



**APPLICATION TO
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FOR FINANCIAL ASSISTANCE**

(Amending a prior Application dated May 8, 2017.)

I. APPLICANT INFORMATION:

Company Name: Tractor Supply Company
 Address: 5401 Virginia Way
 Brentwood, Tennessee 37027
 Product/Services: Distribution Center for Applicant's Retail Stores
 Phone No.: 615-440-4764 4837 Fax No.: 615-484-4764 4837
 Email Address: cteter@TractorSupply.com
 Fed ID No.: 13-3139732 NAICS Code: 452900
 Contact Person/Title: ~~Clay Teter, Senior V.P., Real Estate & Construction~~
Mike Miller
 Principal Owners/Officers/Directors:
 (list owners with 15% or more in equity holdings with percentage ownership)
 TSC is a publicly traded company

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

- ☒ Corporation
- ☐ Partnership (General _____ or Limited _____; number of general partners _____ and, if applicable, number of limited partners).
- ☐ Limited Liability Company/Partnership (number of members _____).
- ☐ Sole Proprietorship

If a corporation, partnership, limited liability company/partnership:

Date of establishment 1938.

Place of organization Delaware.

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes.

**ALL RESPONSES IN THIS APPLICATION ARE SUBJECT TO THE TERMS OF THE PURCHASE, SALE AND DEVELOPMENT AGREEMENT BETWEEN THE APPLICANT AND THE HERKIMER COUNTY IDA; AN EXECUTED COPY OF WHICH IS ATTACHED HERETO. ANY CONFLICTS BETWEEN THE PROVISIONS OF THIS APPLICATION AND OF THE AGREEMENT SHALL BE RESOLVED IN FAVOR OF THE AGREEMENT.*

APPLICANTS' COUNSEL

Name: Steven L. West, Vice President, Legal-Real Estate
Address: Tractor Supply Company, 5401 Virginia Way
Brentwood, Tennessee 37027
Phone No.: 615-440-4933
Telefax No.: 615-484-4933

LOCAL COUNSEL

J. Stephen Reilly
 Whiteman Osterman & Hanna LLP
 One Commerce Plaza, Albany, New York 12260
 518-487-7600
 518-487-7777

II. PROJECT INFORMATION**A) Describe the proposed project, acquisition, construction or reconstruction in as much detail as possible.**

The applicant proposes, subject to completion of applicant's due diligence investigation, to acquire, construct and equip an approximately 930,500 square foot distribution center, including offices and related parking for vehicles and truck trailers and, if needed, off-site improvements, with potential expansion, at Purchaser's sole option, to 1,230,500 square feet, on approximately one hundred forty-two (142) acres of real property as depicted on Exhibit "A" annexed hereto, located in the Town of Frankfort, Herkimer County, New York ([portion of] S.B.L. No. 112.3-3-1, 112.3-2-2, 112.3-3-3, 112.3-3-4, 112.3-3-5, 112.3-3-6, 112.3-3-7, 112.3-3-8, 112.3-3-9, 112.3-3-10, 112.3-3-11, 112.3-3-12, 112.3-3-13, 112.3-3-14, 112.3-3-15, 112.3-3-16, 112.3-3-17, 112.3-3-18, 112.3-3-24, 112.3-3-25, 112.3-3-26, 112.3-3-27, 112.3-3-28, 112.3-3-29, 112.3-3-30). (Now known as S.B.L. No. 112.3-3-32.)

B) Project Description (check all applicable)

- ☐ Manufacturing
- ☒ Warehousing/Distribution
- ☐ Tourism Destination Facility
- ☐ Retail
- ☐ Other – Specify _____

C) Name of all sub-lessees or other occupants of the facility:

N/A

D) Principals of any sub-lessee or occupant.

N/A

III. COST BENEFIT ANALYSIS:**A) Project Cost (Estimates) (where applicable)**

1. Land	\$ 0.00
2. Building	\$ 57,000,000 (est.)
3. Renovation Costs	\$ 0.00
4. Machinery and Equipment	\$ 35,700,000
5. Soft Costs	\$ 1,000,000 (est.)
6. Legal Costs	\$
7. Other (specify)	\$ 1,000,000 (contingency)
Total Estimated Project Amount	\$ 94,700,000 (est.)

