



BABYLON INDUSTRIAL DEVELOPMENT AGENCY

Thomas E. Dolan
Chief Executive Officer

FORM APPLICATION FOR FINANCIAL ASSISTANCE

DATE: 3/22/19

APPLICATION OF:

AF Supply Corp
Company Name of Beneficial User of Proposed Project
(Not Realty or Special Purpose Entity (SPE) created for liability)

CURRENT ADDRESS:

942 Lafayette Ave
Brooklyn, NY 11221

ADDRESS OF PROPERTY
TO RECEIVE BENEFITS:

150 Wyandanch Ave
Wyandanch, NY 11798

Tax Map # District 0100 Section 082⁰⁰ Block 01.00 Lot (s) 015.009

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Part I: User (Applicant) & Owner Data (if different)**1. User Data (Applicant):**

A. User: AF Supply Corp
 Address: 942 Lafayette Ave
Brooklyn, NY 11221
 Federal Employer ID #: [REDACTED] Website: afsupply.com
 NAICS Code: 423720

(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 _____")

distributor products for plumbing & heating industry

D. User Counsel:

Firm Name: Kenner Teitelbaum & Gallagher
 Address: 464 Seventh Ave 12th FL
New York, NY 10018
 Individual Attorney: Brian Gallagher
 Phone Number: 212 697 8500 E-mail: bgallagher@ktglaw.com

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

Name	Percent Owned
<u>Bennett Friedman</u>	<u>33.3</u>
<u>Howard Friedman</u>	<u>33.3</u>
<u>Warren Friedman</u>	<u>33.3</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)

no

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

no

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.

none

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:

none

I. List parent corporation, sister corporations and subsidiaries:

none

- 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:

JPM Chase Commercial Banking
4 New York Plaza, NY NY 10004

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"): Wyan Group LLC

Address: 942 Lafayette Ave
Brooklyn, NY 11221

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

NAICS Code: 531390

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 [REDACTED]

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
<u>Bennett Friedman</u>	<u>33.3</u>
<u>Howard Friedman</u>	<u>33.3</u>
<u>Warren Friedman</u>	<u>33.3</u>

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.

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:

J. List parent corporation, sister corporations and subsidiaries:

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:

L. List major bank references of the Owner:

AF facilities

Location	1 address	own lease	3 description	4 operation
Brooklyn, NY	942 Lafayette Ave, Brooklyn, NY	own	24,000 sqft brownstone, 4 flrs	distribute boilers, water heaters, pipe, valves and fittings
Congers, NY	76 N Route 9W, Congers, NY	own	11,000sqft warehouse	distribute boilers, water heaters, pipe, valves and fittings
Fairfield, NJ	567 Rt 46 West, Fairfield, NJ	own	16,000 sqft office building, 2 floor	wholesale and retail sales office
Freeport, NY	140 E Merrick Rd, Freeport, NY	own	12,000sqft warehouse	distribute boilers, water heaters, pipe, valves and fittings
Glen Cove, NY	50 Dickson ST, Glen Cove, NY	own	20,500sqft warehouse	distribute boilers, water heaters, pipe, valves and fittings
Harrison, NJ	1000 South 2nd ST, Harrison, NJ	own	150,000sqft warehouse	plumbing warehouse
Hicksville, NY	195 Lauman Lane, Hicksville, NY	own	22,000sqft warehouse	distribute boilers, water heaters, pipe, valves and pumps
Holtsville, NY	50 Corporate Dr, Holtsville, NY	own	37,000sqft warehouse	distribute boilers, water heaters, pipe, valves and pumps
Maspeth, NY	44-22 54th Rd, Maspeth, NY	own	83,000sqft warehouse	distribute boilers, water heaters, pipe, valves and pumps
New York, NY	22 W 21st ST, New York, NY	own	16,000 sqft showroom	plumbing showroom
Wyandanch, NY	150 Wyandanch Ave, Wyandanch, NY	lease	30,000sqft warehouse	distribute boilers, water heaters, pipe, valves and pumps

Part II - Operation at Current Location

1. Current Location Address: 150 Wyandanch Ave, Wyandanch, NY 11798
2. Owned or Leased: leased
3. Describe your present location (acreage, square footage, number of buildings, number of floors, etc.):
one building 29,195 sqft, one floor 22' ceiling height
2.25 acres, built 1987
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
wholesale & retail distribution
plumbing & heating products - water heaters, boilers, toilets
5. Are other facilities or related companies of the Applicant located within the State?
 Yes ☒ No ☐
50 Corporate Drive, Holbrook, NY
 A. If yes, list the Address: 195 Lauman Lane, Hicksville, NY
140 Morris Rd, Freeport, NY
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: current facilities will
continue operations - this is business expansion
 - 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:
need to maintain competitive position

