

PROJECT SUMMARY
Iskalo 1 East Avenue LLC



Applicant:	Iskalo 1 East Avenue LLC	
Project Location:	1 East Avenue City of Lockport	
Assistance:	10 Year PILOT Sales Tax Abatement Mortgage Recording Tax Abatement	
Description:	<p>Originally the City of Lockport's main US Post Office, the 1904 structure has been vacant in recent times except for a few tenants. The building will be restored and renovated inside and out.</p> <p>Portions of the building will be leased out to businesses, and a restaurant might be set up on the first floor. The building contains about 21,600 square feet of above ground space, and 11,000 square feet of lower level/basement area.</p>	
Project Costs:	Construction/Improvements	\$4,100,000
	Soft costs & other	\$1,657,760
	Property Acquisition	<u>\$ 300,000</u>
	TOTAL	\$6,057,760
Employment:	<p>Current jobs in Niagara County 5</p> <p>New Jobs in Niagara County within 3 years: 27</p> <p>Total Annual Payroll End Year 3: \$ 1,070,000</p> <p>Skills: Management, Professional, Administrative, Production, Other.</p>	
Evaluative Criteria:	Distressed Census Tracts, Age of Structure, Building or Facility Vacancy, Redevelopment Supports or aligns with Regional or Local Development Plans, Regional Wealth Creation.	

REGIONAL ECONOMIC IMPACT ANALYSIS
Iskalo 1 East Avenue LLC

Estimated State & Regional Benefits / Estimated Project Incentives Analysis

Total State and Regional Benefits	\$ 1,975,306
Total Project Incentives	\$ 1,152,822
Community Benefit to Cost Ratio	1.71:1

Projected Employment	State	Region
Total Employment	94	94
Direct**	32	32
Indirect***	21	21
Temporary Construction (Direct and Indirect)	41	41

Estimated State & Regional Benefits (Discounted Present Value*)

Total State and Regional Benefits	\$ 1,975,306
Property Tax Revenue	\$ 873,306
Income Tax Revenue	\$ 817,000
Sales Tax Revenue	\$ 285,000

Estimated Project Incentives (Discounted Present Value*)

Total Project Incentives	\$ 1,152,822
Property Tax	\$ 953,572
Sales Tax	\$ 164,000
Mortgage Tax	\$ 35,250

* 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

RECEIVED

JUL 28 2020

NCIDA

APPLICATION FOR
FINANCIAL ASSISTANCE

Iskalo 1 East Avenue 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: Iskalo 1 East Avenue LLC

Mailing Address: c/o Iskalo Development Corp., 5166 Main Street, Williamsville, NY

City/Town/Village & Zip code: 14221

Phone: (716) 633-2096

Website: www.iskalo.com

Fed Id. No.: 47-4340193

Contact Person, and Title: David Chlazza, Executive Vice President, Iskalo Development Corp.

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

Paul B. Iskalo – 95%

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 _____)

Date of organization: June 12, 2015

State of Organization: NY

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

APPLICANT'S COUNSEL

Company Name: Terrence M. Gilbride, Hodgson Russ LLP

Contact Person, and Title: _____

Mailing Address: 140 Pearl Street, Suite #100

City/Town/Village & Zip code: Buffalo NY 14202

Email: TGilbrid@hodgsonruss.com

Phone: (716) 856-4000

Fax No.: (716) 819-4625

II. PROJECT INFORMATION

A) Project Address: 1 East Avenue, Lockport, NY 14094

Tax Map Number (SBL) 109.14-1-10
(Section/Block/Lot)

Swiss Number _____

Located in City of Lockport

Located in Town of _____

Located in Village of _____

School District of Lockport City Schools

B) Current Assessment of Property:

Land \$30,900

Total \$335,700

C) Present legal owner of the site Iskalo 1 East Avenue LLC
If other than from applicant, by what means will the site be acquired for this project?

Applicant presently owns the site

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. N/A

E) Describe the project:

The former Lockport Post Office has fallen into disrepair and functional obsolescence resulting in it to suffer from significant vacancy for many years, particularly, the lower level and upper two floors which are not presently suitable for occupancy. Applicant seeks to return the building to full productive use as a mixed-use building. To do so, a comprehensive restoration and renovation of the building is proposed to be undertaken to include: (1) extensive repairs and historic restoration of the exterior of the building, including the site; (2) upgrade of existing building systems to modern standards including installation of new mechanical, electrical and plumbing/sprinkler systems; (3) improvement of pedestrian circulation and accessibility of the building via repair of existing stairs, relocation of other existing stairs and installation of an elevator, (4) installation of new and modern restroom facilities sufficient for the planned occupancy load of the building, and (5) renovation and refinishing of all building interiors. Upon completion, all four levels of the building will be restored and renovated with modern building systems.

F) *Estimated Project Costs:*

Property Acquisition	\$300,000
Construction (Improvements)	\$4,100,000
Equipment Purchases/Fixtures/Furnishings	
Soft costs (i.e., engineering, architectural)	\$1,207,760
Other (Loan and HTC Closing, Interest during construction, leasing commissions)	\$450,000
TOTAL USES OF FUNDS	\$6,057,760

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

Bank Financing (Initial Construction Loan will be paid down with DRI funds upon completion of project and convert to a Permanent Loan)	\$2,500,000 (Permanent Loan)
Equity	\$33,510
Grants/Tax Credits	\$3,524,250
Tax Exempt Bond	\$0
Taxable Bond	\$0
TOTAL SOURCES OF FUNDS	\$6,057,760

Identify each state and federal grant/credit:

Downtown Revitalization Initiative Grant	\$1,795,000
Federal and State Historic Tax Credits	\$1,729,250
	\$
TOTAL PUBLIC FUNDS	\$3,524,250

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.

The 1 East Avenue property is approximately .58 acres and the building and contains approximately 21,600 square feet of above-ground gross building area and approximately 11,000 square feet of lower level/basement area.

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

The upper two floors and lower level are vacant. A portion of the main floor of the building has several tenants including Lockport Main Street Inc., a music studio, hair and nail salon, and an antique shop.

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

One (1) building constructed in 1904 with an addition built in 1932s. Gross building area is approximately 31,600 square feet

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.

Scope of Work includes: (1) Complete the extensive repairs and historic restoration of the exterior of the building, including the site; (2) upgrade of existing building systems to modern standards including installation of new mechanical, electrical and plumbing/sprinkler systems; (3) improve pedestrian circulation and accessibility through repair of existing stairs, relocation of other existing stairs and installation of an elevator, (4) installation of new and modern restroom facilities sufficient for the planned occupancy load of the building, and (5) renovation and refinishing of all building interiors.

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.

All space in the building is leased, or will be leased, to third parties. Other than the existing tenants previously noted that are located on a portion of the main floor, we will seek to lease the balance of the space in the building boutique shops, commercial studios, office and a possible restaurant.

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

Generally, none. There may be incidental equipment purchases such as park-like benches to be placed on the property.

