

**BABYLON INDUSTRIAL DEVELOPMENT AGENCY**

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**MATTHEW T MCDONOUGH  
CHIEF EXECUTIVE OFFICER**

**FORM APPLICATION FOR FINANCIAL ASSISTANCE**

**DATE:** 11/20/2017

**APPLICATION OF:** A & F Fire Protection Co., Inc.  
**Company Name of Beneficial User of Proposed Project  
(Not Realty or Special Purpose Entity (SPE) created for liability)**

**CURRENT ADDRESS:** 28 E. Chestnut Street  
Massapequa NY 11758

**ADDRESS OF PROPERTY  
TO RECEIVE BENEFITS:** 86 Otis Street  
W Babylon NY 11704

**Tax Map # District** 0100 **Section** 77 **Block** 1.00 **Lot (s)** 027.003

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**Part I: User (Applicant) & Owner Data (if different)**

**I. User Data (Applicant):**

A. User: A & F Fire Protection Co., Inc.

Address: 86 Otis Street

W. Babylon, NY 11704

Federal Employer ID #: [REDACTED] Website: www.af-fire.com

NAICS Code: 238220

(The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. www.census.gov/eos/www/naics/ )

Name of User Officer Certifying Application: [REDACTED]

Title of Officer: [REDACTED]

Phone Number: [REDACTED] E-mail: [REDACTED]

**B. Business Type:**

Sole Proprietorship  Partnership  Privately Held

Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: New York

**C. Nature of Business:**

(e.g., "manufacturer of \_\_\_\_\_ for \_\_\_\_\_ industry"; "distributor of \_\_\_\_\_")

design, manufacture and installation of fire sprinklers.

**D. User Counsel:**

Firm Name: Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP

Address: 333 Earle Ovington Blvd, Suite 1010

Uniondale NY 11553

Individual Attorney: Daniel Dornfeld

Phone Number: (516) 812-6340 E-mail: ddornfeld@forchellilaw.com

**E. Principal Stockholders, Members or Partners, if any, of the User (5% or more equity):**

Name	Percent Owned
<u>Kenneth Fulep</u>	<u>100%</u>
_____	_____
_____	_____

**F. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:**

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

n/a

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

n/a

**G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.**

The Kenneth B. Fulep Revocable Living Trust owns a 50% interest in A&F Building LLC

**H. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:**

No

**I. List parent corporation, sister corporations and subsidiaries:**

n/a

J. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

no

K. List major bank references of the User:

Chase Bank, Thomas Kirby 516-428-8114

2. Owner Data

**\*\* (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) \*\***

A. Owner (together with the User, the "Applicant"): A&F Building LLC

Address: 86 Otis Street

W. Babylon NY 11704

Federal Employer ID #: [REDACTED] Website: \_\_\_\_\_

NAICS Code: \_\_\_\_\_

Name of Owner Officer Certifying Application: [REDACTED]

Title of Officer: [REDACTED]

Phone Number: [REDACTED] E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship  Partnership  Privately Held

Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: New York

C. Nature of Business:

(e.g., "manufacturer of \_\_\_\_\_ for \_\_\_\_\_ industry"; "distributor of \_\_\_\_\_"; or "real estate holding company")

real estate holding company

D. Are the User and the Owner Related Entities? Yes  No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. Owner's Counsel:

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

Individual Attorney: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

F. Principal Stockholders or Partners, if any (5% or more equity):

Name	Percent Owned
Kenneth B. Fulep Revocable Living Trust	50%
Robin B. Fulet Revocable Living Trust	50%
_____	_____

G. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

\_\_\_\_\_  
\_\_\_\_\_

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

\_\_\_\_\_  
\_\_\_\_\_

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

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I. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

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J. List parent corporation, sister corporations and subsidiaries:

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K. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

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L. List major bank references of the Owner:

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**Part II – Operation at Current Location**

1. Current Location Address: 28 E. Chestnut Street, Massapequa NY 11758
  
2. Owned or Leased: owned
  
3. Describe your present location (acreage, square footage, number of buildings, number of floors, etc.):  
Our current building is an industrial building on 8,000 square feet on 1/2 acre with  
partial two story office and one story shop space.
  
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:  
Design, manufacture and installation of fire sprinklers.
  
