defined by the U.S. Department of Housing and Urban Development; or
- The microenterprise will create at least one full-time equivalent job available to individuals of low- or moderate-income.

Microenterprise Type

- The microenterprise is a "start-up business", defined as having been in operation for less than six (6) months from the time of application; or
- The microenterprise is an existing business that as of the time of application has been operating for longer than six (6) months.

Feasibility

The applicant is a well-established business in the Town of Lewiston. The business recently closed due to the landlord selling the business location. Reopening at a new location has been delayed due to the COVID-19 pandemic. Mr. Budde is planning to relocate the business in the same vicinity, with an expectation of opening in late August, early September. With his past experience and background, Mr. Budde has demonstrated his commitment to re-start the business and to grow and expand its reach in Niagara County. Based upon historical reviews and profitability of the business as well as the conservative projected financials, it is feasible that the business will continue successfully with their relocation and expansion plans. However, a successful reopening of the business and expansion could be impacted by the COVID-19 pandemic, which limits on-site consumption to outside for now, with indoor service to be phased in.

Impact

The applicant will offer a newly designed interior and expanded operations along with an outdoor beer garden which will provide a unique experience to sample and drink locally produced craft beers and associated beverages. The business provides the community with affordable retail items and provides employment for Mr. Budde and the future employees.

10% Equity Contribution Requirement

The grant applicant is aware that receipt of a grant and the subsequent disbursement of grant funds is subject to evidence of an equity contribution by the grant recipient of at least 10% of total project costs in compliance with the guidelines of the Niagara County Microenterprise Program.

Prepared by: Elizabeth M. Kraus, VP Commercial Finance
H. Sicherman / the Harrison Studio
June 12, 2020

**Request for Loan Approval
Niagara County Development Corporation (NCDC)
As Administrator for the EDA Revolving Loan Fund**

Loan Applicant: Wandering Gypsy Brewing Company, Inc. ("WGB"), a New York corporation formed on May 11, 2020

Business Address: 3301 Braley Road
Ransomville, NY 14131

Project Location: same as above

Telephone: (716) 523-3651 (personal cell phone #)

Website: www.wanderinggypsybrewing.com

Management/
Ownership: Jennifer L. Raymond 60%
Robert Pepperday 40%
Total 100%

Business: Microbrewery and winery; small plates

Tax ID: TBD

NAICS: 312120-craft beer brewery
722410-bar/restaurant (limited menu-small plates)

Date of Review: June 22, 2020

Loan Request

Project Description: Wandering Gypsy Brewing Company (WGB) plans to ultimately operate as a combination microbrewery and winery. Until brewing operations can begin (6-9 mos. after start-up), the company will offer locally-produced beer and wine for sale as well as non-alcoholic beverages and small plates. The owners purchased the land/building (on 36.8 acres), wine inventory, and used equipment from the previous owner who operated a winery on the premises. The project involves expansion of the existing 2,400 sf building by adding 1,200 sf for beer production and brewing capacity. The company will be purchasing a new 7 BBL brewing system and other equipment and accessories. See sources and uses for more detail as well as cost documentation attached to the analysis.

Project Address: 3301 Braley Road
Ransomville, NY 14131

Loan Request: \$200,000

History and Description of the Business

Wandering Gypsy Brewing Company, Inc. ("WGB") is New York corporation formed in May 2020 by Jennifer Raymond and her husband Robert Pepperday to operate their craft brewery. After searching for several years for the perfect location for their brewery operations, they have purchased the Midnight Run Wine Cellars property at 3301 Braley Road in the Town of Wilson (hamlet of Ransomville), along the Niagara Wine Trail. The purchase includes the existing building and additional acreage, existing equipment, and the winery's inventory of wine. The purchase, and additional building improvements, are being financed by Farm Credit East. The building has a current seating capacity of 60 and a parking lot with 25 spaces. Building improvements will include a bar top, signage, cooler space, a building expansion, floor drains, and a wastewater system. As the business grows and additional seating capacity is needed, they hope to add an outdoor beer garden and a barn to accommodate future expansion.

While WGB will ultimately operate as a combination microbrewery and winery, until the brewing operations can begin (6-9 months after opening), they will use a temporary liquor license to sell wine purchased from Midnight Run Wine Cellars and beer purchased from local breweries. They hope to open in late summer/early fall of 2020, and this approach will allow them to start making sales immediately while they apply for the Microbrewery License that will allow them to brew and sell their own beer.

Due to the uncertainty caused by restrictions related to the COVID-19 pandemic, WGB is prepared to operate initially as take-out only. Their website will be able to accept online orders and online payments for to-go crowlers, bottles of wine, wine slushies and small plate items. Hours of operation are expected to be Wednesday and Thursday 12 pm-8 pm, Friday 12 pm-9 pm, and Saturday and Sunday 11am-9pm.

The company is "committed to creating a craft beer experience for all beer lovers alike in a rural community setting." The brew house will be purchased from Portland Kettle Works and will have a 7-barrel brewing capacity. WGB will offer a few mainstay beers, with a Lager, an IPA, a New England IPA (NEIPA), a Stout and a Pilsner on tap all of the time, as well as a few rotating seasonal beers and specialty beers made using local ingredients when possible. In addition to onsite consumption, beer will be sold in refillable growlers and crowlers (32 oz cans) and in kegs that will be distributed to local bars and restaurants. In addition to offering wine and beer, they will have a menu of small plates, including sandwiches and salads, and non-alcoholic beverages. WGB will also offer merchandise (shirts and glasses) bearing the company logo.

Competition and Marketing Strategies

WGB acknowledges the presence of a number of brewpubs within a 20-mile radius of their location, including Woodcock Brothers (Wilson and North Tonawanda), Brickyard Brewing Co. in Lewiston, Live Edge Brewing Co. in Burt, New York Beer Project in Lockport, Becker Brewing Co. in Gasport, and Prosper Brewing in North Tonawanda. A number of these competitors have large kitchens and full menus, representing a different business model from WGB, which strives to be a brewery first, with food service to be secondary. While both Live Edge Brewing Co. and Becker Brewing are also in rural locations, WGB does not see either of them functioning primarily as breweries, with Becker Brewing in particular being part of a broader operation (Becker Farms) that would potentially have a different target market. WGB will also have some competition from area bars. WGB hopes to distinguish itself by

offering quality beer in a relaxed, rural setting. It will take advantage of its location on the Niagara Wine Trail and will focus its marketing on word of mouth and social media, including Facebook and Instagram. They will sponsor theme nights, host car shows and tastings and other events, and will develop relationships with local beer bloggers to get increased exposure. WGB plans to participate in local markets to broaden their brand awareness and contribute to local causes as a way to promote community engagement.

