

# **Project2015 Gordon Companies**

# Section I: Applicant Background Information

Applicant	Information	- Company	Receiving	Benefit

Applicant Name	David M. Gordon/Gordon Companies Inc., Colvin Oakdale LLC, 2331 GB Properties LLC
Applicant Address	85 Innsbruck Drive
Phone	716-706-0320
Fax	716-706-0326
E-mail	dave@christmascentral.com
Website	www.christmascentral.com
Federal ID#	
NAICS Code	454111
Will a Real Estate Holding Company be utilized to own the Project property/facility	Yes
What is the name of the Real Estate Holding Company	Colvin Oakdale LLC / 2331 GB Properties LLC
Federal ID#	
State and Year of Incorporation/Organization	New York 2004
List of stockholders, members, or partners of Real Estate Holding Company	David M Gordon Nathan D Gordon

# Individual Completing Application

Name	David M. Gordon
Title	President/CEO
Address	85 Innsbruck Drive, Cheektowaga, NY 14227
Phone	716-706-0320
Fax	716-706-0326
E-Mail	dave@christmascentral.com

# Company Contact (if different from individual completing application)

company contact (in unicite	int norm manual completing ap
Name	
Title	
Address	
Phone	
Fax	
E-Mail	
Company Counsel	
Name of Attorney	Laurence Rubin
Firm Name	Kavinoky & Cook
Address	726 Exchange Street, Buffalo.
Phone	716-845-6000 Ext. 222
Fax	716-845-6474
E-Mail	lrubin@kavinokycook.com
Identify the assistance being	g requested of the Agency
Exemption from Sales Tax	
Exemption from Mortgage Tax	
Exemption from Real	
Property Tax	

Tax Exempt Financing\*

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

#### **Business Organization**

Type of Business	Limited Liability Company
Year Established	2004
State of Organization	New York

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

# Please include name and % of ownership.

Colvin Oakdale: David M Gordon 90%, Nathan D Gordon 10%; 2331 GB Properties: David M Gordon

NY 14210

Yes

No

Yes

No

#### Applicant Business Description

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

Colvin Oakdale LLC and 2331 GB Properties LLC are the real estate holding companies for Gordon Companies Inc., a warehousing center of Christmas and home decor products for its' sales operations.

Estimated % of sales within Erie County	10
Estimated % of sales outside Erie County but within New York State	5
Estimated % of sales outside New York State but within the U.S.	84
Estimated % of sales outside the U.S.	1
(*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 90% of Professional Services, Shipping Supplies, Office Supplies, etc. Professional/Legal Services: Redding & Weir Attorneys; Kavinoky & Cook; Drew and Drew Other Services: JEG Electric; MJ Mechanical; Parise Mechanical; Seneca Lift (Forklifts); E. D. Farrell, Inc.; Murray Roofing; Dave's Landscaping & Plowing; Gateway Services; Penske Trucks; Regional Truck Service; Buffalo Van & Trailer, Modern Disposal Shipping Supplies/Other supplies Norampac Boxes; Le Mac Packaging, Home Depot, Printcraft, InstyPrints of Kenmore

# Section II: Eligibility Questionnaire - Project Description & Details

#### Project Location

#### Municipality or Municipalities of current operations

Cheektowaga, NY 14227

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

#### Address

2331 Union Road, 14227 and 2335 Union Road, 14227

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

2331 Union Road SBL 124.00-6-1.21; 2335 Union Road SBL 124.00-6-1.22

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

Total Town, County (2015) & School Taxes (2014): 2331 Union Road = \$34, 209.09 2335 Union Road = \$49,236.23 85 Innsbruck Drive = \$65,840.36