8. Has construction work on this project begun?

Initial stabilization of elements of the building exterior were undertaken shortly after acquisition of the property in 2015. No further restoration or rehabilitation work has been commenced. The costs associated with this earlier work are not reflected in this application.

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

Sales and Use Tax

Estimated value of Sales Tax exemption for facility construction: \$ 164,000

Estimated value of Sales Tax exemption for fixtures and equipment: \$ 0

Estimated duration of Sales Tax exemption: 1 year

Mortgage Recording Tax Exemption Benefit

Estimated value of Mortgage Recording Tax exemption: \$35,250

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:

Lender's commitment letter for project financing and syndication of historic tax credits is conditioned upon the NCIDA's approval of an application for incentives.

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)	Less than 10	All existing	27 est. (based on 18,000 sf of vacant space @ 1.5 FTE/1,000 SF)	90 to 100% (we anticipate all tenants to be local to the market area)
Part Time (PTE)				

Total Payroll	Unknown			Unknown. See note below.
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** 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 Market Area, in the fourth column. The Local Labor Market 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:

*We do not have this information from existing tenants. If application is approved by NCIDA, all future leases will require tenants to report employment information to Landlord for provision to the NCIDA.

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	3	\$40,000 – \$60,000	20% – 30% of wage/salary
Professional	4	\$50,000 – \$100,000	20% – 30% of wage/salary 1.25
Administrative	4	\$30,000 – \$40,000	20% – 30% of wage/salary.25
Production	4	\$30,000 – \$50,000	20% – 30% of wage/salary
Other	12	\$30,000 – \$50,000	20% – 30% of wage/salary

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 Entity") 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 JPTA Entities for new employment opportunities created as a result of the proposed project.

- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Filings: 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 in 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.

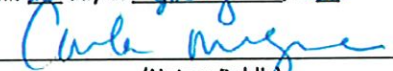
STATE OF NEW YORK)
COUNTY OF Niagara) ss.:

David Chiezga, being first duly sworn, deposes and says:

1. That I am the ~~Executive Vice President~~ (Corporate Office) of Iskale Development Corp. (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.


(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 23 day of July, 2020


(Notary Public)

CARLA MANGONE
No. 01MA0140032
Notary Public, State of New York
Qualified in Erie County
My Commission Expires July 3, 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 falls, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.

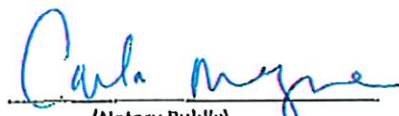


(Applicant Signature)

By: _____

Name: David Chirico

Title: Executive Vice President



(Notary Public)

Sworn to before me this 4th day

of August, 2020

[stamp]

CARLA MANGONE
No. 01MAG149032
Notary Public, State of New York
Qualified in Erie County
My Commission Expires July 3, 2022

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
\$4,100,000	\$3,000,000	8.677701	18.6676	27.9342

*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	\$5,207	\$11,201	\$16,761	\$33,168	\$165,838	\$132,671
2	25	\$6,508	\$14,001	\$20,951	\$41,460	\$165,838	\$124,379
3	30	\$7,810	\$16,801	\$25,141	\$49,752	\$165,838	\$116,087
4	35	\$9,112	\$19,601	\$29,331	\$58,044	\$165,838	\$107,795
5	40	\$10,413	\$22,401	\$33,521	\$66,335	\$165,838	\$99,503
6	45	\$11,715	\$25,201	\$37,711	\$74,627	\$165,838	\$91,211
7	50	\$13,017	\$28,001	\$41,901	\$82,919	\$165,838	\$82,919
8	55	\$14,318	\$30,802	\$46,091	\$91,211	\$165,838	\$74,627
9	60	\$15,620	\$33,602	\$50,282	\$99,503	\$165,838	\$66,335
10	65	\$16,922	\$36,402	\$54,472	\$107,795	\$165,838	\$58,044
TOTAL		\$110,641	\$238,012	\$356,162	\$704,814	\$1,658,386	\$953,572

*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>164,000</u>	New Jobs Created Permanent <u>27</u> Temporary _____
		Existing Jobs Retained Permanent <u>5</u> Temporary _____
Estimated Mortgage Tax Exemption	\$ <u>35,250</u>	Expected Yearly Payroll <u>\$1,070,000</u>
Estimated Property Tax Abatement	\$ <u>953,572</u>	Additional Revenues to School Districts <u>\$356,162</u>
		Additional Revenues to Municipalities County: <u>\$110,641</u> City: <u>\$238,012</u>
		Other Benefits _____
Estimated Interest Savings IRB Issue	\$ _____	Private Funds Invested <u>\$ 2,533,510</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).

\$2,050,000 (to be used on the NYS ST-60)

UPDATED 2020

**Narrative Supplement to NCIDA Application for the
Historic Former United States Post Office Building
1 East Avenue, Lockport, N.Y.**

I) Building History and Introduction

The building at 1 East Avenue was constructed as the City of Lockport's main U.S. Post Office. Designed by James Knox Taylor, Supervising Architect of the Treasury Department, and completed in 1904, the Lockport Post Office building is an outstanding example of early 20th century public architecture in New York State. The three-story (plus finished lower level), red brick and terra cotta building combines Beaux Arts massing with sculptural detail inspired by classic Renaissance and Neo-Georgian sources¹. No expense was spared on building materials in an era before austerity budgeting and standardized design were adopted by the US Treasury for public buildings after 1915. In 1932, a 3,800 square foot one-story addition was constructed on the north side (i.e. rear) of the building near the brick loading dock. The building was listed on the National Register of Historic Places in 1989.



Of special interest in the Historic Post Office is the second-floor federal courtroom which retains its original architectural detail, furnishings and light fixtures. Postal facilities of this era were often combined with federal courts. The courtroom on the second floor of 1 East Avenue was utilized until the 1930's, after which it was closed.

Post Office activities in the building ceased in March 1991, at which time the building was put up for sale. It was purchased in 1992 by Lockport couple Michael and Patricia George, who spent the next fifteen years refurbishing portions of the building for lease to commercial tenants. Following the death of Michael George, the building was sold in 2006 to a former Lockport native, Steven Talarico. An affiliate of Iskalo Development Corp. ("Iskalo") purchased the building from Mr. Talarico in 2015.

At the time of acquisition by Iskalo, the building was largely vacant but for a few tenants on the first floor. The lower level and upper floors were (and remain) unoccupied

¹ Text sourced from U.S. National Register of Historic Places

and untenable. The building exterior, while still beautiful, had not been well maintained and was suffering from neglect. Shortly after acquisition, Iskalo Development's proceeded to stabilize the worst elements of the building's exterior, including reconstruction of the sandstone entry stairway on Elm Street. Iskalo has continued to market the first floor (with limited success) with the intent of undertaking a more comprehensive renovation of the building once a financially feasible plan was evolved. A grant commitment made possible through New York State's Downtown Revitalization Initiative was entered into earlier this year with Empire State Development that, together with a commitment from a lender for financing and syndication of historic tax credits, has catalyzed this effort. Approval by the NCIDA of an incentive application will complete the financial plan and enable the renovation project to proceed.