5. Are other facilities or related companies of the Applicant located within the State?  
Yes  No   
A. If yes, list the Address: 28 E. Chestnut Street, Massapequa NY 11758
  
6. If yes to above ("5"), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? Yes  No   
A. If no, explain how current facilities will be utilized: \_\_\_\_\_  
\_\_\_\_\_  
B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:  
Applicant's current facility no longer meets its needs and it need larger space to accomodate  
its current operations. Applicant is considering moving to other states including NJ and FL.  
This project allows Applicant to stay in NY by reducing its costs allowing it to compete.



7. Has the Applicant actively considered sites in another state? Yes  No

A. If yes, please list states considered and explain: Applicant can easily process design and paperwork. It has considered NJ and FL as a headquarters and a small office in NY.

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes  No

A. Please explain: Applicant can move its headquarters out of state and design and do back office functions there. These benefits allow applicant to remain in NY by reducing its costs.

9. Number of full-time employees at current location and average salary: 59 full-time employees with an average annual salary of \$89,821.93.

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**Part III – Project Data****1. Project Type:****A. What type of transaction are you seeking?: (Check one)**

Straight Lease  Taxable Bonds  Tax-Exempt Bonds   
 Equipment Only Straight Lease

**B. Type of benefit(s) the Applicant is seeking: (Check all that apply)**

Sales Tax Exemption  Mortgage Recording Tax Exemption   
 Real Property Tax Abatement:

**2. Location of project:**

A. Street Address: 86 Otis Street, W. Babylon NY 11704

B. Tax Map: District 100 Section 77 Block 1.00 Lot(s) 027.003

**C. Municipal Jurisdiction:**

- i. Village: West Babylon  
 ii. School District: Wyndanch  
 iii. Library: Wyndanch

D. Acreage: .920

**3. Project Components (check all appropriate categories):**

- A. Construction of a new building  Yes  No  
 i. Square footage: \_\_\_\_\_
- B. Renovations of an existing building  Yes  No  
 i. Square footage: \_\_\_\_\_
- C. Demolition of an existing building  Yes  No  
 i. Square footage: \_\_\_\_\_
- D. Land to be cleared or disturbed  Yes  No  
 i. Square footage/acreage: \_\_\_\_\_
- E. Construction of addition to an existing building  Yes  No  
 i. Square footage of addition: \_\_\_\_\_  
 ii. Total square footage upon completion: \_\_\_\_\_
- F. Acquisition of an existing building  Yes  No  
 i. Square footage of existing building: 13,440 sf

G. Installation of machinery and/or Equipment  Yes  No

i. List principal items or categories of equipment to be acquired: Possible new welding machine.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location? no.

i. If no, please list the present owner of the site: Two Sams Associates

B. Present use of the proposed location: Partly vacant. Partly industrial office building.

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?)  Yes  No

i. If yes, explain: \_\_\_\_\_

D. Is there a purchase contract for the site? (if yes, attach):  Yes  No

E. Is there an existing or proposed lease for the site? (if yes, attach):  Yes  No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Applicant intends to have the project headquarter its entire operation including design and manufacture of fire sprinklers, training and back office functions.

B. Proposed product lines and market demands: Fire sprinklers. Given the amount of construction in the metropolitan, tri-state area, demand is substantial.

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

We intend to lease 3,360 sf to the current tenant who has a lease and is entitle to remain there.

The tenant is a distributor of automotive transmission parts.

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

Applicant has outgrown its current facility in Massapequa and needs larger space. It is  
Applicant's preference to remain on Long Island, however Applicant has no real need to  
be located on Long Island. It has also considered operating in New Jersey, Florida and other  
areas in New York. Given technology today, Applicant could be located elsewhere. The  
costs of remaining on Long Island are substantially higher than those other locations. This  
project reduces Applicant's cost of remaining on Long Island and thus justifies remaining.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes  No

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? \_\_\_\_\_

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i. Site Clearance:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% Complete	<u>n/a</u>
ii. Foundation:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% Complete	<u>n/a</u>
iii. Footings:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% Complete	<u>n/a</u>
iv. Steel:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% Complete	<u>n/a</u>
v. Masonry:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% Complete	<u>n/a</u>
vi. Other:	_____			

B. What is the current zoning? commercial

C. Will the project meet zoning requirements at the proposed location?

Yes  No

D. If a variance or change of zoning is required, please provide the details/status of the variance or change of zone request:

n/a

E. Have site plans been submitted to the appropriate planning department? Yes  No  n/a

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: December 15, 2017

ii. Construction/Renovation/Equipping: May 15, 2018

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: We expect to close in December 2017, complete our

improvements in May 2018 and start operating in June 2018.