The proposed project has a total cost of \$845,000, including property acquisition, building improvements, the purchase of the winery equipment and inventory, new equipment, furnishings and fixtures, inventory and ingredients, working capital expenses, and closing costs/legal fees. WGB is seeking a \$200,000 from the NCDC to partially offset the cost of new equipment. See sources and uses for more detail.

Management

WGB will be managed by co-owner and CEO Jennifer Raymond and co-owner Robert Pepperday.

Jennifer Raymond has an MBA with a concentration in Human Resources from Niagara University and ten years' experience in Human Resources working for a local Non-Profit. She will be responsible for overseeing the brewery operation as a whole, marketing and sales, overseeing employees, scheduling and payroll, and handling customers.

Robert Pepperday will act as Brew house Manager. He has a Bachelor's degree in Business Administration with a concentration in Finance from the University of Buffalo and eight years' experience in the financial services industry. In addition, Robert took classes at NCCC as part of their Brewery Operations program and has brewed at many of the local breweries, gaining knowledge about the process and industry. His duties will include overseeing the Head Brewer, including brewing cycles and ingredient management, budgeting and billing, and handling customers.

Matthew Redpath will be Head Brewer. He has a Bachelor's degree from the University of Oregon and experience as an Assistant Brewer at breweries in California and as a Head Brewer at Gordon Biersch in Cheektowaga, Woodcock Brothers in Wilson, and Jamestown Brewing Co. in Jamestown. His duties will include recipe design, helping to maintain necessary ingredients and brewing cycles, maintaining a clean brew house, and creating flavor profiles for the beer menu.

The business anticipates creating one Assistant Brewer position, one Manager position, and eight bartender/server positions within three years of start-up.

Location

The company will operate out of a one-story 2,400 sf building with the main floor having ~915 sf customer space and a seating capacity of 60 with 10-12 tables and 20 bar stools. They plan to construct an additional 1,200 sf of space for craft beer brewing production. There is a small loft on the second floor with limited office space. The property totals 36.8 acres of land. Also, there is a porch with approximately 240 sf of space and seating. The operation will be marketed as a rural setting, family-friendly place to enjoy locally-produced beer, wine and non-alcoholic beverages along with small plates. The parking lot has 25 spaces. The business is located near the Niagara Wine Trail and is within a short drive to Niagara Falls.

Project Description

The proposed project includes a microbrewery and winery combination that will make its own beer, sell locally produced wine and sell the majority of its products on premises. In addition to beer and wine, there will be non-alcoholic beverages available and small plate items. The total project cost is \$845,000, including property acquisition, building expansion and improvements, purchase of winery equipment and existing inventory, purchase of new equipment, furnishings and fixtures, inventory and ingredients, working capital expenses, and closing costs/legal fees. WGB is seeking a \$200,000 from the NCDC to partially offset the cost of new equipment. The company has received financing from Farm Credit East for financing the acquisition of the building, building improvements, used equipment from seller and some inventory. Farm Credit East has committed (not yet closed) three credit facilities as stated below in the sources and uses.

The project is expected to result in the creation of 10 employees over the next three years. Details of employment are included in this analysis. There may be additional part-time seasonal employees hired depending upon demand. The cash sources and uses for the project are as follows:

Sources & Uses of Funds

	Bank Mtg. Loan	Bank Term Loans	Bank LOC *	NCDC ** Term Loan	Company Equity	Total
Land & Building	224,000				56,000	280,000
Building Improvements		56,000			27,820	83,820
Machinery & Equipment		100,000		200,000	27,003	327,003
Furnishings & Fixtures					3,000	3,000
Inventory		65,000			6,735	71,735
Working Capital ***			50,000		29,442	79,442
Total	224,000	221,000	50,000	200,000	150,000	845,000
	27%	26%	6%	24%	18%	100%

* The business will apply for an operating line of credit. Should the LOC not get approved, the owners are prepared to invest an additional \$50,000 in the business.

** The cost documentation for the use of the EDA loan is provided and attached to the analysis.

***Working capital includes legal fees, closing costs, installation of equipment and operating expenses which include a marketing and advertising costs and new employee costs.

Uses of Funds

Land & Building – The purchase price for the land/building and equipment is \$380,000 under a contract that was signed on December 5, 2019. Mr. Pepperday and Ms. Raymond, owners of WGB, obtained financing from Farm Credit East in the form of a commercial mortgage of \$224,000 amortized over 30 years. The purchase agreement with owners of Midnight Run Winery included the land/building for \$280,000, and \$100,000 for the winery equipment. The former owners also sold the wine inventory for \$65,000, which is financed by a one-year term loan with Farm Credit East.

Building Improvements--The improvements include the building expansion (1,200 sf of new space for beer production and capacity), floor drains, wastewater plumbing, floor coating and bar top.

Machinery & Equipment – Represents good condition used machinery and equipment (\$100,000) as well as new equipment for the brewhouse (\$193,340) and accessories (see addendum for listing of accessories). Copies of quotes and invoices are attached to the analysis.

Furnishings & Fixtures – Represents dining furniture i.e. tables, chairs, barstools, etc. software, computers and accessories.

Inventory – Represents wine inventory purchased from prior owner and new inventory purchases for the start-up business.

Working Capital - Includes funding for training, marketing, advertising/web, and other expenses associated with the start-up operations. Working capital also includes funds for professional fees such as legal, accounting, design and planning, closing costs and other expenses associated with hiring new employees over the next few years.

Sources of Funds

Lender – Farm Credit East (FCE)– The company has received a financial commitment from Farm Credit East for the purchase of the land/building, used equipment and inventory. FCE has provided (not yet closed) three credit facilities as detailed in the sources and uses within this analysis. More than likely, FCE will have a first lien on any and all business assets and the NCDC EDA loan will have a subordinate position in all business assets.