II) 1 East Avenue - Present Use and Challenges

Since its sale by the Postal Service in 1992, the historic former U.S. Post Office Building has generally been marketed as a multi-tenant building for office and retail uses. Leasing activity has mostly been limited to the first floor. The renovation and repositioning

of the building has been beset by several challenges. (1) There is an accumulation of deferred maintenance that must be addressed, both inside and out. Due to the historic nature of the building and its intricate detailing, this remedial work will be very expensive; (2) The building suffers from functional obsolescence that must be addressed including installation of an elevator so the



building is fully accessible and a sprinkler system. The lack of a sprinkler system is a limiting factor in leasing of the building. Retrofitting a historic building for an elevator and sprinkler system will be challenging (and expensive), and placement of the elevator will be disruptive to the rentable space in the building; (3) The building contains a disproportionately high



percentage of common area and/or unusable space (referred to as a "loss factor"). Of the 31,600 +/- square feet of gross building area, only about 22,000 +/- square feet is usable/revenue generating (69%)²; (4) The building's listing on the National Register of Historic Place, while significant, also presents challenges in executing rehabilitation plans. Historic tax credits are intended to off-set the higher costs associated with these challenges however, tax credits

alone are not always sufficient, as is the case here; (5) Rental rates in the local market area for commercial space, even at full occupancy of the building, does not produce a Net Operating Income that, when capitalized, supports the anticipated restoration and renovation cost for the building, even when factoring in a syndication of state and federal historic tax credits and the Downtown Revitalization Initiative ("DRI") award. This explains why the building has not undergone a comprehensive renovation since its sale by the Postal Service in 1992.

² An efficient multi-tenant building would have 80-85% rentable space.

III) Building Repositioning Strategy

At present, the 1 East Avenue building has a handful of small tenants occupying approximately 4,000 square feet of space in aggregate (20% occupancy). Given the building's current condition and limitations, it has been difficult to lease. However, the property has positive characteristics including a central downtown location, a stunning street presence, and desirable interior features including impeccable architectural detailing and impressive ceiling heights. The



renovation plan would involve improved pedestrian circulation and an upgrade of all building systems and finishes. Key to the success of the project will be our ability to create a desirable and vibrant lower level which space comprises one third of the potential rentable area of the building. Significant investment will be made in improving the accessibility and "feel" of the lower level space in order to have it serve as an extension of the main floor of the building. Once completed, we envision a mix of uses including boutique retail on the main floor, commercial studios (e.g. artists, craftsmen, etc.) on the lower level and office suites on the upper two floors. We also envision a possible restaurant use in the single-story, circa 1930s building annex which is ideally suited for this use architecturally as well as geographically given its proximity to the Cornerstone Ice Arena and Palace Theater.

IV) Renovation Scope & Schedule

The renovation scope for the 1 East Avenue property can be summarized as follows: (1) Complete the extensive repairs/restoration necessary to the exterior of the building, including the site; (2) upgrade existing building systems to modern standards including installation of new mechanical, electrical and plumbing/sprinkler systems; (3) improve pedestrian circulation in the building through repair of existing stairs, relocation of other existing stairs and installation of an elevator, (4) install new and modern restroom facilities sufficient for the planned occupancy load of the building, and (5) renovation and refinishing of all building interiors.

Architecture plans for the completion of the exterior repairs and restoration were recently completed. Work on the exterior is anticipated to begin in late summer. Design for the interior is scheduled for completion later this summary. Once complete, the Part 2 submission will be made to obtain approval from NYSHPO and NPS which is anticipated in late fall. Work on the interior of the building would commence shortly thereafter with completion targeted by mid-year 2021.

PROJECT SUMMARY
Zimmie's Service



Applicant:	Zimmie's Service	
Project Location:	1 Niagara Street City of Lockport, 14094	
Assistance:	10 Year PILOT Sales Tax Abatement Mortgage Recording Tax Abatement	
Description:	<p>Zimmie's is a full service auto repair and maintenance shop, the family-owned and operated shop has been serving Lockport and the greater Western New York region since 1943.</p> <p>A 12,000 square feet portion of the existing structure will be torn down, and rebuilt twice as large. A new 4 post truck lift, and a 2 post car lift will be installed to enhance the function and capabilities of the shop.</p>	
Project Costs:	Construction/Improvements	\$ 400,000
	Furniture, Fixtures & Equipment	\$ 35,000
	TOTAL	\$ 435,000
Employment:	<p>Current jobs in Niagara County 6.5 New Jobs in Niagara County within 3 years: 1 Total Annual Payroll End Year 3: \$ 488,460 Skills: Management, Administrative, Production</p>	
Evaluative Criteria:	Distressed Census Tracts, Age of Structure, Regional Wealth Creation, Redevelopment Supports or aligns with Regional or Local Development Plans.	

REGIONAL ECONOMIC IMPACT ANALYSIS
Zimmie's Service

Estimated State & Regional Benefits / Estimated Project Incentives Analysis

Total State and Regional Benefits	\$ 565,053
Total Project Incentives	\$ 142,211
Community Benefit to Cost Ratio	3.97:1

Projected Employment	State	Region
Total Employment	17	17
Direct**	7	7
Indirect***	6	6
Temporary Construction (Direct and Indirect)	4	4

Estimated State & Regional Benefits (Discounted Present Value*)

Total State and Regional Benefits	\$ 565,053
Income Tax Revenue	\$ 332,000
Property Tax Revenue	\$ 134,053
Sales Tax Revenue	\$ 99,000

Estimated Project Incentives (Discounted Present Value*)

Total Project Incentives	\$ 142,211
Property Tax	\$ 120,786
Sales Tax	\$ 18,800
Mortgage Tax	\$ 2,625

* 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**

Zimmie's Service

(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: Zimmle's Service Inc.

Mailing Address: 1 Niagara St. Lockport NY 14094

City/Town/Village & Zip code: City of Lockport 14094

Phone: 716-434-5539

Website: http://www.zimmlestre.com

Fed Id. No.: 16.0800364

Contact Person, and Title: Carol Fournier, Douglas + Erik Zimmerman

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

Douglas Zimmerman 60%, Erik Zimmerman 40%

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

Form of Entity

Corporation

Date of Incorporation: 9-9-1955

State of Incorporation: New York

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 _____)

Date of organization: _____

State of Organization: _____

Sole Proprietorship

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

APPLICANT'S COUNSEL

Company Name: Richard May

Contact Person, and Title: Richard May, lawyer

Mailing Address: 122 West Ave Lockport NY 14094

City/Town/Village & Zip code: Lockport 14094

Email: ssfm@roadrunner.com

Phone: 716-433-5921

Fax No.: 716-439-5941

II. PROJECT INFORMATION

A) Project Address: 7 Niagara St Lockport NY 14094

Tax Map Number (SBL) 109.54-2-23
(Section/Block/Lot)

Swiss Number 290900

Located in City of Lockport

Located in Town of _____

Located in Village of _____

School District of Lockport

B) Current Assessment of Property:

Land \$13,700

Total \$94,700

C) Present legal owner of the site Douglas Zimmerman

If other than from applicant, by what means will the site be acquired for this project?