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

A. If yes, please list states considered and explain: New Jersey - we need more warehouse space and want to increase sales

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

A. Please explain: we are looking to expand our business. These incentives give added value to NY locations versus NJ.

9. Number of full-time employees at current location and average salary: _____

6 employees average salary \$82,000

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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: 150 Wyandanch Ave Wyandanch, NYB. Tax Map: District 0100 Section 082.00 Block 01.00 Lot(s) 015.009

C. Municipal Jurisdiction:

i. Village: _____

ii. School District: Wyandanchiii. Library: WyandanchD. Acreage: 2.25 acres**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

i. Square footage of existing building: 29,145☒ Yes ☐ No

G. Installation of machinery and/or Equipment

☒ Yes ☐ No

i. List principal items or categories of equipment to be acquired: warehouse equipment & Trucks

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: Kayser

B. Present use of the proposed location: wholesale plumbing and heating product distribution

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

i. If yes, explain: Crystal Graphics Equipment closing 6/5/15

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:

plumbing + heating wholesale + distribution

B. Proposed product lines and market demands: AOSmith, Wail McLean, Burnham, Kohler, Toto, Duravit, Delta, Moen, Grohe, Taco, Watts

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:

no leases to third parties

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

need to expand business

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? 50%

6. Project Work:

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

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

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:

E. Have site plans been submitted to the appropriate planning department? Yes ☐ No ☐ NA

7. Project Completion Schedule:

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

i. Acquisition: May 2019

ii. Construction/Renovation/Equipping: NA

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: NA

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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	\$ <u>3 million</u>
Building(s) demolition/construction	\$ _____
Building renovation	\$ _____
Site Work	\$ _____
Machinery and Equipment	\$ <u>300,000</u>
Legal Fees	\$ _____
Architectural/Engineering Fees	\$ _____
Financial Charges	\$ _____
Other (Specify)	\$ _____
Total	\$ <u>3.3 million</u>

2. Method of Financing:

Financing from Treasury

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ <u>none</u>	_____ years
D. SBA (504) or other governmental financing:	\$ _____	_____ 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:

NA

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

NA

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

NA

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Part V – Project Benefits1. Mortgage Recording Tax Benefit:

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

\$ NA

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

\$ NA2. 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):

\$ 300,000

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

\$ 25,875

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

i. Owner: \$ NAii. 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:

NA

- 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>6</u>	<u>6-7</u>	<u>7-9</u>	<u> </u>
Part-Time**	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

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	<u>1</u>	<u>150,000</u>	<u>20,000</u>
Professional	<u>2</u>	<u>95,000</u>	<u>20,000</u>
Administrative			
Production	<u>3</u>	<u>55,000</u>	<u>16,000</u>
Supervisor			
Laborer			
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 \$ 45,000 TO \$ 95,000

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	_____	_____	_____
** Part-Time	_____	_____	_____

*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.

(Remainder of Page Intentionally Left Blank)

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 ☐

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?

The sales tax and property tax benefits help justify the economics of purchase

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 property tax incentives make the Wyandanch expansion more attractive than the NJ locations.

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?

The sales tax and property tax benefits help justify the economics of purchase

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 HS

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 HS

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 HS

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 HS

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 HS

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 *h*

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 *h*

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 *h*

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 *h*

Part IX – Certification

Howard Friedman (name of representative of company submitting application) deposes and says that he or she is the _____ (title) of _____, 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.

Howard Friedman
Representative of Applicant

Sworn to me before this 28
Day of May, 20 19
George Nubel
(seal)

GEORGE NUBEL
NOTARY PUBLIC OF NEW JERSEY
Comm. # 2417806
My Commission Expires 2/28/2022

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

Payments in Lieu of Taxes on the Land and the Buildings:

For the period commencing on the PILOT Commencement Date (hereinafter defined) until the Abatement Termination Date or (ii) the date on which the Agency no longer owns the Facility Realty, the Lessee shall make payment in lieu of real estate taxes (the "PILOT Payments"), as follows:

Definitions

X =	the then current assessed value of Facility Realty from time to time
PILOT Commencement Date =	the Taxable Status Date of the Town immediately following the date hereof.
Normal Tax Due =	those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Babylon (including any existing incorporated village or any village which may be or may have been incorporated after the date hereof, within which the Project is wholly or partially located) which are or may be imposed for special improvements or special district improvements, which the Lessee would pay without exemption.
Tax Year =	the Tax Year of the Town commencing each December 1 and ending the following November 30.