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**Part IV – Project Costs and Financing**

**1. Project Costs:**

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ 1,570,000.00
Building(s) demolition/construction	\$ 15,000.00
Building renovation	\$ 225,000.00
Site Work	\$ 15,000.00
Machinery and Equipment	\$ 30,000.00
Legal Fees	\$ 20,000.00
Architectural/Engineering Fees	\$ 15,000.00
Financial Charges	\$ 12,500.00
Other (Specify)	\$ _____
<b>Total</b>	<b>\$ 1,902,500.00</b>

**2. Method of Financing:**

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ _____	_____ years
D. SBA (504) or other governmental financing:	\$ 1,574,000	20 years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ _____	_____ years

**Total Project Costs** \$ \_\_\_\_\_

i. What percentage of the project costs will be financed from public sector sources?

\_\_\_\_\_

3. **Project Financing:** (\*\*Complete only if Bond Financing is being utilized\*\*)

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application?      Yes  No

i. If yes, provide detail on a separate sheet.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

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C. Will any of the funds borrowed through Agency Bonds be used to repay or refinance an existing mortgage or outstanding loan? Give details:

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D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

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**Part V – Project Benefits**

**1. Mortgage Recording Tax Benefit:**

A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ 1,570,000.00

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and current Mortgage Recording Tax Rate):

\$ 16,485.00

**2. Sales and Use Tax Benefit:**

A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 135,000.00

B. Estimated State and local Sales and Use Tax exemption (product of current State and Local Sales and Use Tax Rate and figure above):

\$ 11,643.75

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ \_\_\_\_\_

ii. User: \$ \_\_\_\_\_

**3. Real Property Tax Benefit:**

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit:

n/a

B. Agency PILOT Benefit:

i. Term of PILOT requested: 12 years

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

**\*\* This application will not be deemed complete and final until Exhibit A hereto has been completed and executed.\*\***



**Part VI – Employment Data**

1. List the Applicant’s and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area\* (“LMA”) that would fill the full-time and part-time jobs at the end of year second year following completion:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Residents of LMA</u>
Full-Time	<u>59***</u>	<u>60</u>	<u>61</u>	<u>15</u>
Part-Time**	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

\* The Labor Market Area includes the Town of Babylon, Nassau and Suffolk Counties.

\*\*\*The Company additionally employs approximately 40 full-time "field" employees who will use the Project as their headquarters. **Full-Time Employee** shall mean, with respect to an Annual Period, an individual on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "full-time basis" (i.e., working at least a 35-hour week, subject to customary vacation, holiday and sick leave).

\*\*Agency converts Part-time staff to Full-Time Equivalent Employee as follows, with respect to an Annual Period, two (2) individuals on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "part-time basis" (i.e., working at least a 20-hour week, subject to customary vacation, holiday and sick leave).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Number of Employees	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	4	185,104.40	15,111.20
Professional			
Administrative	9	63,550.88	16,762.49
Production	4	34,902.40	17,005.04
Supervisor	5	114,524.80	31,811.52
Laborer	37	51,027.18	17,338.77
Other			

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

3. Annualized salary range of jobs to be created in the first two years (see question #1).

FROM \$ 40,000.00 TO \$ 110,000.00

4. List the number of \*Construction jobs (if applicable) to be created by the Applicants Project.

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
* Full-Time	<u>0</u>	<u>0</u>	<u>0</u>
** Part-Time	<u>          </u>	<u>          </u>	<u>          </u>

\*Construction jobs are defined as full-time equivalents (FTE), or 2,080-hour units of labor (one construction period job equates to one full-time job for 1 year).

\*\*A part-time or temporary job may be considered one job by other models, but would constitute only a fraction of a job. For example, if a laborer or craftsman worked only 3 months on a construction or renovation project (assuming no overtime), that would be considered one-quarter of a job.

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**Part VII – Representations, Certifications and Indemnification**

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes  No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to:

a. Labor practices,

(with respect to workers and/or their working conditions and/or their wages, including but not limited to pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents; unfair labor practices complaints; incurred, or potentially incurred, liability including withdrawal liability with respect to an employee benefit plan, including a pension plan; any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees. Please consider "discrimination" to include sexual harassment.)

Yes  No  (If yes, furnish details on a separate sheet)

b. hazardous wastes, environmental pollution,

Yes  No  (If yes, furnish details on a separate sheet)

c. other operating practices

Yes  No  (If yes, furnish details on a separate sheet)

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes  No

The costs of being in Babylon instead of other potential locations is substantial. Without the

Agency's assistance, we would likely locate elsewhere.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

If Applicant is unable to obtain financial assistance from the Agency, it will likely move elsewhere

and the jobs will be lost.