B) FINANCING (Source of funds where applicable)

Bank	\$ 0.00
Private Funds Invested	\$ 0.00
Industrial Revenue Bond	\$ 0.00
Other	\$ 94,700,000 (est.) (Applicant's Funds)
Total (should equal III. A)	\$ 94,700,000 (est.)

C) Financial Assistance Requested (Proposed Benefit Estimates) (Please note n/a in any line where you are not seeking assistance)

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$ N/A

Amount of New Mortgage (s) required for project: \$ N/A

Project-Related Costs Subject to Sales Tax: \$ 64,200,000 (est.)

Estimated Value of Tax Exemptions:

1. NYS Sales and Compensating Use Tax (State 4% + Local 4.25% = Total 8.25%)	\$ 5,300,000
2. Mortgage Recording Taxes (1% of total proposed mortgage amount)	\$ N/A
3. Real Property Tax Exemptions (the Agency will assist with this estimation at your request)	\$ 11,300,000 (est.) **
4. Estimated interest savings on Issuance by the Agency of Industrial Revenue Bonds	\$ N/A

Total Estimated Value of Tax Exemptions \$ 16,600,000 **

****Not adjusted to reflect present value savings.**

D) Employment Information/Job Creation

The Agency recommends the following standard when reporting FTE – Full Time Equivalent jobs: Full-time equivalent is a ratio that compares the number of hours worked during a pay period by an employee to the number of work hours during the pay period that equates to full time employment. For example, an employee who works hours equal to full time is 1.0 FTE. An employee who works half the hours of full time employment is 0.5 FTE, while an employee that works one-third the hours of full time employment would be considered .3 FTE. Please contact the Agency for assistance if needed.

Please provide the current number of existing jobs.

FTE 0 (please attach a list of current employees)

Please provide an estimated number of jobs to be retained as a result of this project.

FTE 0

Please provide an estimated number of jobs that will be created as a result of this project. *

FTE 350

Please provide the total number of jobs you anticipate upon completion of this project.

FTE _____

Please provide the average estimated annual salary of jobs to be created as a result of this project.

\$32,800

Please provide the annualized salary range of jobs to be created. From \$ 26,600 To \$ 125,000+

Please provide the average annual salary of jobs to be retained. N/A

Please note any proposed fringe benefits for jobs to be created by job title.

Medical and dental insurance; 401k plans; life insurance; accidental disability and disability insurance; tuition reimbursement and other benefits.

**The applicant estimates that 170 net new full time equivalent jobs (35 hours per week) will be created at the project by June 30, 2020 and that a total of 350 net new full time equivalent jobs (35 hours per week) will be created at the project by June 30, 2024.*

E) Estimate number of construction jobs to be used for this Project: FTE 250-300

V. PROJECT LOCATION/UTILITIES/IMPACT

- A) **Project Address:** Route 5S and Higby Road
Town of Frankfort, New York
- B) **Are Utilities on Site**
Water Yes **Electric** No
Gas Yes **Sanitary/Storm Sewer** Yes
- C) **Present legal owner of the site** Herkimer County Industrial Development Agency.
Planned Development-
- D) **Zoning of Project Site: Current:** Manufacturing **Proposed:** N/A.
- E) **Are any variances needed:** No.
- F) **Principal use of Project upon completion:** Distribution Center.
- G) **Will the Project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another?** No.
- H) **Will the Project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York?** No.
- I) **Will the Project result in the abandonment of one or more plants or facilities located in the State of New York?** No.
 If you answered yes to G-H or I please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail. Attach supporting documentation.
N/A

VI. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A.) **Job Listings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, 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 (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in

which the Project is located. The IDA encourages to the fullest extent possible, the hiring of local labor for all construction projects.

