

**Application Title**

Revised 1-23-13

The Kittinger Company, Inc.

**Section I: Applicant Background Information**

**Applicant Information - Company Receiving Benefit**

**Total Project Cost** 1364700  
**Applicant Name** The Kittinger Company, Inc.  
**Applicant Address** 2495 Main Street, Suite 600, Buffalo, New York 14214  
**Phone** 716-876-1000  
**Fax** 716-837-3989  
**E-mail** rb@kittingerfurniture.com  
**Website** www.kittingerfurniture.com  
**Fed ID#**

**Individual Completing Application**

**Name** Raymond C. Bialkowski  
**Title** President  
**Address** 36 Oak Hill Court, East Amherst, New York 14051  
**Phone** 716-481-3592  
**Fax** 716-837-3989  
**E-Mail** rb@kittingerfurniture.com

**Company Contact (if different from individual completing application)**

**Name**  
**Title**  
**Address**  
**Phone**  
**Fax**  
**E-Mail**

**Company Counsel**

**Name of Attorney** Horace Gioia  
**Firm Name** Rupp, Baase, Pfalzgraf, Cunningham, Coppola, LLC  
**Address** 1600 Liberty Building, 424 Main Street, Buffalo, New York 14202  
**Phone** 716-854-3400  
**Fax** 716-332-0336

| **E-Mail** gioia@ruppbaase.com |

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**Identify the assistance being requested of the Agency**

<b>Exemption from Sales Tax</b>	Yes
<b>Tax Exempt Financing</b>	Yes
<b>Exemption from Mortgage Tax</b>	Yes
<b>Exemption from Real Property Tax</b>	Yes
<b>Assignment/Assumption of existing PILOT benefits</b>	No

**Business Organization**

<b>Type of Business</b>	Corporation
<b>Year Established</b>	1866
<b>State of Organization</b>	New York

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

**Please include name and % of ownership.**

Raymond C. Blalkowski - 95%

**Business Description**

**Describe in detail company background, products, customers, goods and services**

The Kittinger Furniture Company started in 1866. Kittinger is a manufacturer of high quality premier mahogany furniture. Kittinger supplies residential and contract furniture markets. Kittinger maintains customer's throughout the world. Most notable customer is the White House dating back to 1970.

Estimated % of sales within Erie County	18%
Estimated % of sales outside Erie County but within New York State	12%
Estimated % of sales outside New York State	56%
Estimated % of sales outside the U.S.	14%

**What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? (You may be asked to provide supporting documentation of the estimated percentage of local purchases)**

17.11%

## Section II: Project Description & Details

### **Location of proposed project facility**

<b>Address</b>	4675 Transit Road
<b>City</b>	Clarence
<b>State</b>	New York
<b>Zip Code</b>	14031
<b>SBL Number</b>	70.03-1-21-12
<b>Town/City/Village</b>	Clarence
<b>School District</b>	Clarence Central
<b>Present Project Site Owner</b>	Hillsdale Realty Company, Inc.

### **Please provide a brief narrative of the project**

Purchase existing and renovate 22,000 sq. ft. building and add 10,000 sq. ft. addition including a shipping and receiving dock. The existing building will be office and showroom area, and the mill part of the manufacturing operation. The new addition will house the balance of the manufacturing operation plus the shipping and receiving department.

### **Site Characteristics**

**Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?**

No

**If yes, please explain**

**Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site? (If yes, please provide copy)**

Yes

If yes, please provide a copy.

**Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?**

No

If yes, please provide copies of the study.

**Will project include leasing any equipment?**

No

If yes, please describe equipment and lease terms

**If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?**

No  
If yes, please attach additional documentation describing the efficiencies achieved.

**Does or will company perform substantial research and development activities on new products/services at the project location?**

No  
If yes, please explain

**What percentage of annual operating expenses are attributed to the above referenced research and development activities?**

5%

**Explain why IDA participation is necessary for this project to proceed. Focus on competitiveness issues, project shortfalls, etc.**

IDA participation is necessary because of the unbalance competition that the furniture industry has experienced over the last 12 years. The economic situation also has been a challenge over the last 4 years. That has affected our cash flow. In order for this project to move forward it is critical that the participation of the IDA at its most involved level is essential.