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would 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, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Initial 

6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies

Initial 

7. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Initial 

8. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

Initial 

9. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial 

10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which 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 within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial 

11. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial 


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Initial after receipt and acceptance of Schedule A and Schedule B

12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.

Initial 

13. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture Policy, attached hereto as Schedule B.

Initial 

**Part VIII – Submission of Materials**

Please send under separate cover all information directly to Agency Counsel:

William F. Dudine, Partner  
Katten Muchin Rosenman LLP  
575 Madison Avenue  
New York, NY 10022-2585

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Long Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please **remove or redact any employee Social Security numbers** and note the full-time equivalency for part-time employees.

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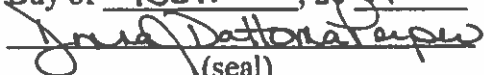
**Part IX – Certification**

Kenneth Fulep (name of representative of company submitting application) deposes and says that he or she is the President (title) of A & F Fire Prot. Co., Inc., the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Babylon Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

  
\_\_\_\_\_  
Representative of Applicant

Sworn to me before this 20  
Day of Nov., 2017  
  
(seal)

DONNA J. DATTOMA-PERPER  
NOTARY PUBLIC, STATE OF NEW YORK  
QUALIFIED IN NASSAU COUNTY  
NO. 52-4661819  
TERM EXPIRES 9/30/21

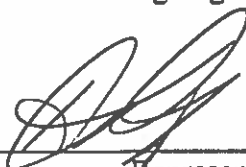
**Part IX – Certification**

**Property Owner (if different from Applicant)**

Kenneth Fulep (name of representative of owner submitting application) deposes and says that he or she is the Manager (title) of A&F Building LLC, the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Babylon Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

  
\_\_\_\_\_  
Representative of Applicant

Sworn to me before this 20  
Day of Nov., 2017  
Donna J. Dattoma-Perper  
(seal)

DONNA J. DATTOMA-PERPER  
NOTARY PUBLIC, STATE OF NEW YORK  
QUALIFIED IN NASSAU COUNTY  
NO. 52-4661819  
TERM EXPIRES 9/30/21



**EXHIBIT A**

**Proposed PILOT Schedule**

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule, together with the estimates of net exemptions based on estimated tax rates and assessment values to this Exhibit.

**Exhibit A**

**Estimate of net exemptions**

**Tax Savings for property with physical address of:**

**86-92 Otis Street  
West Babylon, NY 11704  
0100 077.00 01.00 027.003**

**November 16, 2017**

**Assuming:**

**Assessed Value of: 12680**

**2016-2017 Tax without Exemption 42,375**

**2016-2017 Tax Rate of: 321.5676**

**Rate increment of: 2.00%**

**PILOT number of years 15**

**Abatements starting at 60%**

<b>Number of Years</b>	<b>Abatement %</b>	<b>PILOT %</b>	<b>Estimated Taxes To be Paid</b>	<b>Estimated Savings</b>
1	60.0%	40.0%	\$ 18,882	\$ 25,950
2	56.0%	44.0%	21,000	24,700
3	52.0%	48.0%	23,197	23,350
4	48.0%	52.0%	25,438	22,050
5	44.0%	56.0%	27,796	20,600
6	40.0%	60.0%	30,239	19,100
7	36.0%	64.0%	32,770	17,500
8	32.0%	68.0%	35,351	15,900
9	28.0%	72.0%	38,063	14,200
10	24.0%	76.0%	40,870	12,400
11	20.0%	80.0%	43,733	10,550
12	16.0%	84.0%	46,737	8,600
13	12.0%	88.0%	49,844	6,550
14	8.0%	92.0%	53,058	4,450
15	4.0%	96.0%	56,338	2,300
<b>Estimate Taxes to be paid</b>			<b>\$ 543,314</b>	<b>-</b>
<b>Estimated Savings</b>			<b>\$</b>	<b>228,200</b>

**SCHEDULE A**

**Agency's Fee Schedule**

**SCHEDULE A**

**Agency's Fee Schedule**

**Application**

**November 16, 2017**

**A&F Fire Protection Co., Inc.**  
**86-92 Otis St**  
**West Babylon, NY 11704**      **(Wyand SD)**  
**0100 000.00 00.00 000.000**