- B.) **Annual Sales Tax Filings.** In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency. In accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. A copy of such form should be provided to the Agency annually upon submission to the State.
- C.) **Sales Tax Tracking.** The Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance that they will submit to the Agency, a quarterly tracking form (form will be provided) listing all sales tax savings incurred to allow for the Agency to monitor and report to the State as required.
- D.) **Recapture of Benefits.** The Applicant understands and agrees that the benefits received from tax abatements/exemptions shall be subject to recapture in accordance with the Agency's tax exemption policy. The Agency reserves the right to include in the transaction documents the recapturing of the total value of real property/sales tax exemptions approved for a Project if any of the following conditions arise:
 - a. The Project Facility as defined in the PILOT/Lease Agreement is sold or closed and the Applicant leaves or departs Herkimer County.
 - b. There is a significant change in the use of the Project Facility and/or business activities of the Applicant.
 - c. There is a significant reduction in the number of full/part-time jobs at the Project Facility in comparison to what was estimated in the Applicant's Project Application that are not reflective of the Applicant's normal business cycle or national economic conditions.
 - d. The Applicant fails to fully comply with all periodic and/or annual reporting requirements of the Agency, State or Federal government.
 - e. The Applicant failed to achieve any minimal new job creation figures specified by and within the time frames specified by the Agency
- E.) **Annual Employment Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site in addition to any additional project information as may be required. The Chief Executive Office shall submit to the Agency prior to February 1st of each year, a written certification setting forth:
 - a. Number of full-time equivalent employees at the Project location as of the last date of the prior year
 - *b. Number of construction jobs during the fiscal year as a result of the Project
- F.) **Absence of Conflicts of Interest.** The Applicant has received from the Agency a list (see page 10) of the members, officers and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

*b. During the construction period only, the number of construction jobs created as a result of the Project.

VII. FINANCIAL INFORMATION (attach the following):

1. Financial Statements for the last three fiscal years.
N/A 2. Proforma balance sheet as at start of operations at project site.
N/A 3. Projected profit and loss statements for first two years of operation at project site.
N/A 4. Projected "cash flow" statement, by quarters, for first year of operation at project site.

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Copies of the Applicant's Annual Reports for fiscal years 2016, 2015, 2014 and 2013, which include the Applicant's financial statements, may be found on-line at <http://ir.tractorsupply.com>.

The Applicant and the individual executing this Application on behalf of the applicant acknowledge that the Agency will rely on the representations made herein when acting on this application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Applicant: Tractor Supply Company
Date: 5/24/18
By: [Signature]
Name: Ben Parrish
Title: Gen. Counsel

Submit this application with a general application fee of \$250.00. If this application is for Market Rate Housing Benefits, please submit \$1,500.00 which includes a non-refundable application fee of \$500.00 and a commitment fee of \$1,000.00 that will be applied at closing; if the project does not close the \$1,000.00 is not refundable. Make check payable to: Herkimer County Industrial Development Agency, 420 E. German Street, Suite 101A, Herkimer, New York 13350, to the attention of Stephen R. Smith, Executive Director. The Agency will collect ½ (one-half) of its Project Fee at the time of the signing of an inducement agreement. The final half of the Agency fee will be payable at which time the HCIDA takes title to the Facility, or upon issuance of bonds. The applicant will also be responsible for all HCIDA legal fees related to this project. Should your company for any reason decide to withdraw this application for financial assistance after submission but prior to completion, you will be responsible for any legal fees involved to that point. In addition the Agency will assess a fee for services rendered and costs incurred.

Agency fees will be assessed at up to 1% of the total project cost. not to exceed \$600,000. The fee has been paid.

The Agency will assess your company an annual administration fee in the form of rent under the Lease Agreement in the amount of \$500.00.

Please call 315-866-3000 with any questions

All agency fees (other than the annual administration fee) have been paid prior to submission of this Restated Application to Herkimer County IDA for Financial Assistance.