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:

Part of the building will be torn down and an addition will be built on the current structure, new truck and automotive lifts will be purchased.

F) *Estimated Project Costs:*

Property Acquisition	\$
Construction (Improvements)	\$400,000
Equipment Purchases/Fixtures/Furnishings	\$35,000
Soft costs (i.e., engineering, architectural)	\$
Other (describe)	\$
TOTAL USES OF FUNDS	\$435,000

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

Bank Financing	\$350,000
Equity	\$85,000
Grants/Tax Credits	\$
Tax Exempt Bond	\$
Taxable Bond	\$
TOTAL SOURCES OF FUNDS	\$435,000

Identify each state and federal grant/credit:

	\$
	\$
	\$
	\$
TOTAL PUBLIC FUNDS	\$

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.

1 Acre

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

Commercial

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

100 years old, 4,794 sqft

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.

Tear down 1200 sqft, build 2400 sq ft

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

Yes, tear down part of building, rebuild larger.

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.

No

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

4 post truck lift

2 post automotive lift

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 Years

Sales and Use Tax

Estimated value of Sales Tax exemption for facility construction: \$ 16,000

Estimated value of Sales Tax exemption for fixtures and equipment: \$ 2,800

Estimated duration of Sales Tax exemption: 1 Year

Mortgage Recording Tax Exemption Benefit

Estimated value of Mortgage Recording Tax exemption: \$ 2,625

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:

Financial assistance is crucial for us to go forward with this project from the agency. This project will provide a necessary aesthetic improvement to the exterior of our facility in a high foot traffic tourism area.

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)	6	6	1	1
Part Time (PTE)	1	1	0	0
Total Payroll	436,000	436,000	50,000	50,000

** 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	\$60,000 -- \$90,000	\$19,230
Professional			
Administrative	1	\$50,000	\$5,000
Production	5	\$40,000 - \$83,000	\$15,000
Other			

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 Entity") 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 Filings: 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 in 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, officer 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) ss.:

Douglas Zimmerman, being first duly sworn, deposes and says:

1. That I am the V.P. (Corporate Office) of Zimmies Service (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.


(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 30th day of July, 2020


(Notary Public)

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.

WILLIAM S. ALLSBROOK
Notary Public, State of New York
Qualified in Erie County
No. 01A16384795
Commission Expires July 15, 2023

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.



(Applicant Signature)

By: _____

Name: DOUGLAS ZIMMERMAN

Title: V. P.



(Notary Public)

Sworn to before me this 30th day
of July, 2020

[stamp]

WILLIAM S. ALLSBROOK
Notary Public, State of New York
Qualified in Erie County
No. 01AL6394795
Commission Expires July 16, 2023

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
\$430,000	\$380,000	8.677701	18.6676	27.934237

*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	\$660	\$1,419	\$2,123	\$4,201	\$21,006	\$16,805
2	25	\$824	\$1,773	\$2,654	\$5,252	\$21,006	\$15,755
3	30	\$989	\$2,128	\$3,185	\$6,302	\$21,006	\$14,704
4	35	\$1,154	\$2,483	\$3,715	\$7,352	\$21,006	\$13,654
5	40	\$1,319	\$2,837	\$4,246	\$8,402	\$21,006	\$12,604
6	45	\$1,484	\$3,192	\$4,777	\$9,453	\$21,006	\$11,553
7	50	\$1,649	\$3,547	\$5,308	\$10,503	\$21,006	\$10,503
8	55	\$1,814	\$3,902	\$5,838	\$11,553	\$21,006	\$9,453
9	60	\$1,979	\$4,256	\$6,369	\$12,604	\$21,006	\$8,402
10	65	\$2,143	\$4,611	\$6,900	\$13,654	\$21,006	\$7,352
TOTAL		\$14,014	\$30,148	\$45,114	\$89,276	\$210,060	\$120,786

*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>18,800</u>	New Jobs Created Permanent <u>1</u> Temporary <u>0</u>
		Existing Jobs Retained Permanent <u>6.5</u> Temporary <u>0</u>
Estimated Mortgage Tax Exemption	\$ <u>2,625</u>	Expected Yearly Payroll \$ <u>488,460</u>
Estimated Property Tax Abatement	\$ <u>120,786</u>	Additional Revenues to School Districts <u>\$45,114</u>
		Additional Revenues to Municipalities <u>County: \$14,014</u> <u>City: \$30,148</u>
		Other Benefits <u>N/A</u>
Estimated Interest Savings IRB Issue	\$ <u>N/A</u>	Private Funds Invested \$ <u>435,000</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).

\$ 235,000 (to be used on the NYS ST-60)

UPDATED 2020



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

Grant Applicant: Brigitte R. Peters, dba BP Sign Co, a sole proprietorship established in May 2020

Tax ID#: SSN#

Business Address: 6844 Sy Road, Niagara Falls, NY 14304 (personal residence)

Telephone: 562-313-6101

Email: birdycecle@gmail.com

**Management/
Ownership:** Brigitte R. Peters - Owner 100%

Website: TBD

Business: Commercial sign manufacturing

NAICS#: 339950 (Commercial Sign Manufacturer)

Date of Review: July 14, 2020

Grant Request

Grant Amount: \$22,500

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: BP Sign Co is a start-up company that designs, produces, and installs signage to meet a variety of customer needs. Signage includes bumper stickers for boats, cars, etc., banners, flyers, business card, and vehicle graphics for individuals and local businesses. Currently the owner plans to operate the company out of her personal residence (basement of her home) but in the future look for a location in Niagara Falls area. The total project costs of \$25,000 include funds for equipment, inventory and working capital. See attached for estimates of the equipment to be purchased.

Uses of Funds: The requested grant proceeds will be used for equipment and inventory.

History and Background of the Applicant

The applicant is a sole proprietorship operated by Brigitte Peters under the name BP Sign Co ("BP Sign"). Ms. Peters filed her Business Certificate in May 2020 for this start-up venture, which will produce different kinds of signage (storefront, directional, safety, and yard signs), banners, vehicle graphics, stickers, and vinyl decals. She will operate the business out of her home at 6844 Sy Road in the Town of Wheatfield. Ms. Peters has an Associate's Degree in Business Management from Endicott College in Massachusetts and served as an active member of the Coast Guard and spent 9 years in the Coast Guard Reserves. Prior to her military service, Ms. Peters worked for two sign companies in Southern California, acting as an account manager, backup graphic designer, salesperson, and as a member of the sign production and installation team. This work experience will assist Ms. Peters in operating BP Sign.