**Project Information**

**Estimated costs in connection with project**

<b>Land and/or Building Acquisition</b>	<b>\$ 575000</b>
2.80 acres    22.00 square feet	
<b>New Building Construction</b>	<b>\$ 0</b>
0.00 square feet	
<b>New Building addition(s)</b>	<b>\$ 350000</b>
10.00 square feet	
<b>Renovation</b>	<b>\$ 125000</b>
22.00 square feet	
<b>Manufacturing Equipment</b>	<b>\$ 0</b>
<b>Non-Manufacturing Equipment: (furniture, fixtures, etc.)</b>	<b>\$ 0</b>
<b>Soft Costs: (professional services, etc.)</b>	<b>\$ 35000</b>
<b>Other Cost</b>	<b>\$ 280000</b>
<b>Explain Other Costs</b>	relocate manufacturing equipment and sprinkler system
<b>Total Cost</b>	<b>1365000</b>
<b>Project Refinancing (est. amount)</b>	<b>0</b>

**Select Project Type (check all that apply)**

- |  |                        |   |
|--|------------------------|---|
| Yes <b>Industrial</b>                      | No <b>Multi-Tenant</b> | No <b>Mixed Use</b>                       |
| No <b>Acquisition of Existing Facility</b> | No <b>Commercial</b>   | No <b>Facility for the Aging</b>          |
| No <b>Housing</b>                          | No <b>Back Office</b>  | No <b>Civic Facility (not for profit)</b> |
| No <b>Equipment Purchase</b>               | No <b>Retail</b>       | No <b>Other</b>                           |

**SIC Code** 2521

**NAICS Code** 337211

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

<b>Manufacturing/Processing</b>	20000.00 square feet
<b>Warehouse</b>	6000.00 square feet
<b>Research &amp; Development</b>	200.00 square feet
<b>Commercial</b>	0.00 square feet
<b>Retail</b>	0.00 square feet
<b>Office</b>	5500.00 square feet
<b>Other</b>	0.00 square feet

**Specify Other**

**Utilities and services presently serving site. Provide name of utility provider**

<b>Gas</b>	National Fuel	
<b>Electric</b>	NYSEG	<b>Size</b>
<b>Water</b>	Eastern Hills	<b>Size</b>
<b>Sewer</b>	Septic System	<b>Size</b>

**Other (Specify)**

**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>

**What is your project timetable (Provide dates)**

**Start date : acquisition of equipment**

2013-03-01

**End date : Estimated completion of project**

2013-06-01

**Project occupancy : estimated starting date of operations**

2013-06-01

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

Yes

**Have any expenditures already been made by the company?**

Yes

**If yes, indicate particulars (ECIDA benefits do not apply to expenses incurred prior to Board approval)**

Deposit on existing building, Attorney fees, Architect

**Is project necessary to expand project employment?**

Yes

**Is project necessary to retain existing employment?**

Yes

**Employment Plan (project location)**

	Current Jobs	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion
Full time	13	0	21
Part time	3	0	3
<b>Current Full Time Jobs in other Erie county locations</b>	<b>5</b>		
<b>Current Part Time Jobs in other Erie county locations</b>	<b>8</b>		

**Payroll Information**

**Annual payroll**

782000

**Estimated average annual salary of jobs to be retained**

33780

**Average estimated annual salary of jobs to be created**

30125

**Estimated salary range of jobs to be created**

**From** 25000 **To** 40000

**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**

A major North Carolina case good and upholstery company has expressed a major interest in the relocation of Kittinger.

**Were you offered financial assistance to locate outside of New York State?**

No

**If yes, from whom and what type of assistance was offered**

Not as of yet.

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

Tax cost to do business in New York State

**Have you contacted or been contacted by other economic or governmental agencies regarding this project?**

Yes

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

Clarence IDA, Cheektowaga Economic Development Corporation

### Section III: Adaptive Reuse Projects

**Are you applying for a tax incentive under the Adaptive Reuse Program?**

No

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

32.00

**If yes, number of years vacant?**

3

**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)**

Yes

**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)**

Yes

**Does the site have historical significance?**

No

**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 (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rates compared to regional industrial averages)**

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

**Please indicate other factors that you would like the 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 or structure is presently delinquent in property tax payments**

### Section IV: Retail Determination

**Will project involve the sales of goods or services to customers who personally visit the facility?**

No

If yes, complete the Retail Questionnaire Supplement below.

**Will any portion of the project consist of facilities or property that is primarily used in making sales of goods or services to customers who personally visit the project site?**

No

If the answer is yes, please continue.

**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?**

0.00

%

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).

**Will the project be operated by a not-for-profit corporation?**

No

**Is the project likely to attract a significant number of visitors from outside the economic development region in which the project will be located?**

No

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

**Would the project occupant, but for the contemplated financial assistance from the industrial development agency, locate the related jobs outside the State of New York?**

No

If yes, please provide documentation regarding investigation of sites outside New York State.

**Is the predominant purpose of the project to make available goods or services which would not otherwise be reasonably accessible to the residents of the project municipality?**

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?**

Yes

**Is the project located in a Neighborhood Redevelopment Area?**

No

### Section V: Inter-Municipal Move Determination

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

**Within New York State** Yes

**Within Erie County** Yes

If EITHER IS YES, please complete the following. If BOTH ARE NO, please 'save and continue' to the next section (Section VI: Facility Type - Single or Multi Tenant).

The Agency is required by state law to make a determination that Agency assistance is required to prevent the project occupant from relocating out of the state, or to preserve the project occupant's competitive position in its respective industry.