"This institution is an equal opportunity provider, employer and lender"

~~HOLD HARMLESS AGREEMENT~~

~~Applicant hereby releases the Herkimer County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other Assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.~~

~~(Applicant)~~

~~(Date)~~

~~(By)~~

~~(Name)~~

~~(Title)~~

~~STATE OF NEW YORK)~~
_____)ss.:
~~COUNTY OF)~~

~~On the ____ day of _____, in the year 20____, before me, the undersigned a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individuals, or the person or behalf of which the individuals acted, executed this instrument.~~

~~Notary Public~~

2017 BOARD MEMBERS & STAFF
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CHAIRMAN**Date Appointed****Vincent J. Bono****7/3/2002**

Current partner in Bono Brothers LLC Manufactured Housing community, Current Vice Chairman of the Herkimer County Legislature

VICE CHAIRMAN**David M. Chlus****4/6/2011**

Financial Consultant at Morgan Stanley for 26 years

SECRETARY**John Scarano****4/24/2013**

Executive Director of the Herkimer County Chamber of Commerce (10 years); former VP Finance Curtains and Fabrics, manufacturer of lace curtains (8 years)

TREASURER**Michael Werenczak****10/26/2011**

Current Specialist with the Herkimer County Employment & Training Administration (13 years); former Production Foreman with Special Metals Corporation (12 years), Product Manager for AAR Corporation (5 years); Expeditor for Allied / Bendix Corporation (5 years)

DIRECTOR**John J. Piseck, Jr.****2/17/2016**

Sales Engineer for CTM Corporation (15 years); Herkimer County Legislator (4 years); past Chairman of the Board of Directors for the HCIDA; former member of Mohawk Valley Economic Development District; served on Board of Directors for the Creative Core

DIRECTOR**Daniel B. Reardon****3/1/2016****DIRECTOR****Catherine Ricci****7/22/2015**

Employed for 40 years with family owned Ricci Farms, former member of Schuyler Planning Board serving one year as chairperson, former member of Herkimer County Dairy Promotion committee

All Above Board Members are appointed by the Herkimer County Board of Legislators and serve at the pleasure of the board.

ASSISTANT SECRETARY/TREASURER**Stacey J. Holleran****IDA ATTORNEY****Anthony Hallak, Esq.****COMMITTEES****Revolving Loan Committee (2016):****Vincent J. Bono, David Chlus, John Scarano****Audit and Governance Committees (1/25/2007):****Board as a Whole****Marketing Committee (9/27/2013):****David Chlus, John Scarano****Finance Committee (3/24/2011):****Board as a Whole**

Board Meetings held the last Tuesday of every month at 4:00 PM
At the Herkimer County Chamber of Commerce, Conference Room
420 E. German St., Herkimer, NY

STAFF

Stephen R. Smith, Executive Director

Stephen R. Smith is a graduate of Ilion High School and has earned an associate's degree in Business Administration from Herkimer County Community College and a bachelor's degree from the State University of New York College at Oswego in Business Distributive Education. Stephen joined the Herkimer County Industrial Development Agency as its Executive Director in 2015 after 21 years working in economic development at the Mohawk Valley Economic Development District as its Accountant, Comptroller, Chief Financial Officer and Executive Director. Stephen also worked at the Mary Imogene Bassett Hospital in its Accounting Department. Stephen is adept in working on public works, infrastructure and capital improvement projects in the Mohawk Valley. Stephen also has a strong background in budgeting, management, human resources, public speaking, credit analysis, finance, real estate financing, rural development, industrial parks and strategic planning. Stephen and his wife, Lori have three children and live in Ilion.

Stacey Holleran, Financial Manager

Stacey Holleran is a graduate of Mohawk Central High School and Central City Business Institute. Stacey joined the IDA in 2015 after 23 years of economic development experience at the Mohawk Valley Economic Development District and 13 years of purchasing experience at General Electric. As Financial Manager Stacey manages operations, human resources, finances, and administrative functions for the organization. Stacey is responsible for the organization and coordination of office operations, and procedures. She also prepares monthly financial statements; cash management and monitoring; budget and audit preparation; financial compliance; oversees payable and receivable functions along with reconciliation of monthly bank statements, and invoicing. Stacey and her husband, Mark have three children and live in Mohawk.

Revised 4/7/2017