BP Sign's prospective customers include small and large businesses and government entities. Initially, Ms. Peters proposes to visit local businesses to introduce them to BP Sign's capabilities. Business generation in the industry tends to be based heavily on repeat business and word-of-mouth. Additional marketing will take place through BP Sign's website and on Facebook and LinkedIn. BP Signs will also open an Etsy account for online sales. Ms. Peters hopes to use BP Sign's status as a woman-owned and Veteran-owned business to qualify for government contracts.

The business will operate Monday-Saturday, 8:00 a.m. – 5:00 p.m. As indicated, Ms. Peters will initially operate out of her home but would seek a separate location as the business grows. Orders will be taken in person or online through the business's website. Ms. Peters will work with her customers to finalize their design and incorporate logos and other graphics prior to production. Generally, payment would be due on completion, however a 50% deposit will be required for orders in excess of \$500.00. She has identified three competitors in her area: a sign company which has been in business since 1922 and which is also a woman-owned business; a smaller company which specializes in vehicle graphics; and a third company which sells apparel in addition to signs. Ms. Peters believes she can price her products very competitively due to her minimal overhead.

The project costs for this startup venture total \$25,000, including equipment expenses (a latex printer and cutter, computer, printer/scanner, grommet machine, hand trimmer, worktable, and vinyl storage rack), beginning inventory, and working capital. Ms. Peters will initially work alone. As business increases, she hopes to add a salesperson and contract with a graphic designer. Based on her 2019 Federal tax return, Ms. Peters does not qualify as a low-mod income person and is required to create a minimum of one full-time equivalent job to meet a National objective. Ms. Peters, a Veteran, is currently unemployed as of February 2020. Her spouse is currently employed and active in the U.S. Coastguard.

The Project

The owner is requesting \$22,500 in microenterprise grant funds for new equipment and inventory. See sources and uses below as well as the Addendum which has a listing of the equipment to be purchased. The owner plans to inject \$2,500, or 10%, of the total project costs.

Sources and Uses of Funds

	Niagara Co. MicroGrant	Owner Equity	Total Budget
Equipment *	18,760		18,760
Inventory	3,740		
Working Capital		2,500	2,500
Total	22,500	2,500	25,000
	90%	10%	100%

* See attached addendum for listing of equipment to be purchased.

Financial Analysis

Financial Projections

The following financial projections for 3 years were provided by the applicant with the assistance of the Small Business Development Center. The projections are conservative given that the applicant plans on operating the business out of her basement, keeping her expenses low during the start-up phase. Revenues in the first year of business are projected at \$44,000 with a nominal net profit. See projections below.

Since this analysis involves a \$22,500 grant, there is no commentary regarding debt service/ability to pay. However, for purposes of illustration, the company generates positive cash flow for the first three years in the projections below. Currently the business does not have any long-term debt.

Source: Internally Prepared	Projections		
	Year 1	Year 2	Year 3
DP Sign Company			
Total Revenues	44,000	55,000	57,750
Cost of Goods Sold (Prod. Supplies)	(23,298)	(29,123)	(30,579)
Gross Profit	20,702	25,877	27,171
SG&A Expenses			
Advertising	3,550	3,621	3,693
Depreciation Expense	2,680	2,680	2,680
Other SG&A *	5,987	6,106	6,229
Total Operating Expenses	12,217	12,407	12,602
Pre-Tax Net Income/(Loss)	8,485	13,470	14,569
Add Back:			
+ Depreciation Exp.	2,680	2,680	2,680
Cash Flow Available for Debt Service	11,165	16,150	17,249

* Other SG&A expenses include insurance, professional fees, office supplies, utilities, licensing fees and credit charges.

Balance Sheet Projection

A three-year balance sheet projection was provided by the applicant. The projected balance sheet includes the new equipment to be purchased, inventory and working capital proceeds. The business is projecting no long-term debt.

ASSETS	Pro Forma			
	Project	Year 1	Year 2	Year 3
Current Assets				
Cash	6,240	3,005	4,468	6,735
Inventory	3,740	3,740	3,740	3,740
Total Current Assets	9,980	6,745	8,208	10,475
Fixed Assets				
Equipment, Furn., Fixtures	18,760	18,760	18,760	18,760
Less: Accumulated Depreciation	0	(2,680)	(5,360)	(8,040)
Net Fixed Assets	18,760	16,080	13,400	10,720
Total Assets	28,740	22,825	21,608	21,195
LIABILITIES				
Current Liabilities				
Accounts Payables/cr. Card debt	0	0	0	0
Curr. Portion of LTD	0	0	0	0
Total Current Liabilities	0	0	0	0
Long-Term Liabilities				
None	0	0	0	0
Total Long Term Liabilities	0	0	0	0
Owner Equity				
Owner Equity	6,240	6,240	6,240	6,240
Niagara Co. IDA MicroGrant	22,500	22,500	22,500	22,500
Owner's Draw	0	(14,400)	(29,088)	(44,070)
Retained Earnings	0	8,485	21,956	36,525
Total Shareholders' Equity	28,740	22,825	21,608	21,195
Total Liabilities & Owner's Equity	28,740	22,825	21,608	21,195

Employment

Owner Brigitte Peters plans to work full time in the business. Based upon Ms. Peters' 2019 Federal personal tax return, she does 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. Peters is anticipating hiring an employee within the next 24 months. Evidence of the creation of new employment should be obtained to verify compliance with the national objective and satisfaction of this obligation of the business.

Credit Report and Personal Financial Statement

Personal Credit Report

A personal credit report obtained from Equifax for Brigitte Peters shows a FICO Score of 803 and a credit rating of Exceptional Credit. The Equifax Report dated June 18, 2020 indicates five open revolving credit lines totaling \$35K with total outstanding balances of \$4K. The report indicates a mortgage balance of \$222K with monthly payment of \$1,000, and an auto loan of \$8.1K. The credit report information is consistent with the information reported on the applicant's personal financial statement (pfs). The applicant has an established credit history since 2006 with all accounts paid timely and as agreed. No bankruptcies, judgments or delinquencies were reported.

Personal Financial Statement

Brigitte R. Peters submitted her Personal Financial Statement signed and dated on May 21, 2020, which is shown below.

Brigitte R. Peters	
<u>Assets</u>	<u>as of 5/21/2020</u>
Cash on Hand (Including savings)	\$ 24,005
IRA	1,025
Stocks, Bonds, Mutual Funds	28,243
Real Estate	255,300
Total Assets	\$ 308,573
<u>Liabilities</u>	
Credit Card Debt	\$ 2,614
Real Estate Mortgage	223,088
Installment Account (Automobile)	8,114
Total Liabilities	\$ 233,816
Net Worth	\$ 74,757
<u>Liquidity</u>	
Cash on Hand	\$ 24,005

Based on the applicant's 2019 federal personal tax returns, Ms. Peters' family income does not qualify her as a low-moderate income person per HUD regulations. As a result, she is 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. It is important to note that Ms. Peters, a military veteran, is currently unemployed as of February 2020.