EDA Term Loan – It is anticipated that the NCDC EDA loan of \$200M will be amortized over 84 months, with a six-month interest only period. Interest rate is assumed at 75% of the current Wall Street Journal Prime, fixed for the life of the loan.

Owners' Equity – Represents the funds invested by the owners through personal funds.

Financial Analysis

Projected Income Statement

The owners worked with a representative from the Small Business Development Center to prepare the three-year financial projections for the company, which are set forth below. The owners estimated revenues based upon research of competitors' pricing and offerings, and experience in the industry. The company strategy is to sell locally-brewed beer (others as well as WGB) as their major driver (~70%) in total revenues along with wine and food sales generating less than 24% of total sales. Due to restrictions of dine-in restaurant seating as a result of the COVID-19 pandemic, initial sales will be from take-out business accepting online orders for to-go crowlers, bottle of wine, wine slushies, and small plate items such as breakfast sandwiches and paninis, and salads. Currently, outdoor seating is permitted and the company plans to take the necessary precautions as to mandatory social distancing and proper sanitizing operations. Once in-door seating is permitted, owners will have safety plans for maintaining cleanliness and sanitizing per federal and state mandates.

Monthly sales are forecasted at ~\$13M per month and ramping up higher in the summer months, with less in the winter months, for a total of \$283M in the first year. Sales for the first year may be overly optimistic given the current restriction of indoor seating pursuant to government mandates as a result of COVID pandemic. Management states that with effective marketing and advertising strategies designed to take advantage of social media and beer/wine blogger reviews, revenues are anticipated to increase 40% in Year 2 and 19% in Year 3. Salary expenses increase in years 2 and 3 as the company commits to hiring at least 6 FTEs. The owners are taking a nominal salary out of the business and are prepared to take less should the business not be able to sufficiently pay all debt and provide excess cash flow.

As stated below, the company shows positive cash flow due to the heavy depreciation and other non-cash expenses but not enough cash flow to service *all* the anticipated debt. The anticipated debt service for the first year includes a \$65M one-year term loan for the purchase of the existing wine from the seller. Management has plans to apply for a \$50,000 line of credit with Bank on Buffalo to cover the shortfall, as well as the ability to personally inject additional funds should the company require to satisfactorily pay all debt service. Years 2 and 3 thereafter show the ability to cover all projected debt with excess, including the NCDC-EDA term loan. It is important to note that the NCDC-EDA loan may have an interest-only period during the take down of funds for up to six months followed by an amortization of 84 months or 7 years.

	Year 1		Year 2		Year 3	
Sales - Beer sales	216,536	77%	303,150	77%	363,780	77%
Wine sales	58,469	21%	81,856	21%	94,134	20%
Merchandise	7,559	3%	10,582	3%	12,170	3%
Total Sales	282,564	100%	395,588	100%	470,084	100%
Cost of Goods Sold	105,137	37%	148,410	38%	166,100	35%
Gross Profit	177,427	63%	247,178	62%	303,984	65%
Expenses						
Officers Salaries	20,000	7.1%	20,000	5.1%	40,000	8.5%
Wages & Payroll Taxes	42,125	14.9%	88,087	22.3%	118,229	25.2%
Depreciation & Amortization	49,461	17.5%	49,461	12.5%	49,461	10.5%
Insurance	9,600	3.4%	9,888	2.5%	9,900	2.1%
Real Estate Taxes	3,000	1.1%	3,150	0.8%	3,308	0.7%
Marketing & Advertising	4,300	1.5%	4,429	1.1%	4,562	1.0%
Utilities	9,800	3.5%	10,094	2.6%	10,397	2.2%
Interest Expense	21,926	7.8%	19,998	5.1%	18,139	3.9%
General Admin. Expenses	9,190	3.3%	28,394	7.2%	29,785	6.3%
Total Operating Expenses	169,402	60.0%	233,501	59.0%	283,781	60.4%
Pre-Tax Profit	8,025	3.7%	13,677	4.5%	20,203	5.6%
Add Back:						
+ Depreciation & Amortization	49,461		49,461		49,461	
+ Interest exp.	21,926		19,998		18,139	
Cash Flow available for Debt Service	79,412		83,136		87,803	
Projected Debt Service:						
Bank LOC (I)	0		0		0	
\$224M Farm Credit East Comm'l Mtg. (P&I)	13,223		13,223		13,223	
\$156M Farm Credit East T/L (P&I)	25,804		25,804		25,804	
\$65M Farm Credit East T/L (P&I)	66,506		0		0	
\$200M NCDC T/L (P&I) *	17,990		31,107		31,107	
Projected Debt Service	123,523		70,134		70,134	
Debt Service Coverage	0.64		1.19		1.25	

NOTE: All the projected debt detail is stated on the attached Debt Schedule (i.e. terms/conditions).

* The Debt Service for the new NCDC term loan is assumed at an interest rate of 2.44% fixed (75% of the current WJSP) and amortized over 84 months. However, the NCDC loan may provide a six-month interest only period during the take down of the funds.

Pro Forma Balance Sheet –

The Company's projected balance sheet includes all uses of funds for the project i.e. building improvements, machinery, equipment, furniture and fixtures. Liabilities/Equity include all projected debt with Farm Credit East and NCDC-EDA loan as well as owners' capital injection. The balance sheet also references the bank line of credit which is currently under review. The owners' investment comes from their personal resources and they have additional funds should the company require it, especially in the first year of operations where there is a projected cash flow shortage.

