

NOTICE OF PUBLIC HEARING

Pursuant to Article 18-A of NYS General Municipal Law, the Erie County Industrial Development Agency (the "Agency") will hold a public hearing on June 27, 2019 at 9:30 a.m. at the Town of Evans Town Hall, 8787 Erie Road (Conference Room 15), Angola, NY 14006 regarding:

Derby Warehousing LLC, and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency (a copy of which is on file at the office of the Agency) requesting the Agency to undertake a certain project (the "Project") consisting of: (i) the construction and equipping of a 27,700+/- SF addition to an existing warehouse facility located at 1393 Wisconsin Road, Town of Evans, Erie County, New York to be utilized for additional warehouse space (the "Improvements"), and (ii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment", and collectively with the Improvements, the "Facility").

The Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Project in the form of sales and use tax exemption benefits and real property tax abatement benefits consistent with the policies of the Agency.

A representative of the Agency will be present at the above-stated time and place to present a copy of the Application and hear and accept written and oral comments from all persons with views in favor of or opposed to the proposed financial assistance. Written comments may be submitted at this public hearing or delivered to the Agency at 95 Perry Street-Suite 403, Buffalo, NY 14203 until the comment period closes on July 23, 2019. The project application is available for public inspection at the Agency's offices Monday through Friday (excluding public holidays) from 9:00 a.m. until 4:00 p.m.

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

Erie County Industrial Development Agency



Derby, NY Expansion

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name	Derby Warehousing Expansion
Applicant Name	Derby Warehousing LLC / KPM Exceptional LLC
Applicant Address	1393 Wisconsin Rd
Applicant Address 2	
Applicant City	Derby
Applicant State	New York
Applicant Zip	14047
Phone	1-800-388-9191 Ext 400
Fax	1-716-947-0429
E-mail	jeff@kpmedi.com
Website	www.kpmedi.com
Federal ID#	020569956
NAICS Code	
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	
Federal ID#	
State and Year of Incorporation/Organization	NY April 16, 2002
List of stockholders, members, or partners of Real Estate Holding Company	Jeffery Fierle,

Individual Completing Application

Name	Jeffery S Fierle
Title	General Manager Derby, Facility
Address	1393 Wisconsin Rd
Address 2	
City	Derby
State	New York
Zip	14047

6/11/2019

The Erie County Industrial Development Agency (ECIDA)

Phone

800-388-9191 ext 400

Fax

716-947-0429

E-Mail

jeff@kpmedi.com

Company Contact (if different from individual completing application)

Name
Title
Address
Address 2

City

State

Zip

Phone
Fax
E-Mail

Company Counsel

Name of Attorney	Jerry Gorman
Firm Name	Gerald Gorman Atty Services
Address	180 Main Street
Address 2	
City	Hamburg
State	New York
Zip	14075
Phone	716-648-9611
Fax	716-648-9614
E-Mail	jerry@geraldpgorman.com

Identify the assistance being requested of the Agency.

Exemption from Sales Tax	Yes
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
Type of Ownership	
Year Established	2002
State of Organization	New York

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

Please include name and % of ownership.

Jeffery S. Fierle

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

KPM Exceptional was founded in the 1950's. KPM is a wholesale distributor of outdoor power Lawn and Garden, and Snow and Ice removal Equipment. These product lines are represented throughout the entire Northeastern United States. We have 12 territory managers that cover the footprint from Northern Maine down to Northern Virginia. KPM's Sales Administrative offices / Distribution centers are located in Landing New Jersey, and Derby New York. Employees total approximately 53 fulltime employees. Currently, 6 of those operate out of the Derby Facility. KPM supplies equipment to an established dealer network in excess of 600 active accounts. This equipment is stocked and shipped to our dealers from both the Landing, NJ location, and the Derby NY facility. With the growth of business increasing every year, KPM decided four years ago to build a new 100,000 sq ft facility in Landing, NJ. This is a state of the art facility, and one that KPM felt would handle future growth for the next decade. Fortunately or unfortunately, KPM has found itself once again outgrowing our current capacity. KPM's original plan was to expand the Landing, NJ facility. Within the conversations regarding this expansion, it was suggested that KPM look into the possibility of expanding its Derby, NY facility. Several positive factors regarding the expansion of the Derby location vs the Landing, NJ location.