#### Assessed value of land

2331 Union Road: Land Value: \$257,500 2335 Union Road: Land Value: \$349,500 1,800

#### Assessed value of building(s)

2331 Union Road: Bldg: \$642,500 2335 Union Road: Bldg: \$950,500

#### Are Real Property Taxes current?

Yes

#### If no please explain

#### Town/City/Village of Project Site

Cheektowaga, NY

#### School District of Project Site

2331 & 2335 Union Road are Cheektowaga Central School District No. 1

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

Yes

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

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

No

#### Describe the present use of the Proposed Project site

2331 Union Road and 2335 Union Road are current warehouse facilities for Gordon Companies Inc. as noted above.

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)

The project is to repair extensive damage to all buildings suffered during the November 2014 storm. 2331 Union and 2335 Union are warehouses which are minimally usable or not usable at all for prior use in connection with Gordon Companies Inc./Christmas Central.com Christmas Decoration and Home Decor and global internet business.

# 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)

On November 19, 2014, a 28,000 sq. ft. section of our warehouse located at 2335 Union Road, Cheektowaga, NY collapsed due to the weight of snow on the roof as a result of the devastating November storm in Western New York. All contents including inventory and equipment was destroyed. This section of the building has now been demolished. In addition, the other two sections of the building: (43,750 sq.ft. were significantly damaged and need extensive repair. The entire building at 2335 Union Road is currently closed by order of the Town of Cheektowaga. During the storm, our second warehouse at 2331 Union Road had a roof collapse covering approximately 12,000 sq. ft. of this 34,000 sq. ft. one story building. The roof needs significant repair as well as corrective rehabilitation to the interior that was damaged. Our goal is to rebuild the portion of 2335 Union Road that collapsed and make the necessary repairs and renovations to the remainder of that building and 2331 Union so as to restore them to full productivity for our operations. The costs of rebuilding and repairs anticipated for these locations is astronomical. Cost savings through sales tax exemption and a PILOT agreement for these improvements will help insure job retention and additional new hires. Since our "story" made national news during/after the November 2014 storm, we have been inundated with offers from many cites outside New York State, especially Palm Beach County Florida. Their mayor is from Buffalo and invited me to visit him to consider prospective sites for a distribution center with huge financial incentives included. I did visit and explore the region and potential for our multifaceted operations. I do not want to move from Western New York but, in good conscience, must listen to other offers.

#### Will project include leasing any equipment?

Yes

#### If yes, please describe equipment and lease terms.

Forklifts, Order Pickers, etc. Leases will be secured at the appropriate time for the sites.

#### Site Characteristics

# Will the Project meet zoning/land use requirements at the proposed location?

Yes

#### Describe the present zoning/land use

2331 and 2335 Union Road are zoned for warehousing uses

#### Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

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 Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site? 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.

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

Yes, new energy efficient lighting fixtures for the project locations.

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform 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?

#### Select Project Type for all end users at project site (you may check more than one)

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales No Services No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b) (4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

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

#### Project Information

Estimated	costs in	connection	with	project
Louinacca	CO3C3 II	connection		project

#### Land and/or Building Acquisition

\$ 0	0 square feet	acres
New Building Construction		
\$ 1,000,000	28,000 square feet	
New Building addition(s)		
\$0	square feet	
Infrastructure Work		
\$0		
Renovation		
\$ 500,000	55,750 square feet	
Manufacturing Equipment		
\$0		

#### Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$175,000

#### Soft Costs: (professional services, etc.)

\$ 50,000

#### **Other Cost**

\$100,000

#### **Explain Other Costs**

Soft costs: Legal professional services, architectural/engineering services Other costs: Town/State permits as needed; fence repair/replacement; landscaping/grading services; blacktop repair due to damages at time of demolition; Temporary portable off

#### **Total Cost**

\$1,825,000

#### Project Refinancing; estimated amount (for refinancing of existing debt only)

\$0

Sources of Funds for Project Costs:

#### **Estimated Mortgage Amount**

\$

Lender Name, if Known

#### Equity

#### Have any of the above costs been paid or incurred as of the date of this Application?

No

If Yes, describe particulars:

#### Construction Cost Breakdown:

#### **Total Cost of Construction**

\$ 1,500,000

(sum of 2,3,4,5, and/or 7 in Question K, above)