ASSETS	Start Up	Year 1	Year 2	Year 3
Cash & Equivalents	23,352	35,664	76,290	84,281
Inventory	71,735	51,271	22,621	23,674
Total Current Assets	95,087	86,935	98,911	107,955
Fixed Assets				
Land & Building	280,000	280,000	280,000	280,000
Building Improvements	83,820	83,820	83,820	83,820
FF&Equipment	330,003	330,003	330,003	330,003
Contingency	10,000	10,000	10,000	10,000
Less: Accumulated Deprec.	0	(46,128)	(92,255)	(138,383)
Total Net Fixed Assets	703,823	657,695	611,568	565,440
Other Assets:				
Closing costs/prof. services	10,000	10,000	10,000	10,000
Less: Accumulated Amortization	0	(3,333)	(6,667)	(10,000)
Total Net Other Assets	10,000	6,667	3,333	0
TOTAL ASSETS	808,910	751,297	713,812	673,395
LIABILITIES				
Bank-Line of Credit	0	45,000	41,000	29,119
FCE-cur. Portion of LTD (3 credit facilities)	86,346	22,271	23,236	24,244
NCDC-EDA loan-Cur. Portion	24,292	24,891	25,504	26,133
Total Current Liabilities	110,638	92,162	89,740	79,496
Long Term Debt				
FCE-(3 credit facilities)	358,654	336,382	313,146	288,902
NCDC Term Loan	175,708	150,818	125,313	99,181
Total Liabilities	534,362	487,200	438,459	388,083
Stockholders' Equity				
Owners' Investment	163,910	163,910	163,910	163,910
Current Earnings	0	8,025	13,678	20,203
Retained Earnings	0	0	8,025	21,703
Total Shareholders' Equity	163,910	171,935	185,613	205,816
TOTAL LIABILITIES & EQUITY	808,910	751,297	713,812	673,395

Employment

Over the next three years, the company expects to hire 10 employees (6 FTEs). See chart below for detail. The Company also expects to use part-time seasonal labor to meet demand during the busy periods.

Job Title	Pay Range	# of Employees			Requisite Skills, Education or Experience
		YR 1	YR 2	YR 3	
Head Brewer	\$48,000-51,000	1	1	1	Min. 1 yr. experience
Assistant Brewer	\$15,000	0	1	1	Min. 1 yr. experience
Bartender/Servers *	\$7,488	5	7	7	Experience preferred; will train
Manager	\$40,000	0	1	1	Experience preferred; will train
Total (excluding Owners*)		6	10	10	

* Bartenders and servers are forecasted as part time employees, with one bartender to be closer to full-time hours.

** Owners will take on the positions of CEO and assistant brewer and will work full time. Their plan is to take an officer salary of \$20,000 each.

Personal Financial Statement and Credit Report

Personal Credit Report

Personal credit reports were obtained on May 18, 2020, from Equifax for the following owners of the business, Jennifer Raymond and spouse, Robert Pepperday.

	<u>FICO Score</u>	<u>Credit Rating</u>
Jennifer Raymond	783	Very Good
Robert Pepperday	766	Very Good

The Equifax Report for **Jennifer Raymond** shows open revolving credit lines totaling \$24,300 with total outstanding balances of \$1,570. The report also shows a real estate mortgage with an outstanding balance of \$142,000 in her name alone and an auto loan with a balance of \$33,000 (jointly held) and a \$9,167 installment loan. These figures are consistent with the information reported on the applicant's personal financial statements. All accounts are paid timely and as agreed. No bankruptcies, judgments or delinquencies were reported.

The Equifax Report for **Robert Pepperday** shows open revolving credit lines totaling \$24,300 with total outstanding balances of \$1,570. Mr. Pepperday's report shows a jointly held auto loan with an outstanding balance of \$33,000 and a \$9,167 installment loan. These figures are consistent with the information reported on the applicant's personal financial statement. All accounts are paid timely and as agreed. No bankruptcies, judgments or delinquencies were reported.

Personal Financial Statement

Jennifer Raymond and Robert Pepperday submitted a (joint) Personal Financial Statement signed and dated on February 18, 2020, which is shown below:

Jennifer Raymond & Robert Pepperday	
Assets	
Cash on Hand	\$ 231,900
Marketable securities	925,000
Retirement Accounts	56,277
Real Estate-personal residence	290,000
Other Real Estate	130,000
Automobiles (2)	40,000
Total Assets	\$ 1,673,177
Liabilities	
Credit card debt	\$ 1,452
Mortgage Payable	143,373
Installment loan	9,336
Auto Loan	35,055
Total Liabilities	\$ 189,216
Net Worth	1,483,961
Total Liabilities & Net Worth	\$ 1,673,177
Liquidity	
Cash on Hand	\$ 231,900

Risk Assessment

Positive Factors:

- Each owner brings a specific and complementary skill set necessary for a successful operation. CEO Jennifer Raymond has an undergraduate business degree and MBA with a concentration in Human Resources working for local not-for-profits and has developed skills to manage employees and work with a diverse population. Ms. Raymond will oversee the vision, mission and culture of the company.
- Owner Robert Pepperday has a finance degree and 8 years in the financial services industry; has taken classes at NCCC as part of their Brewery Operations program and has brewed at local breweries gaining knowledge about the process and industry.
- Owners have assembled a management team including hiring an experienced head brewer who previously worked at a local competitor, as well as a professional team of accountants, legal, marketing/design partners.
- The applicant purchased an existing winery operation which recently closed, buying the land and building and all the inventory (wine) and equipment and will attempt to re-market and re-brand the operation to include former Midnight Run Wine Cellar's customers. Location is on the Niagara Wine Trail.

- Owners will focus their marketing on word of mouth and social (Facebook and Instagram) and on-line media to deepen awareness of its array of product offerings. The company anticipates sponsoring theme nights, host car shows and tasting and develop relationships with local beer bloggers to increase exposure and promote community engagement.
- Owners' investment of \$150,000 represents 18% of the total project cost. Any cost overruns will be covered by the owners' personal capital infusion.
- Wandering Gypsy will be part of a growing number of craft breweries within Niagara County which have a variety of business models and target markets. WGB hopes to distinguish itself by offering a combination microbrewery and winery that will make its own beer and sell wine and will sell the majority of its products on premises.
- The company will have easy access to source local ingredients and is located in a region that has good demographics for its business.
- Expectation of hiring 6 full-time equivalent positions (from the area) within the next three years.
- The owners each have very good personal credit history, with no derogatory notations.
- Strength of the personal guaranty of owners. Owners also have considerable liquidity should the company require additional personal capital injection.

Negative Factors:

- Success for the business has a strong reliance on marketing and repeat clientele to grow the business and cover expenses. Revenues are optimistic in the first year of operations which may necessitate additional personal equity to cover expenses should the company not reach its targets.
- The extent of the impact of COVID-19 on the company's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on customers, employees, and vendors, all of which cannot be predicted.
- Loan collateral may be insufficient to fully cover the EDA loan given that Farm Credit East may have a first lien position on any and all business assets. However, given that the use of EDA funds are for the new brewing equipment, NCDC may be able to take a purchase money interest in the new equipment.