Risk Assessment

Positive Factors:

- Owner has education and work experience in the signage industry and strategies to capitalize on the company's status as a woman-owned business and Veteran-owned business to qualify for government contracts.
- The company plans on using social media (Facebook, Instagram, LinkedIn) and on-line marketing (Etsy) to promote the business and encourage sales.
- Financial projections are very conservative as the business will be operated out of the applicant's home initially.
- Owner has an excellent personal credit score with limited personal debt and access to additional personal equity should business require it. Owner is starting the business from her home so as to minimize expenses. She is also supported by a working spouse.
- Expected to hire new employees within the next two years.
- Personal capital injection of \$2,500 which represents 10% of the total project cost.

Negative Factors:

- The on-line signage industry is highly competitive, with businesses who have larger machines and are able to quickly produce and price the product at a low-cost. However, Ms. Peters has strategies to serve a niche market utilizing her woman-owned and Veteran-owned business status and by marketing to reach local customers.
- The applicant's sales projections are not sufficient to support the hiring of two part-time employees, as needed to satisfy the requirements of the grant, so her ability to create employment will be dependent on the business gaining traction quickly and exceeding its revenue projections.
- 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: \$22,500

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. Applicant completed a 2-day course (Boots to Business) with SBDC within the past year.

Equity Injection: Grantor should obtain documentation evidencing the minimal injection of \$2,500 (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 plans to operate a signage company which will produce different kinds of signage, including storefront, directional, safety, vehicle banners/graphics, and yard signs, among other products. Ms. Peters will operate the business out of her home during the early stages, keeping her expenses low in order to sustain the business and grow it.

With her past experience in the industry, background, and capital injection, Ms. Peters demonstrates the commitment to grow her business in Niagara County. The feasibility of the start-up business requires good marketing and sales strategies as well as keeping expenses low. Ms. Peters intends to work from her home in the short run and hopes to use BP Sign's status as a woman-owned and Veteran-owned business to qualify for government contracts, among other marketing strategies.

Impact

The applicant plans to utilize social media (Facebook, Instagram and LinkedIn) and visit local businesses to introduce them to BP Sign's capabilities. Based upon research on local competitors, Ms. Peters believes she can provide a competitively priced product due to her minimal overhead costs. Based on Ms. Peters' 2019 family income, she does not qualify as low-moderate income (LMI) business owner pursuant to the U.S. Department of Housing and Urban Development regulations and therefore will be required to create one full-time equivalent (FTE) job that is available to low-mod individuals based upon the requisite skills, education and experience.

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
July 14, 2020

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

Grant Applicant: Anne M. Moyer and David K. Moyer, a New York partnership dba as Young Street Diner, formed on March 27, 2020

Tax ID#: SSN

Current Business Address: 289 Young Street, Wilson, NY 14172 (Start-up)

Proposed Business Address: SAME

Telephone: Home- 716-751-6515

Management/Ownership:

Anne M. Moyer	50%
David K. Moyer	<u>50%</u>
Total	100%

Website: TBD

Business: Limited Service Restaurant (serving breakfast & lunch items for take-out and limited in-door seating initially)

NAICS#: 722513 -- diners, limited service restaurants

Date of Review: July 15, 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

Collateral: None

Project Description: The Moyers formed a New York Partnership dba Young Street Diner ("Young Street Diner") in March 2020. The business is located at 289 Young Street in Wilson, NY. The two-story building, which is owned by the Moyers (husband and wife), has the restaurant on the first floor and 4 apartments on the second floor. The business will occupy ~1,600 sf and serve breakfast and lunch items and ice cream for take-out, with limited indoor seating initially. Indoor seating

consists of 8 booths (seats 4-6 people in each booth), 12 countertop stools, and four 8' tables (seats 4-6 people at each table). Outdoor seating consists of 4 covered tables that can seat up to a total of 24 people. In light of the COVID-19 pandemic and NYS guidelines on social distancing, seating is limited with every other stool unavailable and additional space required between tables. Management plans to take the necessary safety precautions with masks, gloves, and sanitizing when serving customers early breakfasts and lunch items (including ice cream) for take-out and limited in-door seating. Total project costs equal \$35,000 which includes funds for furnishings, fixtures and kitchen equipment, inventory and working capital.

Uses of Funds: Grant funds will be used for the purchase of kitchen equipment and furnishings, and inventory. See attached addendum for listing of FF&E to be purchased.

History and Background of the Applicant

Applicants are Anne Moyer and Dave Moyer who formed a partnership under the name Young Street Diner in March 2020 and who propose to open a breakfast and lunch diner under that name at 289 Young Street in the Village of Wilson. Mr. Moyer acquired the property in 2004 and the project location had been operated as a restaurant for over 50 years. The business will have a standard breakfast and lunch diner menu (bacon and eggs, toast, cereal, coffee, juice, sandwiches, soups, salads, and deep fried foods, along with daily specials) and serve ice cream and will operate from 6 a.m. to 2 p.m. seven days a week. No alcoholic beverages will be served. The goal will be to serve good food at reasonable prices in a family-friendly atmosphere.

The diner will operate out of a two-story building owned by the Moyers. The restaurant will occupy ~1,600 sf and have in-door seating for ~70 patrons (booths, tables and stools) and outdoor seating for 24 people. However, seating will be limited due to NYS restrictions and social distancing requirements related to the COVID-19 pandemic. Management plans to block off every other seat (stool) at the counter to comply with safe social distancing and will similarly restrict seating at every other booth and table. The Moyers have recently updated the electric and A/C in the building and have painted the interior and installed new flooring. There is off street parking in the back of the restaurant, in front of the restaurant, and on the corner (parking lot area on the corner is owned by the Moyers). In addition, they purchased some kitchen equipment so that they can offer ice cream and other take-out items. They had a "soft opening" last week with virtually no advertising in the media but relied on word of mouth. The Moyers are deeply committed to the project, having injected personal funds and time into the renovations, and have plans for a larger grand opening next month (August).

Anne Moyer has food service experience, working in the past as a Food Service Helper at the Niagara County Office of the Aging and as a cook and counter person at Brownie's Custard Stand in Wilson, and currently working as a Line Cook at the Niagara County Office of the Aging. She also worked as an Executive Assistant to a Financial Advisor for 11 years. Dave Moyer has experience operating a small business as the owner/operator of Wilson Hardware for 6 years and as manager of other retail businesses. For the past 9 years Mr. Moyer has operated his own property management business, managing both commercial and residential properties.

There are no breakfast/lunch diners in Wilson, but Young Street Diner may see competition from diner-style restaurants in Wilson, Olcott, and Youngstown. The Moyers hope to draw customers from Wilson

and surrounding communities in Niagara and Erie County, as well as seasonal residents and visitors to Wilson who come to fish and boat. They plan to market using print media and fliers and do not currently plan to use social media. They may establish a website in the future that will include their menu and hours of operation.