<b>Application Fee</b>		\$	<b>1,500</b>
<b>Estimated Public Hearing Notice</b>		\$	<b>800</b>

**Straight lease**

**1.25% of Hard costs + 1% of Est savings**

<b>Acquisition</b>	pg 14	<b>1,570,000</b>	1.25%	\$	<b>19,625</b>
<b>Demo, Reno, Site</b>	pg 14	<b>255,000</b>	1.25%	\$	<b>3,190</b>
<b>Machinery &amp; Equip</b>	pg 14	<b>30,000</b>	1.25%	\$	<b>375</b>
<b>Arch/ Engineering</b>	pg 14	<b>15,000</b>	1.25%	\$	<b>190</b>
<b>Soft Costs</b>		<u><b>32,500</b></u>			

**Project Costs**      pg 14      align="right">**1,902,500**

**Estimated Savings**      align="right">**1%**      align="right">**2,520**

**Estimated Fee**      align="right">**\$ 25,900**      align="right">\$      align="right">**25,900**

---

**Total Estimated Fees**      align="right">\$      align="right">**28,200**

**Estimated Savings**

<b>Est PILOT</b>			<b>15 @ 60</b>	<b>228,200</b>
<b>Est Mtg Rec</b>	pg 16	<b>1,570,000</b>	<b>0.75</b>	<b>11,775</b>
<b>Est Sales Tax</b>	pg 16	<b>135,000</b>	<b>0.08625</b>	<b>11,644</b>
<b>Estimated Savings</b>				<b>251,619</b>
<b>1% of Estimated Savings</b>				<b>2520</b>

**SCHEDULE B**

**Agency's Recapture Policy**

## **SCHEDULE B**

**Recapture of Agency Benefits.** It is understood and agreed by the parties to this Agreement that the Agency is entering into this Agreement in order to provide financial assistance to the Lessee for the Project and to accomplish the public purposes of the Act. In consideration therefor, the Lessee hereby agrees as follows:

(a)(i) If there shall occur a Recapture Event after the date hereof, the Lessee or the Sublessee shall pay to the Agency as a return of public benefits conferred by the Agency, the following amounts:

(A) one hundred per cent (100%) of the Benefits (as defined below) if the Recapture Event occurs within the first five (5) years after the date hereof;

(B) eighty per cent (80%) of the Benefits if the Recapture Event occurs during the period from the sixty (6th) year through and including the eighth (8th) year after the date hereof;

(C) sixty per cent (60%) of the Benefits if the Recapture Event occurs during the ninth (9th) year after the date hereof;

(D) forty per cent (40%) of the Benefits if the Recapture Event occurs during the tenth (10th) year after the date hereof; or

(E) twenty per cent (20%) of the Benefits if the Recapture Event occurs during the eleventh (11th) year after the date hereof.

As used in this Section, the term “**Benefits**” shall mean, collectively:

(1) all real estate tax benefits which have accrued to the benefit of the Lessee or the Sublessee commencing from and after the “Commencement Date”, and during the period of time that the Agency is the owner of the Facility, such tax benefits to be computed by subtracting the payments in lieu of taxes paid under Section 4.3 hereof from those payments which the Lessee or the Sublessee would have been required to pay during the term of this Agreement (within the meaning of Section 3.2 hereof) had the Town determined the amount of such real estate taxes as would be due if the Lessee had been the owner of the Facility Realty during such term; and

(2) all miscellaneous benefits derived from the Agency's participation in the straight-lease transaction contemplated by this Agreement, including, but not limited to, any exemption from any applicable state or local sales and use tax, mortgage recording tax and filing and recording fees accruing from and after the date hereof.

As used in this Section, the term “Recapture Event” shall mean any of the following events:

(1) The Lessee or the Sublessee shall have liquidated its operations and/or assets (absent a showing of extreme hardship);

(2) The Lessee or the Sublessee shall have ceased all or substantially all of its operations at the Facility (whether by relocation to another facility or otherwise, or whether to another facility either within or outside of the Town) through no force majeure event;

(3) The Lessee or the Sublessee shall have transferred all or substantially all of its employees within the Town to a location outside of the Town through no force majeure event;

(4) The Lessee or the Sublessee shall have subleased all or any portion of the Facility in violation of the limitations imposed by Section 9.3 hereof, without the prior written consent of the Agency;

(5) The Lessee or the Sublessee shall have sold, leased, transferred or otherwise disposed of all or substantially all of its interest in the Facility; or

(6) Base Employment Reduction Percentage shall be greater than fifteen percent (15%) due to a Relocation Reduction occurring with respect to an Annual Period.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct, immediate result of (i) a taking or condemnation by governmental authority of all or substantially all of the Facility, or (ii) the inability at law of the Lessee to rebuild, repair, restore or replace the Facility after the occurrence of a Loss Event to substantially its condition prior to such Loss Event, which inability shall have arisen in good faith through no fault on the part of the Lessee or any Affiliate.