Summary and Recommendations

The proposed NCDC loan to Wandering Gypsy Brewing Company represents a moderate degree of credit risk and represents an appropriate use of EDA loan funds. The owners have injected personal equity of \$150,000 representing 18% of the total project and were able to obtain committed financing through Farm Credit East of over \$440M. The proposed EDA loan will provide the necessary capital for the new

brewing equipment and accessories associated with the project. Appropriate lien filings should be made and NCDC-EDA may want to have lien positions documented in an intercreditor agreement.

We are recommending approval of the NCDC-EDA term loan, based upon the following:

- The expertise and business acumen of the management team;
- Owners commitment and personal capital injection;
- The support of Farm Credit East in the current project financing;
- The job creation that is expected to result.

If approved, the following NCDC-EDA loan structure, terms, and conditions are recommended:

Lender: Niagara County Development Corporation ("NCDC") as Administrator of the EDA Revolving Loan Fund

Borrower: Wandering Gypsy Brewing Company, Inc.

Loan Amount: \$200,000

Interest Rate: 75% of the prime interest rate listed in the *Wall Street Journal*, to be fixed at closing. Based on today's WSJP, the calculation would yield a 2.44% interest rate.

Loan Term & Amortization: 90 months total. Interest-only payments for the first six months during the take down of funds followed by 84 months of principal and interest payments of \$2,592.26.

Use of Proceeds: Project-related new brewing equipment and accessories. Equipment will be documented by quotes submitted by the borrower and attached to this analysis.

Collateral/Security: Purchase money lien interest on new brewing equipment. Also, a general security interest in all business assets of Wandering Gypsy to be evidenced by UCC-1 filings. The NCDC-EDA lien may be subordinated to liens filed by Farm Credit East.

Guarantors: Unlimited personal guarantees of Jennifer Raymond and Robert Pepperday.

Loan Disbursement: Disbursed or reimbursed at closing or thereafter for documented project costs.

New Employment: Over the next three years, the company intends to hire 10 positions (6 FTE positions). The company also expects to use part-time seasonal labor to meet demand during the busy periods.

Financial Reporting: The borrower shall submit *annual* tax returns and internal financial statements.

Prepared by: Elizabeth M. Kraus, Vice President
H. Sicherman & Company, Inc.
June 22, 2020

HELP LOAN REQUEST SUMMARY

Neelkanth Hotel LLC DBA Hampton Inn Lockport



Applicant:	Neelkanth Hotel LLC DBA Hampton Inn Lockport	
Project Location:	6082 Transit Rd. Lockport, NY 14094 Town of Pendleton	
Principals	Chetan Patel	
Description:	In 2016, the company constructed a new Hampton Inn on Transit Road in Lockport. The facility has 72 rooms. The company received a 10 year NCIDA PILOT that ends in 2027. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan TOTAL	\$ 80,989 <u>\$159,900</u> \$240,889
Total PILOT or Property Tax payments	2019 Town: \$10,393 2019 County \$12,372 2019 School <u>\$31,124</u> Total \$53,889	
HELP Loan Request	\$ 64,667	

HELP[®] LOAN REQUEST SUMMARY

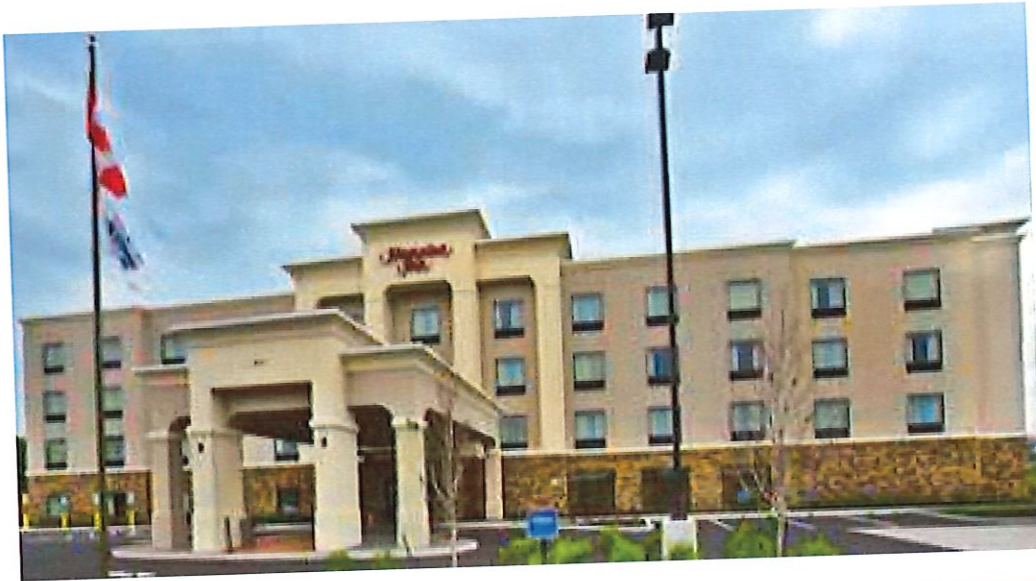
RECH1 Inc. DBA Hampton Inn Niagara Falls



Applicant:	RECH1 Inc. DBA Hampton Inn Niagara Falls	
Project Location:	501 Rainbow Blvd Niagara Falls, NY 14303	
Principals	Jay Surati (19%), Umi Surati (19%)	
Description:	In 1999, the company constructed a new Hampton Inn at 501 Rainbow Boulevard in downtown Niagara Falls. The facility has 99 rooms. The company received a 10 year NCIDA PILOT from the NCIDA that ended in 2019. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA PPP Loan	\$150,250
	TOTAL	\$150,250
Total PILOT or Property Tax payments	2019 City: \$77,665 2019 County \$19,544 2019 School <u>\$41,052</u> Total \$138,261	
HELP Loan Request	\$165,913	

HELP LOAN REQUEST SUMMARY

Falls Hotel LLC DBA Hampton Inn Niagara Falls



Applicant:	Falls Hotel LLC DBA Hampton Inn Niagara Falls	
Project Location:	6501 Niagara Falls Blvd Niagara Falls, NY 14304	
Principals	Ramesh Patel (20%), Jayesh Patel (20%), Nikunj Kumar Patel (15%)	
Description:	In 2013, the company constructed a new Hampton Inn on Niagara Falls Boulevard in Niagara Falls near the I-190 interchange. The facility has 79 rooms. The company received a 10 year NCIDA PILOT that ends in 2024. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan TOTAL	\$121,000 <u>\$150,000</u> \$271,000
Total PILOT or Property Tax payments	2019 City: \$36,931 2019 County \$9,213 2019 School <u>\$21,723</u> Total \$67,867	
HELP Loan Request	\$81,440	