The project budget totals \$35,000, including the cost of fixtures, machinery and equipment, beginning inventory, signage, and working capital. The Moyers are seeking a \$25,000 grant to partially offset the project costs and will invest \$7,000 in equity. Based on their 2019 Federal tax return, the Moyers family income qualifies them as low-moderate income persons and will not be required to create one full-time equivalent job that is available to low-mod individuals based on the requisite skills, education, and experience. However, the Moyers anticipate hiring at least three employees within the next three years.

The Project

The Moyers are requesting \$25,000 in microenterprise grant funds for new/used kitchen equipment, fixtures and furnishings and inventory. Attached is the cost documentation for the items to be purchased. The owners plan to inject at least \$7,000 (20% of total project costs) as equity towards the entire project. See sources and uses of funds below.

Sources and Uses of Funds

	Niagara Co. MicroGrant	Owner Equity	Total Budget
Furnishings, Fixtures & Equipment *	23,000		23,000
Inventory	5,000	2,000	7,000
Working Capital		5,000	5,000
Total	28,000	7,000	35,000
	80%	20%	100%

* See attached addendum for listing of FF&E to be purchased.

Financial Analysis

Financial Projections

The following financial projections for 3 years were provided by the applicant with the assistance of the Small Business Development Center. Sales are optimistically forecasted at \$351,900 in Year 1 which amounts to approximately \$29M per month. Management states that the revenue projections are based upon their own research and estimation of customer traffic and purchasing pattern of other restaurants within the area. Sales in Years 2 and 3 are projected to grow by 8%. This analyst prepared two stress tests by taking the annual revenues and reducing by 50% (\$175M) and again by 75% (\$87,975) for the first year. The pre-tax net income would be \$14,668 and \$5,961 respectively and would still be positive using the same percentages of expenses in the original financial projections. Below sets forth financial projections modified by this analyst by reducing revenues by 75% and increasing the subsequent growth rate of 20% in the years following.

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 start-up operation has no financing involved and only owners' capital injection. The company does not forecast future borrowings. The Moyers are prepared to inject additional equity should the company require it. They currently own the commercial premises and have made significant improvements to the interior space. In addition, they are not charging the start-up business rent in order to minimize the expenses. Management will take careful steps opening, modifying the menu for take-out and limited in-door seating and ramping up when full dine-in seating is phased in.

Young Street Diner	Projections *					
	Year 1		Year 2		Year 3	
Total Revenues	\$ 87,975	100%	\$ 105,570	100%	\$ 126,684	100%
Cost of Goods Sold	(30,791)	35%	(36,950)	35%	(44,339)	35%
Gross Profit	57,184	65%	68,621	65%	82,345	65%
SG&A Expenses						
Salaries/Wages	32,491	37%	38,989	37%	46,787	37%
Payroll Expenses	3,899	4%	4,679	4%	5,614	4%
Depreciation & Amortization	3,286	4%	3,286	3%	3,286	3%
Utilities	3,899	4%	4,679	4%	5,614	4%
Other SG&A expenses	7,918	9%	9,501	9%	11,402	9%
Total Operating Expenses	51,493	59%	61,134	54%	72,704	54%
Pre-Tax Net Income/(Loss)	\$ 5,691	6%	\$ 7,487	11%	\$ 9,641	11%
Add Back:						
+ Depreciation Exp.	3,286		3,286		3,286	
Cash Flow Available for Debt Service	\$ 8,977		\$ 10,773		\$ 12,927	

* This analyst modified the original projections prepared by applicant/SDDC. Sales have been reduced by 75% from \$351,900 to \$87,975 in the first year due to limited service as per COVID-19 pandemic State guidelines for restaurants.

Balance Sheet Projection

A three-year balance sheet projection was provided by the applicant. The real estate is owned by the Moyers individually and they are not charging rent to the start-up business. It is expected that rent may be charged in the future when there is sufficient cash flow from the business. The projected balance sheet below includes the new equipment to be purchased, inventory and working capital proceeds. As stated below, since the commercial real estate is owned by the Moyers, the projected balance sheet lists nominal net fixed assets of approximately \$23,000. The company has no long-term debt and does not expect to borrow in the near future.

ASSETS	Project	Pro Forma		
		Year 1	Year 2	Year 3
Current Assets				
Cash	12,000	20,977	26,058	31,498
Inventories	7,000	7,000	7,000	7,000
Total Current Assets	19,000	27,977	33,058	38,498
Fixed Assets				
Equipment, Furn., Fixtures	23,000	23,000	23,000	23,000
Less: Accumulated Depreciation	0	(3,286)	(6,571)	(9,857)
Net Fixed Assets	23,000	19,714	16,429	13,143
Total Assets	42,000	47,691	49,487	51,641
LIABILITIES				
Current Liabilities				
Accounts Payables/cr. Card debt	0	0	0	0
Curr. Portion of LTD	0	0	0	0
Total Current Liabilities	0	0	0	0
Long-Term Liabilities				
None	0	0	0	0
Total Long Term Liabilities	0	0	0	0
Owner Equity				
Owner Equity	17,000	17,000	17,000	17,000
Niagara Co. IDA MicroGrant	25,000	25,000	25,000	25,000
Owner's Draw	0	0	0	0
Retained Earnings	0	5,691	7,487	9,641
Total Shareholders' Equity	42,000	47,691	49,487	51,641
Total Liabilities & Owner's Equity	42,000	47,691	49,487	51,641

Employment

Based upon the Moyers' Joint 2019 Federal personal tax return and family income, they qualify as a low-moderate-income persons per HUD regulations and are not required to create a minimum of one full-time equivalent to satisfy a national objective and obligation of the business. However, the Moyers anticipate hiring at least one FTE within the next 24 months.

Credit Reports -- Personal Financial Statement

Personal Credit Reports

The Equifax personal credit reports dated July 9, 2020, for Anne Moyer and David Moyer show FICO Scores of 816 (Exceptional credit) and 778 (Very good credit). Credit has been established since 1984 for both. Anne Moyer's credit report shows three open revolving credit lines totaling \$17,600 with total outstanding balance of \$111. David Moyer's credit report lists six open revolving lines totaling \$16,150 with total outstanding balances of \$264. The reports did not reflect any open mortgages or installment loans. The information reported on the applicant's personal financial statement agrees with the credit report data. All accounts have been paid timely and as agreed. No bankruptcies, judgments or delinquencies were reported.

Personal Financial Statement

David Moyer and Anne Moyer submitted a Joint Personal Financial Statement dated on July 7, 2020, which is shown below.