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

Yes

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

Kittinger started its search for a new location with the objective of reducing costs. Leasing through the years of the economic downturn placed a tremendous financial burden on the company as sales decreased. In searching for a new location, it became imperative that the new building must have a positive impact on productivity to remain competitive in a global market. The importance of moving to a location that would expand the synergy between the Gallery and factory also became evident.

**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...)**

Minimum requirements for the building are 32,000 square feet with at least 14 foot ceilings. The facility must have a shipping and receiving dock, and employee and visitor parking. Inside the building we need a concrete floor to support the weight of the machines and that of a forklift truck. The distance between support columns is critical as closer columns create problems with the production flow. Additionally, to maximize the synergy between the Kittinger retail store and the factory, a reasonable distance from the Kittinger retail store on Transit road is important.

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

Yes

**Is the project reasonably necessary to preserve the project occupant's competitive position in its industry?**

Yes

**If yes, please explain and provide supporting documentation**

In a globally competitive market, it is necessary for us to continually reduce or minimally stabilize costs. Rent has increased annually and is a significant component of product cost. Purchase of a building will provide stabilization of this component. Furniture manufactured offshore continues to erode our sales. Although we constantly focus on our strengths, such as custom manufacturing, we still have an uphill battle against the global threat.

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

The history of Kittinger is very important to the Western New York area. I have a strong personal commitment to maintaining the jobs in Western New York for the current employees. A Company has expressed a strong interest in Kittinger, but would have no interest in manufacturing in this area. Additionally, the manufacturing facility is also important to the success of the retail store located in Clarence.

**What is going to happen to the current facility that project occupant is located in?**

The building Kittinger is located in is a multi-tenant building. The owners have been very cooperative with us regarding this purchase and move. They have requested that Kittinger reduce the current square footage so they are able to start renovating a portion of the floor that we occupy. The floor that Kittinger occupies is the only remaining floor in the Tri-Main building that has not been renovated. When we leave the building, it will allow the building to subdivide this floor as they have done throughout the rest of the building.

**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.**

1555 Niagara St. Buffalo, NY Wooden floors too small, 319-327 Elm St. Buffalo, N.Y. Two Story Building 222 Chicago St. Buffalo, NY 26' ceilings concerned about heat, no parking, no truck high loading dock 501 Cornwall Ave. Buffalo, NY Ceiling height 10', concerned about roof construction, no parking or dock 1791 Fillmore Ave. Buffalo, NY Building was not appropriate for manufacturing, very little parking 196-198 Vulcan St. Buffalo, NY Thought about this building, but the interior was not right for manufacturing, did not have the correct power. I also was presented with the Lakeside Commerce Park. As exciting as it sounded to build a new building, it is not financially feasible.

## 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**      The Kittinger Company, Inc.  
**Address**              2495 Main Street, Buffalo, New York 14214  
**Contact Person**      Ray Bialkowski  
**Phone**                716-876-1000 ext. 11  
**Fax**                    716-837-3989  
**E-Mail**                rb@kittingerfurniture.com  
**Federal ID #**  
**SIC/NAICS Code**      2521/337211

#### **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 list below and provide square footage (and percent of total square footage) to be leased to tenant and NAICS Code for tenant and nature of business**

## Section VII: Environmental Questionnaire

### **General Background Information**

#### **Address of Premises**

4675 Transit Road Clarence, New York 14031

#### **Name and Address of Owner of Premises**

Hillsdale Realty Company Inc. Clarence, New York 14031

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

The terrain is flat, no waterways, no wetlands.

#### **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 current building was constructed in 1979 as a roller rink and has been used for that purpose since then. I intend to renovate the existing 22,000 sq. ft. structure for office and manufacturing use and add a new 10,000 sq. ft. structure for additional manufacturing and warehouse use.

#### **Describe all known former uses of the Premises**

The only use for the building was as a roller rink.

#### **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**

#### **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**

**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?**

No

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

**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**

Kittinger through it's finish process generates a small amount of waste. We contract with Environmental Service Group from Tonawanda N.Y. to transport approximately one 55 gallon drum a year to Hunkill Chemical Corporation in Bedford Ohio.

**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**

The Environmental Service Group Inc. 177 Wales Avenue Tonawanda New York 14150

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

Hunkill Chemical Corporation 7013 Krick Road Bedford Ohio 44146-4593

**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?**

Yes

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

Lauquer and solvent materials related to the finishing process. All flammable materials are stored in a chemical storage cabinet or a chemical room.

**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**

**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**

**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**

**Air Pollution**

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

Yes

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

Kittinger has open faced spray booths used in the finish process. There are 3 booths used, each has to be vented 5-10 feet above the roof line. The amount of fumes that we exhaust is less then 1% of the amount that we are leagally able to exhaust.

**Are any of the air emission sources permitted?**

Yes

**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**

**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**

**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**

**Do the Premises have any asbestos containing materials?**

No

**If yes, please identify the materials**