HELP LOAN REQUEST SUMMARY

HH 310, LLC



Applicant:	HH 310, LLC (Hyatt Place)	
Project Location:	310 Rainbow Blvd Niagara Falls, NY 14303	
Principals	Hamister Hospitality Fund I, LP (100%): Mark E. Hamister, Chairman, CEO & Manager; Jack Turesky, President & COO; Dan Hamister, CIO & EVP; Alex Gress, CFO & EVP; W. Earl McCartney, EVP	
Description:	In 2018, the company constructed the Hyatt Place at 310 Rainbow Boulevard in downtown Niagara Falls. The facility has 128 rooms. The company received a 10 year NCIDA PILOT from the NCIDA that ends in 2027. The company is current with PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Program TOTAL	\$283,887 <u>10,000</u> \$293,887
Total PILOT or Property Tax payments	2019 City: \$56,871 2019 County \$14,468 2019 School <u>\$29,637</u> Total \$100,976	
HELP Loan Request	\$121,171	

HELP LOAN REQUEST SUMMARY

Diverse Development Corp



Applicant:	Diverse Development Corp (Billy Feng)	
Project Location:	2760 Niagara Falls Blvd Niagara Falls, NY 14304 Town of Wheatfield	
Principals	Billy Feng (100%)	
Description:	The facility was built in 2014-2016 and consists of 9 vacation rentals located at 2760 Niagara Falls Boulevard in the Town of Wheatfield. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA Loan	\$14,600
	TOTAL	\$14,600
Total PILOT or Property Tax payments	2019 County	\$13,545
	2019 School	<u>\$29,647</u>
	Total	\$43,192
HELP Loan Request	\$51,830	

HELP LOAN REQUEST SUMMARY

Galloping Falls Corp



Applicant:	Galloping Falls Corp (Lixin Zhao)	
Project Location:	2754 Niagara Falls Blvd Niagara Falls, NY 14304 Town of Wheatfield	
Principals	Lixin Zhao (100%)	
Description:	The facility was originally built in 1968, with a new addition in 2010. It is located at 2754 Niagara Falls Boulevard in the Town of Wheatfield. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA Loan	\$23,700
	TOTAL	\$23,700
Total PILOT or Property Tax payments	2019 County	\$7,752
	2019 School	<u>\$13,135</u>
	Total	\$20,887
HELP Loan Request	\$25,064	

HELP LOAN REQUEST SUMMARY

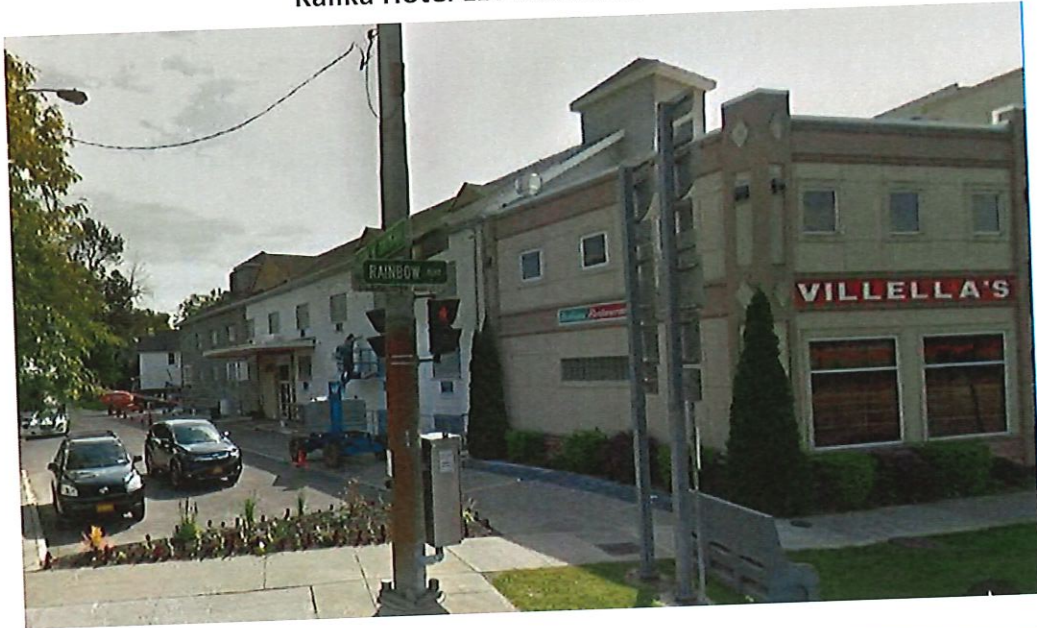
Lewiston Hotel LLC dba Artpark Hotel



Applicant:	Lewiston Hotel LLC dba Artpark Hotel	
Project Location:	280 Portage Road Lewiston, Niagara Falls, NY 14092 (Village of Lewiston)	
Principals	Aneri Dholakiya (45%), Harnish Dholakiya (55%),	
Description:	The facility was completely renovated in 2016 and contains 21 rooms. It is located at 280 Portage Road in the Village of Lewiston and is current with its real property tax payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan TOTAL	\$ 8,300 <u>\$ 2,000</u> \$10,300
Total PILOT or Property Tax payments	2019 Village: 2019 County 2019 School Total	\$3,331 \$5,115 <u>\$11,303</u> \$19,749
HELP Loan Request	\$ 23,699	

HELP LOAN REQUEST SUMMARY

Kalika Hotel LLC dba Kalika Hotel



Applicant:	Kalika Hotel LLC dba Kalika Hotel	
Project Location:	795 Rainbow Blvd Niagara Falls, NY 14303	
Principals	Anil Dholakiya (15%), Rajeshkumar Patel (15%), Milan Patel (22.5%), Shilpa Patel (22.5%), Miral Patel (10%), Rupa Jobanputra (7.5%), Mitin Jobanputra (7.5%)	
Description:	In 2016 the property was completely renovated. Located at 795 Rainbow Blvd, it contains 54 rooms. The company is current with its real property tax payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan TOTAL	\$ 40,000 <u>\$ 1,000</u> \$ 41,000
Total PILOT or Property Tax payments	2019 City: \$37,182 2019 County \$6,961 2019 School <u>\$14,622</u> Total \$58,765	
HELP Loan Request	\$70,518	