<u>Assets</u>	<u>David & Anne Moyer</u>
Cash on Hand/Savings	\$ 105,000
Accounts/Notes Receivable	4,000
Automobiles	8,000
Real Estate*	500,000
Other Assets	25,000
Total Assets	\$ 642,000
<u>Liabilities</u>	
Charge accounts	0
Other Liabilities	60,000
Total Liabilities	\$ 60,000
Net Worth	\$ 582,000
<u>Liquidity</u>	
Cash on Hand	105,000
	\$ 105,000

* 291 Young Street, 610 Lake St & 10 Shore Drive, Wilson, NY

Based on their 2019 Federal personal tax returns, the Moyer family income qualifies them as a low-moderate income persons per HUD regulations. As a result, they are not 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:

- Owners have small business experience and history of working in the restaurant and catering industry.
- The location had been previously used as a restaurant for over 40 years.
- Location is owned by the owners individually. They have made significant investments in HVAC, paint, flooring, electrical and other interior improvements. The owners do not plan to charge the start-up business rent in order to minimize expenses. They may, in the future, charge rent provided that the company has sufficient cash flow to support rent payments.
- The location in Wilson is near other restaurants that provide different food offerings and will take advantage of the traffic generated by other eateries and shops.
- Marketing and advertising strategies planned via flyers and print media. Soft opening occurred last week with a larger opening scheduled for early August.
- Owners have very good personal credit scores and credit history.

- Owner expects to hire new employees within the next two years, although not required to do so as the owners are LMI based upon their family income.
- Personal capital injection of \$7,000 which represents 20% of the total project cost. In addition, owners are prepared to inject additional funds should the business require it.

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 the 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 \$3,500 (10% of total project) in cash equity by the owner prior to disbursing grant proceeds.
Employment:	Based on the 2019 Federal personal tax return, the Moyer's family income qualifies them as low-moderate income persons per HUD regulations. As a result, they are not required to hire at least one FTE in order to satisfy a national objective.

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 start-up business serving breakfast and lunch for take-out and with limited on-site seating under the name Young Street Diner on 289 Young Street in Wilson, New York. With the owners' past experience and background and personal capital injection of 20% of total project costs, the Moyers have demonstrated their commitment to grow a business in Niagara County. However, the feasibility of the business as a thriving, on-going business may be adversely affected by the current COVID-19 pandemic and its impact on eating establishments and other businesses.

Impact

The applicant plans to combine the owners' small business and food service experience by starting Young Street Diner. They plan to distinguish their breakfast/lunch diner from the other food eateries in the nearby area by providing an affordable, albeit limited, menu of food offerings for breakfast and lunch (menu attached) including ice cream. The business provides the community with affordable food and beverages and provides employment for the Moyers, low-moderate income persons as defined by the U.S. Department of Housing and Urban Development.

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. Slicherman / the Harrison Studio
July 15, 2020

HELP LOAN REQUEST SUMMARY

Jalhanumant Inc DBA Best Western Summit Inn



Applicant:	Jalhanumant Inc DBA Best Western Summit Inn	
Project Location:	9500 Niagara Falls Blvd Niagara Falls, NY 14304	
Principals	Keerti Patel (30%), Kishorkumar Patel (20%).	
Description:	Built in the year 1967, and recently renovated the hotel is located at 9500 Niagara Falls Blvd. The hotel contains 88 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	\$86,900 <u>\$159,900</u> \$246,800
Total PILOT or Property Tax payments	2019 City: \$50,228 2019 County \$10,100 2019 School <u>\$37,561</u> Total \$97,889	
HELP Loan Request	\$117,467	

HELP LOAN REQUEST SUMMARY

Reena & Almee Inc.



Applicant:	Reena & Almee Inc. (America's Best Value Inn)	
Project Location:	6505 Niagara Falls Blvd Niagara Falls, NY 14304	
Principals	Mukesh Patel (50%), Jayesh Patel (50%)	
Description:	America's Best Value Inn is located at 6505 Niagara Falls Boulevard In Niagara Falls. The facility has 88 rooms. The company is current with its PILOT payments through 2019.	
Other COVID-related assistance received	SBA PPP Loan SBA EIDL Advanced Loan TOTAL	\$16,000 <u>\$149,900</u> \$165,900
Total PILOT or Property Tax payments	2019 City: \$47,923 2019 County \$12,059 2019 School <u>\$12,666</u> Total \$72,648	
HELP Loan Request	\$87,178	

HELP LOAN REQUEST SUMMARY

AMBE Corp



Applicant:	AMBE Corp, Sands Motel	
Project Location:	9393 Niagara Falls Blvd Niagara Falls, NY 14304 City of Niagara Falls	
Principals	Sangita Shah (100%)	
Description:	The facility was built in 1956 and contains 17 units. The company is current with real property taxes through 2019.	
Other COVID-related assistance received	SBA PPP Loan TOTAL	<u>\$1,225</u> \$1,225
Total PILOT or Property Tax payments	2019 City: \$6,472 2019 County \$1,629 2019 School <u>\$3,421</u> Total \$11,522	
HELP Loan Request	\$13,826	

Niagara Falls Tourism Target Zone Project Summary

Applicant: The Center for Kashmir Inc.

Project Location: 650 Park Place, Niagara Falls

Project Description:

The Center of Kashmir aims to serve as the global focal point on the art, culture, and history of the South Asian Himalayan region. The main services provided will include; Art Gallery, Library, Audio/Visual Stations, Hall of Memory, Small Movie Theater, and a Museum Shop and Café.

Built-in 1927, with steel, oak, and stone guts, the building stands as a testament to the forward-thinking, modern materials and workmanship of the time. Spending the last 90 years as a gothic revival church, exercising religious freedom, it is a near-perfect transition into a Center that embodies and celebrates human rights and the rich and unique Kashmiri culture and history.

The Center will be a public library; the largest archive of books and manuscripts on Kashmir related material, outside the valley. As a museum, it will house 600 original paintings, etchings, and drawings, the largest collection of Kashmiri art outside of Kashmir. The Center will house audio and visual stations that showcase the history of the region. For example, The Center has hundreds of professionally recorded interviews of Kashmiris from all walks of life. The Center will build a Hall of Memory, dedicated to over 100,000 people who have lost their lives in the Kashmir conflict. Other facilities include a small conference hall, art and recording studios, and a small theater for film screenings.

For the next 100 years and beyond, the Center will serve as a launching pad for the next generation of Kashmiri and local artists, writers, poets, scholars, journalists, etc. The Center will provide onsite accommodation for visiting artists and contributors. Here they will be able to hone their skills, receive instruction, provide clinics, and display their work through regular Center for Kashmir events.

When the Center is not hosting its own events, the museum will be available to rent for corporate and academic events, meetings, speaking events, galas, wedding receptions, etc.

The Kashmiri diaspora in North America comprises of approximately 10,000 well knit, well educated, high net worth families with expendable income. Preservation of unique Kashmiri culture with its rich history of craftsmanship and artisans is a high priority for the Diaspora. Telephone surveys conducted by our research team of the diaspora confirmed these assumptions. We feel quite confident that at 3 percent participation of the diaspora, around 300 families (Patron Members), the museum could raise upwards of \$300,000 per annum towards its operating expenses.

Total Project Cost: \$1,365,000

Fund Amount Requested: \$300,000

Other Sources of Funds: Equity, private investment, pending WNYPPAB, private donations.

Employment: 4 positions to be created

Estimated Completion Date: Jan-Feb 2021

Comments: