

Application Title

Tax Incentive Application

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Total Project Cost 1049127
Applicant Name Custom Sheet Metal Fabricating LLC
Applicant Address 25 Depot Street, Buffalo, NY 14206
Phone (716)614-7473
Fax (716)614-7465
E-mail camarre@mollenbergbetz.com
Website Mollenbergbetz.com
Fed ID# -----

Individual Completing Application

Name James P. Camarre
Title CFO/VP of Finance
Address 300 Scott Street
Phone 716-614-7473
Fax 716-614-7465
E-Mail camarre@mollenbergbetz.com

Company Contact (if different from individual completing application)

Name Same
Title
Address
Phone
Fax
E-Mail

Company Counsel

Name of Attorney Warren Gelman
Firm Name McGee & Gelman
Address 200 Summer Street, Buffalo, NY 14222
Phone 716-883-7272
Fax 716-883-7084

E-Mail

warren@mcgee-gelman.com

Identify the assistance being requested of the Agency

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

Business Organization

Type of Business	Limited Liability Company
Year Established	2010
State of Organization	New York

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

Please include name and % of ownership.

Mollenberg Betz Holding LLC 100%

Business Description

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

Custom Sheet Metal Fabricating is a metal fabrication facility. We have one primary customer which accounts for more than 90% of our business. Due to this high consumption of our capacity, we are unable to broaden our customer base. It is our desire to increase our capacity to allow us to gain service more customers thus mitigate our risk of a downturn by our current primary customer.

Estimated % of sales within Erie County	100
Estimated % of sales outside Erie County but within New York State	0
Estimated % of sales outside New York State	0
Estimated % of sales outside the U.S.	0

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)

41%

Section II: Project Description & Details

Location of proposed project facility

Address	25 Depot Street
City	Buffalo
State	New York
Zip Code	14206
SBL Number	112.13-3-4.1
Town/City/Village	Buffalo
School District	Buffalo
Present Project Site Owner	Custom Sheet Metal Fabricating LLC

Please provide a brief narrative of the project

Installation of 160'x75' (12,000 square feet) warehouse addition to the existing 10,000 square foot warehouse. This addition includes a 10 ton overhead crane, jib cranes, welding stations, shipping and receiving bays and additional jobs at our facility.

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?

Yes

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

Currently Custom Sheet Metal Fabricating has one major customer which utilizes more than 90% of production capacity and provides more than 90% of our revenue. While profitable, this is a highly leveraged position with significant inherent risk. We have thus far been unable to seek new customers and opportunities because we had no excess capacity to accommodate any new business. The difficult hurdle in our expansion is to increase capacity while we concurrently identify and pursue new customers and opportunities as funds to conquer both endeavors are limited. The participation of the ECIDA is critical to the project success as the savings it will generate through the various incentive programs will allow us much more rapidly to deploy additional attention to sales and marketing efforts while construction is proceeding. This in turn, we hope, will immediately consume our newly available capacity, expand our customer base, reduce our reliance and inherent risk associated with the risk our current primary supplier and provide the cash flow necessary to meet the financial burdens associated with our project.

Project Information**Estimated costs in connection with project****Land and/or Building Acquisition** \$ 0

0.00 acres 0.00 square feet

New Building Construction \$ 0

0.00 square feet

New Building addition(s) \$ 837227

12000.00 square feet

Renovation \$ 82605

0.00 square feet

Manufacturing Equipment \$ 129295**Non-Manufacturing Equipment: (furniture, fixtures, etc.)** \$ 0**Soft Costs: (professional services, etc.)** \$ 0**Other Cost** \$ 0**Explain Other Costs****Total Cost** 1049127**Project Refinancing (est. amount)** 0

Select Project Type (check all that apply)

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

SIC Code 3429

NAICS Code 332999

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

		Cost	% of Total Cost
Manufacturing/Processing	12000 square feet	0	100
Warehouse	0 square feet	0	0
Research & Development	0 square feet	0	0
Commercial	0 square feet	0	0
Retail	0 square feet	0	0
Office	0 square feet	0	0
Specify Other	0 square feet	0	0

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

Gas	
Electric	Size
Water	Size
Sewer	Size
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**

2013-12-01

End date : Estimated completion of project

2014-03-30

Project occupancy : estimated starting date of operations

2014-04-30

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

Yes

Have any expenditures already been made by the company?

No

If yes, indicate particulars (ECIDA benefits do not apply to expenses incurred prior to Board approval)**Is project necessary to expand project employment?**

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to location):

	Current # of jobs at 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	11	11	14
Part time	0	0	0
Total	0	0	0

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

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information**Annual payroll**

512000

Estimated average annual salary of jobs to be retained

46600

Average estimated annual salary of jobs to be created

42000

Estimated salary range of jobs to be created**From** 32000 **To** 52000

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

No

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

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

No

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

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

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

No

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

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)?

0.00

If yes, number of years vacant?

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>

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>

Does the site have historical significance?

<BLANK>

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?

Yes

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 No

Within Erie County No

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?

No

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.)

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...)

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?

No

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

<BLANK>

If yes, please explain and provide supporting documentation

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

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

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.

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	Custom Sheet Metal Fabricating LLC
Address	25 Depot Street, Buffalo, NY 14206
Contact Person	James Camarre
Phone	716-614-7450 ext 221
Fax	716-614-1465
E-Mail	camarre@mollenbergbetz.com
Federal ID #	
SIC/NAICS Code	3429/332999

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

25 Depot Street Buffalo, New York 14206

Name and Address of Owner of Premises

Custom Sheet Metal Fabricating LLC 25 Depot Street Buffalo, New York 14206

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

Custom Sheet Metal Fabricating sits on 1.501 acres of land. The terrain is relatively flat and not located near or by any wetlands, rivers, streams, inlets or waterways. Facing the front of our existing building, there is a large fern tree and directly in front of the building is general landscaping with bushes and shrubs. the front is grass and there is grass along the back side of the building.

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 existing facility is 9,030 square feet. this is a Butler style building, light beige in color. The building houses equipment for metal fabrication. We perform, welding, bending, stamping and forming of steel products for various customers. Our propose new facility will attach to the far end of the existing building. The new building will be 12,040 square feet. the operation of the new building will be much the same as our existing facility except we will have a new overhead crane with 10 ton capacity. this will increase our efficiency greatly. We will have welding stations along the sides of the building with areas that will accommodate our cutting and forming equipment. The new building will blend in color wise with the existing building. A new paved parking lot will be added and our existing lot will be re-paved.

Describe all known former uses of the Premises

In our tenure as owner and that of the predecessor owner, metal fabrication has been done at this facility.

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?

No

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

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

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

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

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

N/A

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?

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

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

None

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