#### **Cost for materials**

\$ 1,000,000

#### % sourced in Erie County

%

#### % sourced in State

100% (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

\$ 1,500,000

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

\$ 131,250

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

			Cost	% of Total Cost
Manufacturing/Processing		square feet	\$ O	0
Warehouse	28,000	square feet	\$ 1,000,000	67
Research & Development		square feet	\$0	0
Commercial	43,750	square feet	\$ 200,000	13
Retail		square feet	\$0	0
Office		square feet	\$0	0
Specify Other	12,000	square feet	\$ 300,000	20

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) <br/>
<BLANK>

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

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

6/1/2015

End date : Estimated completion date of project

6/1/2016

Project occupancy : estimated starting date of operations

9/1/2015

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?

Yes

Is project necessary to retain existing employment?

Yes

Total

Employment Plan (Specific to the proposed project location):

37

	Current # of jobs at proposed project location or to be relocated at project location	If project is to retain jobs, number of jobs be retained	Total # of jobs 2 vears after project	Net total new jobs		
Full time	82	82	88	6		
Part time	10	10	22	12		
Total	92	92	110			
Employment at other locations in Erie County: (provide address and number of employees at each location):						
Address	2675 Union Road	7950 Transit Road	1460 French Road			
Full time	6	3	6			
Part time	31	2	15			

21

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Will any of the facilities described above be closed or subject to reduced activity?			
No			
Payroll Information			
Payroll Information			
Annual Payroll at Proposed Project Site			
\$ 2,548,000			
Estimated average annual salary of jobs to be retained			
\$ 35,085			
Estimated average annual salary of jobs to be created			
\$ 24,675			
Estimated salary range of jobs to be created			
From	\$ 24,960	<b>To</b> \$ 31,200	
Is the project reasonably necessary to prevent the proj	ect occupant from movi	ng out of New York State?	
Yes			
If yes, please explain and identify out-of-state location	s investigated		
Palm Beach County Florida as previously stated.			
What competitive factors led you to inquire about sites	outside of New York Sta	ate?	
They contacted me.			
Have you contacted or been contacted by other Local, S	itate and/or Federal Eco	nomic Development Agencies?	
Yes	· · · · · · · · · · · · · · · · · · ·	······································	

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

Empire State Development

# 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)

Energy Assistance, Workforce Training, Cheektowaga Economic Development Corporation

#### 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)	No
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)	No
If yes, please provide dollar amount of income being generated, if any	\$ N/A
Does the site have historical significance?	No
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 <b>less than 33%</b> 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 <u>AND</u> the answer to Question B is greater than <u>33.33%</u> , indicate which of the following questions below apply to the project:	
Will the project be operated by a not-for-profit corporation?	No
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?	No
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?	No
If yes, explain	
Is the project located in a Highly Distressed Area?	No

# 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 No from one area of the state to another area of the state?

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

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:

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

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.)

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 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?

If the current facility is to be abandoned, 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	Gordon Companies Inc.(Christmascentral.com)
Address	85 Innsbruck Drive
Contact Person	David Gordon
Phone	716-706-0320
Fax	716-706-0326
E-Mail	dave@christmascentral.com
Federal ID #	
SIC/NAICS Code	454111

# 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?

<br/>
<br/>
BLANK>

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

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Eric Co
lenant Name	state, zip)	occupied at new projet site	Erie Co.

# Section VII: Environmental Questionnaire

#### General Background Information

Address of Premises 2331 Union Road, 2335 Union Road,

Name and Address of Owner2335 Union Road: Colvin Oakdale LLC, 85 Innsbruck Drive, Cheektowaga, NY 14227 2331 Unionof PremisesRoad: 2331 GB Properties LLC, 85 Innsbruck Drive, Cheektowaga, NY 14227

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

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

2335 Union Road, Warehousing, Constructed 1987-1989 2331 Union Road, Warehousing, Constructed 1988-1991

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

2331 Union Road was previous retail; 2335 Union Road always warehousing

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

#### None

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? 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