



MacLean Curtis, L.L.C.

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name MacLean Curtis, L.L.C.
Applicant Address 1000 Allanson Rd. Mundelein, IL 60060
Phone 847-970-4617
Fax 847-566-0026
E-mail djoyce@macleanfogg.com
Website www.macleanfogg.com
Federal ID# 47-1919783
NAICS Code 336399
Will a Real Estate Holding Company be utilized to own the Project property/facility No
What is the name of the Real Estate Holding Company N/A
Federal ID#
State and Year of Incorporation/Organization
List of stockholders, members, or partners of Real Estate Holding Company

Individual Completing Application

Name Jason Lake
Title Consultant
Address 125 S Wacker Dr. Chicago, IL 60606
Phone 312-422-0642
Fax 312-893-2025
E-Mail jlake@ngallc.com

Company Contact (if different from individual completing application)

Name Dan Joyce
Title Vice President
Address 1000 Allanson Rd. Mundelein, IL 60060
Phone 847-970-4617
Fax 847-566-0026
E-Mail djoyce@macleanfogg.com

Company Counsel

Name of Attorney N/A
Firm Name
Address
Phone
Fax
E-Mail

Identify the assistance being requested of the Agency

Exemption from Sales Tax No
Tax Exempt Financing* No
*** (typically for not-for-profits & small qualified manufacturers)**
Exemption from Mortgage Tax No
Exemption from Real Property Tax Yes
Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Business Organization

Type of Business Limited Liability Company
Year Established 2014
State of Organization Delaware

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

MacLean Curtis, L.L.C. is 100% owned by MacLean-Fogg Component Solutions, L.L.C. which is controlled by the Mac Lean-Fogg Company, a Delaware S-corporation, headquartered in Illinois and owned by the MacLean family.

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

Founded in 1925, MacLean-Fogg Company ("MFC") offered one lock nut to North America's railroads. Through innovative product development and select acquisitions, MacLean-Fogg Company has grown into a worldwide enterprise with 30 North American manufacturing facilities and 10 international facilities. MacLean-Fogg Component Solutions, L.L.C. ("MFCS"), is a subsidiary of MacLean-Fogg Company. MFCS is a leading supplier of Fastener Components, Engineered Components, and Linkage & Suspension Components serving many diverse industries. One of the fastest growing segments for MFCS is gear blanks. Tighter emission standards and the strive towards fuel efficiency are driving a demand for more complicated drivetrain systems and increased gear ratios. Both acquirer and target are major producers of gear blanks to the auto industry. Curtis Screw, L.L.C. ("Curtis") was founded in 1905 by Frank O. Curtis in Buffalo, NY. Mr. Curtis formed Curtis to produce and sell his five-spindle screw machine, for which his father held patents dating back to 1891. By 1970, Curtis was ranked as one of the nation's leading manufacturers of machined metal components. As Curtis celebrates its 105th anniversary, annual sales exceed \$65 million. Curtis has three locations with nearly 350 employees. MFCS is in the final stages of acquiring the NY and NC assets of Curtis. The operations will be contained in a new entity, MacLean Curtis, L.L.C.

Estimated % of sales within Erie County 2
Estimated % of sales outside Erie County but within New York State 4
Estimated % of sales outside New York State but within the U.S. 86
Estimated % of sales outside the U.S. 8

(* Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list

of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

Approximately 10%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

MacLean Curtis currently does not have any operations in NY. Curtis Screw operates in Buffalo, NY.

Will the Proposed Project be located within the Municipality, or within a Municipality, identified above?

Yes

In which Municipality will the proposed project be located

Buffalo, NY

Address

50 Thielman Dr. Buffalo, NY 14206

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If Yes, you will need to complete Section V of this Application)

SBL Number for Property upon which proposed Project will be located

112.150-1-7.120

What are the current real estate taxes on the proposed Project Site

\$96,400.76

Assessed value of land

Assessed value of building(s)

\$3,500,000

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo - 73

Does the Applicant or any related entity currently hold fee title to the Project site?

No

If No, indicate name of present owner of the Project Site

Curtis Niagara LLC

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the Proposed Project site

The proposed project site currently houses Curtis Screw's manufacturing operations.

Please provide narrative of project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

MacLean Curtis proposes to acquire Curtis Screw's assets and retain manufacturing operations at the project site. MacLean Curtis proposes to be the only end user of the site.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The MacLean family of businesses operates similar manufacturing operations throughout the US including Illinois, Arkansas, Michigan, Pennsylvania and, with the acquisition of Curtis Screw, North Carolina. As part of the acquisition, MacLean Curtis' parent company will be evaluating operations throughout the US in order to determine where to strategically deploy assets. The agency's financial assistance to retain the current PILOT will help MacLean Curtis to retain current Curtis Screw operations in Buffalo. Currently, the North Carolina facility operates comparatively more profitably than the Buffalo location. That advantage represents 7% of sales - or a gain of \$70K in earnings per \$1M of top line sales versus Buffalo. This relationship also holds true when the Buffalo operation is compared with other existing MacLean family operations. It is MacLean's intent to identify and implement ways to improve the Buffalo margins. While the PILOT cannot make up the total difference, it is a material factor and cannot be ignored. A loss of the PILOT would result in an even wider margin to bridge. Buffalo has physical capacity to grow by 30%. Maclean is requesting the preservation of the PILOT to create a stable expense environment upon which to make improvements and potentially justify growth in the future. Currently, the MacLean family of businesses operates in a number of midsize to small markets and enjoys positive working partnerships with the respective communities. MacLean offers competitive wages and has a history of community involvement and the creation of long lasting successful jobs and businesses. The average property tax agreement, outside of the current acquisition, is 15 years and 75% abatement. Other locations, such as the Savanna, IL location, have been recently expanded and are currently enjoying property and income tax relief. Property tax relief at the Savanna location exceeds 50% for 10 years while income tax offsets amounting to \$15K per employee reduce overall tax burden. Unfortunately, due to taxation of S-corps in New York, many of the state tax credit programs offer limited benefit to the shareholders of MacLean. This fact is the reason property tax reduction is comparatively important and meaningful in location analysis. An approval of the extension of the current PILOT is a positive vote and a meaningful gesture at the beginning of what is hopefully a long and successful relationship.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

%

% sourced in State

% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$ N/A

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ N/A

For proposed facility please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	N/A square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0
Specify Other	square feet	\$ 0	0

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking

N/A

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

10/31/2014

End date : Estimated completion date of project

10/31/2014

Project occupancy : estimated starting date of operations

10/31/2014

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

No

Has the Project received site plan approval from the appropriate planning department?

No

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion
Full time	0	165	165
Part time	0	0	0

Total	0	165	165
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Employment at other locations in Erie County: (provide address and number of employees at each location):

Address	N/A		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 5,940,000

Estimated average annual salary of jobs to be retained

\$ 36,000

Estimated average annual salary of jobs to be created

\$ 0

Estimated salary range of jobs to be created

From \$ 0 **To** \$ 0

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

Yes

If yes, please explain and identify out-of-state locations investigated

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What competitive factors led you to inquire about sites outside of New York State?

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

If yes, please indicate the Agency and nature of inquiry below

Empire State Development - assistance to be determined.

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

Assignment of Current Hydroelectric Allocation

Section III: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program? No

What is the age of the structure (in years)? 0

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)	<BLANK>
If yes, number of years vacant?	0
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)	<BLANK>
If yes, please provide dollar amount of income being generated, if any	\$
Does the site have historical significance?	<BLANK>
Are you applying for either State/Federal Historical Tax Credit Programs?	No
If yes, provide estimated value of tax credits	\$

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

Section IV: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? No

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 0 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? <BLANK>

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? <BLANK>

If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? No

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? <BLANK>

If yes, explain

Is the project located in a Highly Distressed Area? <BLANK>

Section V: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results 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, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project 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? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, 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:

N/A

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State No

Within Erie County No

If Yes to either question, please, explain N/A

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

N/A

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

N/A

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

<BLANK>

What factors have lead the project occupant to consider remaining or locating in Erie County?

N/A

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

N/A

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

N/A

Section VI: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name MacLean Curtis, L.L.C.
Address 1000 Allanson Rd. Mundelein, IL 60060
Contact Person Dan Joyce
Phone 847-970-4617
Fax 847- 566-0026
E-Mail djoyce@macleanfogg.com
Federal ID # 47-1919783
SIC/NAICS Code 336399

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name	Current Address (city, state, # of sq ft and % of total to be occupied at new project site)	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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Section VII: Environmental Questionnaire

General Background Information

Address of Premises 50 Thielman Dr. Buffalo, NY 14206

Name and Address of Owner of Premises Curtis Niagara LLC

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

150,000 square feet of building on flat terrain bordered to north by railroad tracks, parking lots to the east and south, with grass fields to the west.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The building was constructed in 1994 and is 20 years old. It was first erected for warehousing and later used for manufacturing.

Describe all known former uses of the Premises

warehousing, manufacturing

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

N/A

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

N/A

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

Yes

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

11/26/13 DEC visit for non-compliance for oil storage tank labeling and failure to consistently perform monthly inspections. Corrected/Satisfied on 5/15/14. See attached.

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

Yes

If yes, provide the Premises' applicable EPA (or State) identification number

CESQG

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Safety Kleen, Crystal Kleen

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Safety Kleen, Crystal Kleen

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

N/A

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

See Attached

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

N/A

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

See Attached

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

See Attached

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

N/A

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

N/A

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

N/A