

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

LSNY Holdings, LLC

(Applicant Name)

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

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

<http://niagaracountybusiness.com>

Updated 2020

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

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

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NIAGARA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: LSNY Holdings, LLC

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

City/Town/Village & Zip code: East Amherst

Phone: 716-541-4401

Website: centerforkashmir.org

Fed Id. No.: 85-1071855

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

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

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

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

Form of Entity

Corporation

Date of Incorporation: _____

State of Incorporation: _____

Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation _____

Jurisdiction of Formation _____

Limited Liability Company/Partnership (number of members 2)

Date of organization: May 18, 2020

State of Organization: New York

Sole Proprietorship

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

APPLICANT'S COUNSELCompany Name: Nixon Peabody LLPContact Person, and Title: Anita PelletierMailing Address: 1300 Clinton SquareCity/Town/Village & Zip code: Rochester, NY 14604-1792Email: apelletier@nixonpeabody.comPhone: 716-597-5344Fax No.: 716-299-8951**II. PROJECT INFORMATION**

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

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

Swiss Number _____

Located in City of _____

Located in Town of _____

Located in Village of _____

School District of _____

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

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

N/A

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

- E) Describe the project:

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

F) *Estimated Project Costs:*

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

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

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

Identify each state and federal grant/credit:

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

	\$
TOTAL PUBLIC FUNDS	\$500,000

H) Inter-Municipal Move Determination

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

Yes or No

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

Yes or No

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

Yes or No

If Yes to any of the questions above, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Project Data

1. Project site (land)

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

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

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

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

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

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

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

No

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

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

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

N/A

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

HVAC + Humidity Control Systems + Security Systems

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

8. Has construction work on this project begun?

No

III. **FINANCIAL ASSISTANCE REQUESTED**

A) Benefits Requested:

Sales Tax Exemption Mortgage Recording Tax Exemption

Real Property Tax Abatement (PILOT)

B.) Value of Incentives:

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

Estimated duration of Property Tax exemption: 10 Year PILOT

Sales and Use Tax

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

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

Estimated duration of Sales Tax exemption: 12 Months

Mortgage Recording Tax Exemption Benefit

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

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

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

Yes or No

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

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

IV. EMPLOYMENT PLAN

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

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

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

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

III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the project is located.
- B. First Consideration for Employment: In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Fillings: In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax

exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.

E. Annual Employment Reports: The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

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

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

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

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

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

J. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein described.

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

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

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

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

Khurshid Guru
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 22 day of June, 2020

Ann Marie Gibney
(Notary Public)

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

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

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

HOLD HARMLESS AGREEMENT

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

Khurshid Gura
(Applicant Signature)

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

Ann Marie Gibney
(Notary Public)

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

Sworn to before me this 22 day
of June, 2020

[stamp]

Real Property Tax Benefits (Detailed):

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

PILOT Estimate Table Worksheet

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

*Apply equalization rate to value

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

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

Cost Benefit Analysis:

To be completed/calculated by AGENCY

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

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

\$875,000 (to be used on the NYS ST-60)

UPDATED 2020