Payment

Tax Year

1	40.0% Normal Tax Due on X
2	45.0% Normal Tax Due on X
3	50.0% Normal Tax Due on X
4	55.0% Normal Tax Due on X
5	60.0% Normal Tax Due on X
6	65.0% Normal Tax Due on X
7	70.0% Normal Tax Due on X
8	75.0% Normal Tax Due on X
9	80.0% Normal Tax Due on X
10	85.0% Normal Tax Due on X
11	90.0% Normal Tax Due on X
12	95.0% Normal Tax Due on X
13 and thereafter	100% Normal Tax Due on X

The tax benefits provided for in this subsection shall be deemed to commence on the PILOT Commencement Date. In no event shall the Lessee be entitled to receive real property tax benefits due to the Project under this agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Lessee further covenants and agrees that for any period that the Agency continues to hold title to the Facility after termination, the Lessee shall pay 100% of the Normal Tax Due on X together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of this Section.

Tax Savings for property with physical address of:

150 Wyandanch Avenue
Wyandanch, NY 11798
0100-082.00-01.00-015.009

Application

March, 15 2019

Assuming:

Assessed Value of: 24850

2018-2019 Tax without Exemption 86,469

2018-2019 Tax Rate of: 343.135

Rate Increment of: 2.00%

PILOT number of years 12

Abatements starting at 60%

Number of Years	Abatement %	PILOT %	Estimated Taxes To be Paid	Estimated Savings
1	60.0%	40.0%	\$ 36,672	\$ 53,200
2	55.0%	45.0%	41,895	49,750
3	50.0%	50.0%	47,350	46,100
4	45.0%	55.0%	52,969	42,350
5	40.0%	60.0%	58,794	38,400
6	35.0%	65.0%	64,831	34,300
7	30.0%	70.0%	71,128	29,950
8	25.0%	75.0%	77,609	25,450
9	20.0%	80.0%	84,322	20,800
10	15.0%	85.0%	91,273	15,900
11	10.0%	90.0%	98,512	10,800
12	5.0%	95.0%	105,960	5,500

Estimate Taxes to be paid \$ 831,315

Estimated Savings \$ 372,500

[Handwritten signature]

SCHEDULE A

Agency's Fee Schedule

SCHEDULE A

Agency's Fee Schedule

Application 3/15/2019

AF Supply Corp.
150 Wyandanch Ave.
Wyandanch NY 11798 (WYAN SD)
0100-082.00-01.00-015.009

Application Fee \$ 1,500

Estimated Public Hearing Notice \$ 800

Straight lease

1.25% of Hard costs + 1% of Est savings

Acquisition	pg 14	\$ 3,000,000	1.25%	\$ 37,500
Renovation	pg 14	0	1.25%	-
Machinery & Equip	pg 14	300,000	1.25%	3,750
Soft Costs				

3,300,000

Estimated Savings	1%	3,985
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Estimated Estimated Fee \$ 45,235 \$ 45,235

Total Estimated Fees \$ 47,535

Estimated Savings

Est PILOT		12@60	\$ 372,500
Est Mtg Rec	pg 16	0 0.75	-
Est Sales Tax	pg 16	300,000 0.08625	25,875
Estimated Savings			398,375
1% of Estimated Savings			3985

Handwritten signature/initials

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 (4) years after the date hereof;

(B) eighty per cent (80%) of the Benefits if the Recapture Event occurs during the fifth (5th) year after the date hereof;

(C) sixty per cent (60%) of the Benefits if the Recapture Event occurs during the sixth (6th) year after the date hereof;


(D) forty per cent (40%) of the Benefits if the Recapture Event occurs during the seventh (7th) year after the date hereof; or

(E) twenty per cent (20%) of the Benefits if the Recapture Event occurs during the eighth (8th) 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 hereof from those payments which the Lessee or the Sublessee would have been required to pay during the term of this Agreement 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 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.

Part 1 - Project and Sponsor Information			
Name of Action or Project: <i>Wyandanch acquisition</i>			
Project Location (describe, and attach a location map): <i>150 Wyandanch Ave, Wyandanch, NY</i>			
Brief Description of Proposed Action:			
Name of Applicant or Sponsor: <i>Howard Friedman</i>		Telephone: <i>718 443 6900</i>	
		E-Mail: <i>1f942n@gmail.com</i>	
Address: <i>942 Lafayette Ave</i>			
City/PO: <i>Brooklyn NY</i>		State: <i>NY</i>	Zip Code: <i>11221</i>
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation?			NO YES
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.			X
2. Does the proposed action require a permit, approval or funding from any other governmental Agency?			NO YES
If Yes, list agency(s) name and permit or approval:			X
3.a. Total acreage of the site of the proposed action?		<i>2.26</i> acres	
b. Total acreage to be physically disturbed?		_____ acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		<i>2.25</i> 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 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
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	
b. Are public transportation service(s) available at or near the site of the proposed action?		X	
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	
b. Is the proposed action located in an archeological sensitive area?		X	
		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	
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	
		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 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: _____ <input type="checkbox"/> NO <input type="checkbox"/> YES	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	
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: <u>Howard J. Jones</u> Date: _____		
Signature: _____		

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)