- Currently have several long term, experienced employees working from Derby
- Centrally located within our territory footprint
- Current Derby property has the room for expansion, and is within zoning requirements.
- Derby Facility is located closer to our factory suppliers. (Reduced in-coming freight costs)
- Reduced construction costs vs Landing, NJ
- Less traffic congestion
- Located close to Canada for planned future territory expansion

Estimated % of sales within Erie County	2%
Estimated % of sales outside Erie County but within New York State	24%
Estimated % of sales outside New York State but within the U.S.	74%
Estimated % of sales outside the U.S.	0

(*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

Currently no raw materials are purchased in Erie County.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

1393 Wisconsin Rd, Derby, NY 14047

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

Yes

In which Municipality will the proposed project be located

Derby, NY

Address

1393 Wisconsin Rd. Derby, Ny

Will the completion of 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 OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

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 the Retail Section of this application)

SBL Number for Property upon which proposed Project will be located

206.00-4-9.1

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

Town/County \$7877.93 School \$6,984.60

Assessed value of land

Assessed value of building(s)

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Derby, NY

School District of Project Site

Lake Shore Central

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

Jeffery Fierle

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

Yes

Describe the present use of the Proposed Project site

1393 Wisconsin Road. Warehousing. New addition is going on open land on current property

Please provide narrative of the proposed project and the purpose of the proposed 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 Derby office and warehouse facility is currently made up of three adjoining buildings totaling about 28,000 square feet. Currently, the facility is being 100% occupied by the tenant KPM Exceptional. KPM Exceptional is in need of additional warehouse space. It has been agreed that if Derby Warehousing constructed additional warehouse space, KPM would occupy that space and sign a 10 year lease with Derby Warehousing. The Derby facility sits on about 9 acres of property. The area in which the new building would be constructed is an open grassy area that is on the West Rear of the property. This area would be difficult to see from the road. It is our intention to remove one of the small buildings (2500 sq. ft) and replace it with a 27,700 sq ft building. It was suggested that we not remove this small building, and construct the new building off of the smaller building. It is important to us that we maintain a professional look. In order to maintain the look of the property and not have it look "Hodge Podge", it is our decision to remove the smaller building. This new building would be adjoined to the main large building currently standing. This new building will be 150' wide x 250' long with a clear span ceiling height of 21'. The building will meet all codes required. The building will be fully insulated and heated. The new building will have access to the 4 existing loading docks from the main building. It will have one 14' x 14' overhead door located at the rear of the building, along with a man door in the front as well as the rear.

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

This building addition is going to be built either at the main operation in Landing, NJ or here at the current site in Derby, NY

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)

KPM supplies equipment to an established dealer network in excess of 600 active accounts. This equipment is stocked and shipped to our dealers from both the Landing, NJ location, and the Derby NY facility. With the growth of business increasing every year, KPM decided four years ago to build a new 100,000 sq ft facility in Landing, NJ. This is a state of the art facility, and one that KPM felt would handle future growth for the next decade. Fortunately or unfortunately, KPM has found itself once again outgrowing our current capacity. KPM's original plan was to expand the Landing, NJ facility. Within the conversations regarding this expansion, it was suggested that KPM look into the possibility of expanding its Derby, NY facility vs NJ expansion. Several positive factors regarding the expansion of the Derby location vs the Landing, NJ location. • Currently have several long term, experienced employees working from Derby • Centrally located within our territory footprint • Current Derby property has the room for expansion, and is within zoning requirements. • Derby Facility is located closer to our factory suppliers. (Reduced incoming freight costs) • Reduced construction costs vs Landing, NJ • Less traffic congestion • Located close to Canada for planned future territory expansion • Possibilities of having the ECIDA abate the sales tax on the materials used for construction • Possibilities of having the ECIDA abate Property tax on a rolling scale for 7 years.

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

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

The new expansion will be done in Landing, NJ. With the expansion in NJ, there is a good likely hood that the Derby facility will be closed and operations moved to the main operation in NJ. Employees would be offered the opportunity to relocate to the NJ facility.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

Possibly replacing the older LP Fork Trucks with new Green Electric Fork Trucks

Site Characteristics

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

Yes

Describe the present zoning/land use

Light Industrial

Describe required zoning/land use, if different

Light Industrial

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

None Required

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?

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, along with the new addition we would be upgrading the lighting to energy efficient LED. We will be installing high energy efficient heating for new addition. We will also be getting rid of our Propane Fork Trucks and replacing with Electric Fork Trucks.

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?

Yes

If yes, please explain.

Yes, we have team members that are responsible for finding new products. KPM is always looking for additional products that fit our needs. This team attends many trade shows throughout the United States, Canada, as well as China. KPM has recently started a new business here at the Derby Facility. KPM ships out many packages on a daily basis. Many packages are shipped via FedEx, UPS, USPS and LTL Freight. Most items shipped are products that are represented by KPM. Lawn Mower Parts, Equipment and Accessories, Etc. Due to the seasonality of our business, we have many peaks and valleys in our daily shipments. To help level out those peaks and valleys, we have started another division within KPM here at the Derby facility. We have started a 3PL (Third Part Logistics) division. We at KPM are extremely efficient in providing next day service to many of our current accounts. We felt we could handle an additional volume of shipments. With that in mind, we have solicited other companies throughout the United States and Canada to have KPM handle their warehousing and shipping needs. (Pick and Pack) Many companies either are not very efficient with their logistics, or just do not want the hassles related to warehousing and shipping. The interest has been amazing. Through a little effort, we have developed relationships with 5 other companies that now have KPM doing their warehousing and shipping. The potential is enormous. We had to stop soliciting for this new business due to space requirements. Amazingly, much of this new business is coming from Canada. Canadian businesses who do most of their business in the US find great savings having KPM handle their logistics. KPM's intention once the new building addition is complete, is to get more aggressive with this new division. If this business grows as we think it will, KPM will need to hire additional employees to maintain this growth.

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

We do have a budget for this. However, it is somewhat small compared to our overall budget. As I stated above, we have a team that attends several trade shows, classes, factories, etc throughout the year. Regarding our new 3PL business, we do not have the storage capacity to handle more. However, due to the success we have had, we will be aggressively seeking out more companies that require a 3PL partners once the new building is complete.

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

No Acquisition of Existing Facility

No Commercial

No Facility for the Aging

No Housing

No Back Office

No Civic Facility (not for profit)

No Equipment Purchase

No Retail

Yes Other

Wholesale Distribution

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 0 square feet acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 1,250,000 27,700 square feet

Infrastructure Work

\$ 18,000

Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

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

\$ 49,500

Soft Costs: (professional services, etc.)

\$ 14,500

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 1,332,000

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

\$ 0

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

Yes

If Yes, describe particulars:

Boundary / TOPO Survey: \$2990 Soil Borings: \$3060 Civil Engineering: \$4500 ZBA Application: \$500

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):

\$ 1,332,000

Bank Financing:

\$ 0

Tax Exempt Bond Issuance (if applicable):

\$ 0

Taxable Bond Issuance (if applicable):

\$ 0

Public Sources (Include sum total of all state and federal grants and tax credits):

\$ 0

Identify each state and federal grant/credit:**Total Sources of Funds for Project Costs:**

\$1,332,000

Has a financing preapproval letter or loan commitment letter been obtained?

<BLANK>

Mortgage Recording Tax Exemption Benefit:**Estimated Mortgage Amount (Sum total of all financing – construction and bridge).*****Amount of mortgage, if any, that would be subject to mortgage recording tax.**

\$ 0

Lender Name, if Known**Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):**

\$0

Construction Cost Breakdown:**Total Cost of Construction**

\$ 1,317,500

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

Cost for materials

\$ \$658,750

% sourced in Erie County

100% (LBM Construction, OrchardPark, NY)%

% 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

\$ 658,750

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

\$ 57,641

Real Property Tax Benefit:**Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit:**For proposed facility, please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	27,700 square feet	\$ 1,332,000	100
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

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

7/1/2019

End date : Estimated completion date of project

10/1/2019

Project occupancy : estimated starting date of operations

11/1/2019

Have construction contracts been signed?

No

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

Yes

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

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **
Full time	6	6	1	7
Part time	0	0	1	1
Total	6	6	0	

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

***By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period

following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

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

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	2	\$ 225,000	\$ 22,500	\$ 0	\$ 0
Professional	1	\$ 53,000	\$ 4,210	\$ 0	\$ 0
Administrative	3	\$ 35,000	\$ 2,100	\$ 32,000	\$ 1,600
Production	2	\$ 85,000	\$ 5,100	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 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

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

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 430,000

Estimated average annual salary of jobs to be retained (Full Time)

\$ 63,000

Estimated average annual salary of jobs to be retained (Part Time)

\$ 16,000

Estimated average annual salary of jobs to be created (Full Time)

\$ 35,000

Estimated average annual salary of jobs to be created (Part Time)

\$ 16,000

Estimated salary range of jobs to be created

From (Full Time)	\$ 35,000	To (Full Time)	\$ 35,000
From (Part Time)	\$ 16,000	To (Part Time)	\$ 16,000

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

Expansion at the currant facility located at KPM Exceptional, 1 Exceptional Way, Landing, NJ 07850

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?

No

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

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

No

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

Section III: 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 KPM Exceptional LLC
Address 1393 Wisconsin Road
Contact Person Jeff Fierle
Phone 800-388-9191 Ext 400
Fax 716-947-0429
E-Mail jeff@kpmedi.com
Federal ID # 020569956
SIC/NAICS Code

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, 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 Erie Co.
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■ Section IV: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

KPM Exceptional

Property Address:

1393 Wisconsin Rd

City/Town/Village

Derby, NY 14047

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

55,000 sq ft

What percentage of the building does this represent?

100

Are terms of lease:

GROSS

If GROSS lease, please explain how Agency benefits are passed to the tenant

Estimated date of occupancy

10/1/2019

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

KPM Exceptional

Local Contact Person:

Jeff Fierle

Title:

General Manager (Derby Facility)

Current Address:

1393 Wisconsin Rd

Phone:

800-388-9191

Fax:

716-947-0429

E-Mail:

jeff@kpmedi.com

Website:

www.kpmedi.com

Company President/General Manager:

Glenn Beyerl

Number of employees moving to new project location:

Full-Time:

53

Part-Time:

4

Total:

57

Do you anticipate increasing employment within the next two years?

If yes, how many additional employees moving to new project location?

Full-Time:

1

Part-Time:

1

Total:

2

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

KPM supplies equipment to an established dealer network in excess of 600 active accounts. This equipment is stocked and shipped to our dealers from both the Landing, NJ location, and the Derby NY facility. With the growth of business increasing every year, KPM decided four years ago to build a new 100,000 sq ft facility in Landing, NJ. This is a state of the art facility, and one that KPM felt would handle future growth for the next decade. Fortunately or unfortunately, KPM has found itself once again outgrowing our current capacity. KPM's original plan was to expand the Landing, NJ facility. Within the conversations regarding this expansion, it was suggested that KPM look into the possibility of expanding its Derby, NY facility vs NJ expansion. Several positive factors regarding the expansion of the Derby location vs the Landing, NJ location. • Currently have several long term, experienced employees working from Derby • Centrally located within our territory footprint • Current Derby property has the room for expansion, and is within zoning requirements. • Derby Facility is located closer to our factory suppliers. (Reduced in-coming freight costs) • Reduced construction costs vs Landing, NJ • Less traffic congestion • Located close to Canada for planned future territory expansion • Possibilities of having the ECIDA abate the sales tax on the materials used for construction • Possibilities of having the ECIDA abate Property tax on a rolling scale for 7 years.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

KPM was founded in 1957

Please list the square footage which the proposed tenant will lease at the Project location

55,000

Please list the square footage which the proposed tenant leases at its present location(s)

37,000

Describe the economic reason for either the increase or decrease in leased space.