HELP LOAN REQUEST SUMMARY

Kabir Group Inc dba AArya Hotel



Applicant:	Kabir Group Inc dba AArya Hotel	
Project Location:	6734 Niagara Falls Blvd Niagara Falls, NY 14304	
Principals	Aneri Dholakiya (64%), Brijesh Patel (36%),	
Description:	In 2015 the property was completely renovated. Located at 6734 Niagara Falls Blvd, it contains 33 rooms. The company is current with its real property tax payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan SBA EIDL Loan TOTAL	\$12,600 \$4,000 <u>\$67,300</u> \$83,900
Total PILOT or Property Tax payments	2019 City: 2019 County 2019 School Total	\$18,281 \$4,600 <u>\$9,663</u> \$32,544
HELP Loan Request	\$39,053	

HELP[®] LOAN REQUEST SUMMARY

Sai Lodging LLC – dba: Fairfield by Marriott - Niagara Falls, NY USA



Applicant:	Sai Lodging LLC – dba: Fairfield by Marriott - Niagara Falls, NY USA	
Project Location:	643 Rainbow Blvd Niagara Falls, NY 14303	
Principals	All members are 12.5% each: Ricky Patel (Managing Member), Meghna Patel, Arun Patel, Dina Patel, Jayantilal Patel, Sumatiben Patel, Shaillesh Patel and Anju Patel	
Description:	In 2016, the company constructed a new Fairfield by Marriott hotel at 643 Rainbow Boulevard in downtown Niagara Falls. The facility has 76 rooms. The company received a 10 year NCIDA PILOT from the NCIDA that will end in 2025. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan SBA EIDL Loan TOTAL	\$97,982 \$10,000 <u>\$150,000</u> \$257,982
Total PILOT or Property Tax payments	2019 City: \$33,272 2019 County \$9,063 2019 School <u>\$19,361</u> Total \$61,696	
HELP Loan Request	\$74,035	

HELP LOAN REQUEST SUMMARY

Deva Development Inc



Applicant:	Deva Development Inc.	
Project Location:	2821 Niagara Falls Blvd Niagara Falls, NY 14304 Town of Wheatfield	
Principals	Arun Patel (50%), Dina Patel (50%)	
Description:	The facility was built in 2000 and contains 54 units. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan SBA EIDL TOTAL	\$45,197 \$7,000 <u>\$150,000</u> \$202,197
Total PILOT or Property Tax payments	2019 County 2019 School Total	\$12,503 <u>\$20,265</u> \$32,768
HELP Loan Request	\$39,322	

HELP LOAN REQUEST SUMMARY

Jai Devi Inc d/b/a AAshram Hotel by Niagara River



Applicant:	Jai Devi Inc d/b/a AAshram Hotel by Niagara River	
Project Location:	6508 Buffalo Avenue Niagara Falls, NY 14304	
Principals	Anil Dholakiya (25), Jayesh Patel (25%), Rajeskumar Patel (25%), Dharmesh Patel (25%)	
Description:	In 2012, Jai Devi purchased and renovated the vacant former Heritage Manor Nursing Home. The 11,000 foot structure reopened as a 33 room boutique hotel. The company received a 10 year NCIDA PILOT that ends in 2022. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan TOTAL	\$16,900 <u>\$ 3,000</u> \$19,900
Total PILOT or Property Tax payments	2019 City: \$9,312 2019 County \$2,323 2019 School <u>\$5,365</u> Total \$17,000	
HELP Loan Request	\$20,400	

HELP LOAN REQUEST SUMMARY

LaSalle Hospitality Inc.



Applicant:	LaSalle Hospitality Inc. (Niagara Riverside Resort)	
Project Location:	7001 Buffalo Avenue Niagara Falls, NY 14304	
Principals	Faisal Merani (100%)	
Description:	The structure was built in 1963 and went through major renovations in 2011. It is located along the Niagara River on Buffalo Avenue in Lasalle and has 140 rooms. It is currently under a PILOT agreement with NCIDA, which ends in 2025. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan	\$468,342
	TOTAL	\$468,342
Total PILOT or Property Tax payments	2019 City: \$ 63,510 2019 County 16,149 2019 School \$ <u>40,313</u> Total \$119,972	
HELP Loan Request	\$143,966	

HELP LOAN REQUEST SUMMARY

Merani Hospitality Inc.



Applicant:	Merani Hospitality Inc. (DoubleTree by Hilton)	
Project Location:	401 Buffalo Avenue Niagara Falls, NY 14303	
Principals	Faisal Merani (100%)	
Description:	The structure was built in 2016. It is located along the Niagara River on Buffalo Avenue in downtown Niagara Falls has 192 rooms. It is currently under a PILOT agreement with NCIDA, which ends in 2030. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan TOTAL	<u>\$736,600</u> \$736,600
Total PILOT or Property Tax payments	2019 City: \$102,240 2019 County \$26,111 2019 School <u>\$67,261</u> Total \$195,612	
HELP Loan Request	\$234,734	