(b) The Lessee covenants and agrees to furnish the Agency with written notification upon any Recapture Event or disposition of the Facility or any portion thereof made within twelve (12) years of the Commencement Date, which notification shall set forth the terms of such Recapture Event and/or disposition.

(c) In the event any payment owing by the Lessee or the Sublessee under this Section shall not be paid on demand by the Lessee or the Sublessee, such payment shall bear interest from the date of such demand at the then current interest rate imposed on delinquent payments of real property taxes until the Lessee or the Sublessee shall have paid such payment in full, together with such accrued interest to the date of payment, to the Agency.

(d) The Agency, in its sole discretion, may waive all or any portion of any payment owing by the Lessee or the Sublessee under this Section.

(e) The provisions of this Section shall survive the termination of this Agreement for any reason whatsoever, notwithstanding any provision of this Agreement to the contrary.

617.20  
Appendix B  
Short Environmental Assessment Form

**Instructions for Completing**

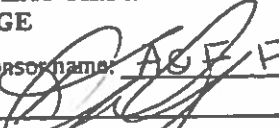
**Part 1 - Project Information.** The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

<b>Part 1 - Project and Sponsor Information</b>			
Name of Action or Project: A & F Fire Protection Headquarters			
Project Location (describe, and attach a location map): 86 Otis Street, West Babylon NY 11704			
Brief Description of Proposed Action: Purchase and refitting of current industrial building to serve as headquarters to A & F Fire Protection Co., Inc.			
Name of Applicant or Sponsor: A & F Fire Protection Co., Inc.		Telephone: (516) 541-4600	
		E-Mail: ken@af-fire.com	
Address: 28 E. Chestnut Street			
City/PO: Massapequa		State: NY	Zip Code: 11704
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO YES
			x
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval:			NO YES
			x
3.a. Total acreage of the site of the proposed action?		.920	acres
b. Total acreage to be physically disturbed?		0	acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		.920	acres
4. Check all land uses that occur on, adjoining and near the proposed action.			
<input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____			
<input type="checkbox"/> Parkland			



5. Is the proposed action, a. A permitted use under the zoning regulations?	NO	YES	N/A
		X	
b. Consistent with the adopted comprehensive plan?		X	
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
			X
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES	
	X		
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
	X		
b. Are public transportation service(s) available at or near the site of the proposed action?			
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	X		
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	NO	YES	
			X
10. Will the proposed action connect to an existing public/private water supply? [If Yes, does the existing system have capacity to provide service? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES] If No, describe method for providing potable water: _____	NO	YES	
			X
11. Will the proposed action connect to existing wastewater utilities? [If Yes, does the existing system have capacity to provide service? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES] If No, describe method for providing wastewater treatment: _____	NO	YES	
			X
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	NO	YES	
	X		
b. Is the proposed action located in an archeological sensitive area?	X		
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO	YES	
	X		
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____	X		
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban			
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES	
	X		
16. Is the project site located in the 100 year flood plain?	NO	YES	
	X		
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input type="checkbox"/> YES  b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____ _____	NO	YES	
	X		

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____ _____	NO	YES
	X	
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____	NO	YES
	X	
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____	NO	YES
	X	
<b>I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</b> Applicant/sponsor name: <u>AGF Fire Protection Co., Inc.</u> Date: <u>11/19/17</u> Signature: <u></u>		

**Part 2 - Impact Assessment.** The Lead Agency is responsible for the completion of Part 2. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?		
2. Will the proposed action result in a change in the use or intensity of use of land?		
3. Will the proposed action impair the character or quality of the existing community?		
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?		
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?		
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?		
7. Will the proposed action impact existing: a. public / private water supplies? b. public / private wastewater treatment utilities?		
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?		
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?		

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?		
11. Will the proposed action create a hazard to environmental resources or human health?		

**Part 3 - Determination of significance.** The Lead Agency is responsible for the completion of Part 3. For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.	
<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.	
_____	_____
Name of Lead Agency	Date
_____	_____
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
_____	_____
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)