KPM has shown continued growth the last 10 years in a row. New innovated products, and increase of market share are a couple of the reasons for this growth. A new 100,000 sq ft facility was built in Landing NJ 3 years ago. That facility, along with their Derby Facility are completely full. KPM has outgrown both facilities and are now looking to expand it Derby, NY facility.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

Where is company relocating from?

Address:

City/Town/Village:

State:

Zip:

If yes, please provide reason for move; i.e. larger/smaller facility required, competitive position, lease expiration, etc.

If owned, what will happen to the existing facility once vacated?

If leased, when does lease expire?

1/1/2019

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

No

If yes, please provide details as to location, and amount of leased space, how long leased?

Is location necessary to:

Discourage your company from moving out of New York State

Yes

Maintain your company's competitiveness within the industry:

Yes

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)

Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility

No

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods

Yes

Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?

Yes

If yes, who was contacted and what was the outcome?

If no, why not?

Will present location be your company's headquarters?

No

If No, Where is the location of HQ:

City:

Landing

State:

NJ

Form Completed By:

Jeff Fierle

Relationship to Company:

General Manager, Derby Facility

Section V: Environmental Questionnaire

General Background Information

Address of Premises 1393 Wisconsin Road Derby, NY 14047

Name and Address of Owner of Premises Derby Warehousing LLC Jeffery Fierle

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

Approx 9 Acres. Currently has a 4 bedroom residential home on front of property and a 27,000 sq ft office / warehouse on rear of property. Warehouse has 4 load dock doors and 3 ground level doors. Entire property has a 5'-6' slope to rear of property (Away from road)

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

Original wooden structure (Office / warehouse) built approx 1955. Measures 300' x 36'. Two additional attached buildings were added approx 1980. One metal building measures 158' x 60'. The other metal building measures 35' x 80'. We are planning on removing the 35' x 80' building and replacing it with a Butler Metal Building measuring 110' x 250'

Describe all known former uses of the Premises

The previous owner was a Ladds Dog Food Distributor.

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

Yes

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

Currently KPM Exceptional is leasing the entire facility

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?

<BLANK>

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

Only water discharged from facility is sanitary sewage from restrooms

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

Section VI: 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:

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.)

Additional space of 27,700 Sq. Ft. Climate Controlled building

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?

Currently leasing the facility now. They would like to stay in this area due to employees not willing to relocate. New construction costs in Derby, NY vs Landing, NJ

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

Derby Warehousing LLC will not be building an additional 27,700 sq ft warehouse. Current occupant (KPM) will construct new building in Landing, NJ and close the Derby, NY facility. Owner of facility will advertise for new tenant.

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.

None other then Landing, NJ

Section VII: Adaptive Reuse Projects

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

What is the age of the structure (in years)? 64

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 vacant, number of years vacant. 0

If underutilized, number of years underutilized. 0

Describe the use of the building during the time it has been underutilized:

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 \$

If apartments are planned in the facility, please indicate the following:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	0		\$
2 Bedroom	0		\$
3 Bedroom	0		\$
Other	0		\$

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)

None

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

None

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

none

Section VIII: Senior Citizen Rental Housing Projects

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Has the project received written support from the city, town or village government in which it is located?

No

Describe the location of the project as it relates to the project's proximity to the town / village / city center or to a recognized hamlet.

Is the project consistent with the applicable municipal master plan?

Yes

If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details

Expansion of Existing Light Industrial zoning

Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?

No

If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.

Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?

No

Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?

No

If yes, please describe how you made this determination based upon census tract and other relevant third party data.

Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?

No

If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)

Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project's return on investment?

No

If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA 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)

Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?

<BLANK>

If yes, please describe provide a narrative citing key facts that substantiate this finding.

Section IX: 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? <BLANK>

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? No