HELP LOAN REQUEST SUMMARY

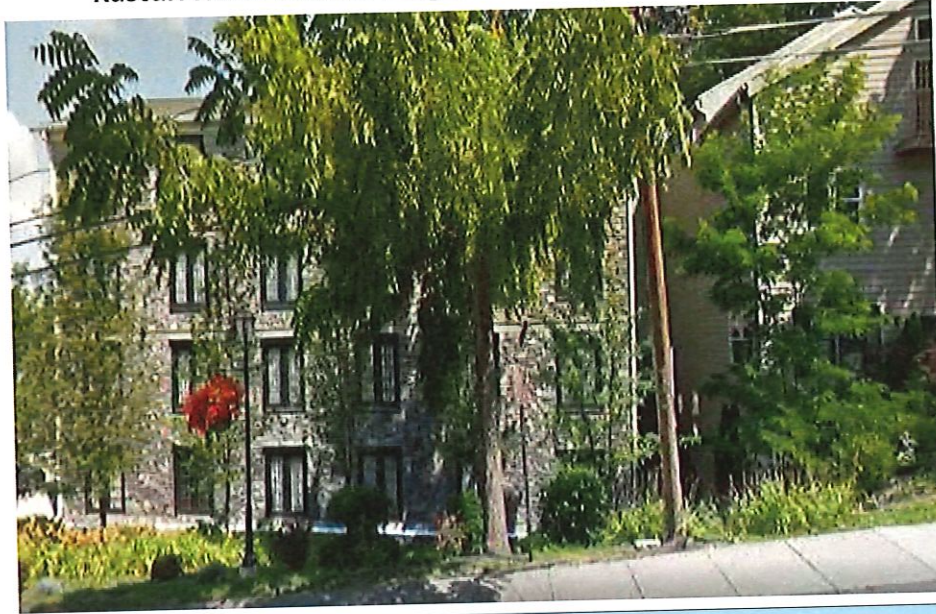
Merani Holdings, LLC (Holiday Inn)



Applicant:	Merani Holdings, LLC (Holiday Inn)	
Project Location:	114 Buffalo Avenue Niagara Falls, NY 14303	
Principals	Ashak Merani (100%)	
Description:	The structure was built in 1964 and renovated in 2015. It is located in downtown Niagara Falls has 189 rooms. The company had a PILOT agreement through NCIDA, which terminated in 2015. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan TOTAL	<u>\$588,272</u> \$588,272
Total PILOT or Property Tax payments	2019 City: \$147,207 2019 County \$37,079 2019 School <u>\$78,490</u> Total \$262,776	
HELP Loan Request	\$315,331	

HELP[®] LOAN REQUEST SUMMARY

Kasturi Hotel LLC dba Niagara Crossing Hotel & Spa



Applicant:	Kasturi Hotel LLC dba Niagara Crossing Hotel & Spa	
Project Location:	100 Center Street Lewiston, Niagara Falls, NY 14092 (Village of Lewiston)	
Principals	Rajeshkumar Patel (12.5%), Jayesh Patel (12.5%), Ashol Patel (25%), Ishverial Patel (25%), Pravil Patel (25%)	
Description:	The facility was initially built in 2006 under a PILOT with former ownership of the hotel. That PILOT was terminated upon bankruptcy and the new owners acquired and renovated the facility in 2017. The hotel contains 71 rooms. It is located in the Village of Lewiston and is current with its real property tax payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan SBA EIDL Loan TOTAL	\$106,200 \$10,000 <u>\$49,000</u> \$165,200
Total PILOT or Property Tax payments	2019 Village: 2019 County 2019 School Total	\$26,844 \$41,670 <u>\$89,913</u> \$158,427
HELP Loan Request	\$190,112	

HELP LOAN REQUEST SUMMARY

Niagara Falls Hospitality, Inc. dba Mircotel Inn



Applicant:	Niagara Falls Hospitality, Inc. dba Mircotel Inn	
Project Location:	7726 Niagara Falls Blvd. Niagara Falls, NY 14304	
Principals	Vibhu Joshi 95%.	
Description:	In 2017 the company constructed a new Microtel on Niagara Falls Blvd. The facility has 60 rooms. The company received a 10 year NCIDA PILOT that ends in 2026. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan TOTAL	\$61,744 \$61,744
Total PILOT or Property Tax payments	2019 City: \$21,455 2019 County \$5,352 2019 School <u>\$12,037</u> Total \$38,844	
HELP Loan Request	\$46,613	

HELP LOAN REQUEST SUMMARY

Har Gange LLC



Applicant:	Har Gange (Prakash Patel)	
Project Location:	6625 Niagara Falls Blvd Niagara Falls, NY 14304	
Principals		
Description:	The facility was built in 1964 and is currently a Red Carpet Inn. It has 29 units. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	none	
Total PILOT or Property Tax payments	2019 City	\$13,129
	2019 County	\$3,369
	2019 School	<u>\$6,799</u>
	Total	\$23,297
HELP Loan Request	\$27,956	

HELP LOAN REQUEST SUMMARY

NCRAS Five Inc (Harshadkumar Shah)



Applicant:	NCRAS Five Inc - Harshadkumar Shah	
Project Location:	9001 Niagara Falls Blvd Niagara Falls, NY 14304	
Principals	Harshadkumar Shah (50%), Mansi Shah (50%)	
Description:	The facility was originally built in 1992 and contains 22 units. It is currently a Knights Inn located at 9001 Niagara Falls Boulevard in the City of Niagara Falls. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA PPP SBA EIDL TOTAL	\$4,400 <u>\$10,200</u> \$14,600
Total PILOT or Property Tax payments	2019 City 2019 County 2019 School Total	\$10,651 \$2,680 <u>\$5,630</u> \$18,961
HELP Loan Request	\$22,753	

HELP LOAN REQUEST SUMMARY

Shree Ganpati LLC



Applicant:	Shree Ganpati LLC	
Project Location:	6621 Niagara Falls Blvd Niagara Falls, NY 14304	
Principals	Harshadkumar Shah (50%), Kaminiben Shah (50%)	
Description:	The facility was originally built in 1960 and contains 31 units. It is currently a Budget Host Inn located at 6621 Niagara Falls Boulevard in the City of Niagara Falls. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA PPP TOTAL	<u>\$7,500</u> \$7,500
Total PILOT or Property Tax payments	2019 City \$8,850 2019 County \$4,213 2019 School <u>\$16,742</u> Total \$29,805	
HELP Loan Request	\$35,766	

HELP LOAN REQUEST SUMMARY

Sairam Hotel LLC DBA Quality Inn Lockport



Applicant:	Sairam Hotel LLC DBA Quality Inn Lockport	
Project Location:	551 South Transit St. Lockport, NY 14094	
Principals	Hiren Patel (50%), Lena Patel (50%)	
Description:	The hotel was built in 1989 and has 50 guest rooms. It is located in the City of Lockport on Transit Road. The company is current with its real property tax payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Loan TOTAL	\$31,104 <u>\$140,900</u> \$172,004
Total PILOT or Property Tax payments	2019 City: 2019 County 2019 School Total	\$28,053 \$13,400 <u>\$44,979</u> \$86,432
HELP Loan Request	\$103,718	