



HERKIMER COUNTY

Industrial Development Agency

APPLICATION TO HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION:

Company Name:

Address:

Product/Services:

Phone No.:

Email Address:

Fed ID No.:

Contact Person/Title:

Precisionmatics Co. / Precision Realty LLC
robot 250, 100 Helmer Avenue
West Winfield, NY 13491
CNC machining services
315-822-6324 Fax No.: 315-822-6944
johnp@precisionmatics.com
16-0974357 NAICS Code: 332721
John Rustay Mgr/Corp. officer

Principal Owners/Officers/Directors:

(list owners with 15% or more in equity holdings with percentage ownership)

<i>Lasto Rustay</i>	<i>President</i>	
<i>Steve Rustay</i>	<i>Vice President</i>	
<i>John Rustay</i>	<i>Sec/Treasurer</i>	

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

Form of Entity:

- ☒ Corporation *"C"*
- ☐ 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 _____.

Place of organization _____.

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

RECEIVED APR 21 2015

\$250.00 App fee pd

APPLICANTS' COUNSEL

Name: Cosentino Snyder & Quinn
 Address: 379 W main St.
West Winfield NY 13491
 Phone No.: 315-822-4141
 Telefax No.: _____

II. PROJECT INFORMATION

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

See attachment

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:

D) Principals of any sub-lessee or occupant.

Herkimer County IDA

Project Information (Para. 11.)

Precisionmatics /Precision LLC intends to build a state of the art 54,000 square foot steel Butler style manufacturing facility on a undeveloped site currently owned in the town of the West Winfield. The proposed 50+ acre site located at 649 US RT20 has been rezoned to Commercial Highway by the Town of West Winfield and is owned by Laslo, Steve and John Pustay. The building site for this facility will occupy approximately 8 acres and the balance to be used for agricultural at this time. Soil boring testing has determined a stable site for building along with good drainage for a private leach field required for a sewer system and storm water runoff. Three phase power is readily available along US RT20 and the power authority in our town is NYSEG.

Precisionmatics /Precision LLC have contracted with Gaetano Construction Co. of Utica NY for design and build services on this project. Dave Kleps vice president will be the lead person for the design and build services as his company would be the general contractor for this project. With proper approvals and permits our company would like to see this project start in June 2015 and we expect to occupy in 2016.

Site development specifics will include an evaluation with a civil engineer to extend village public water to the new proposed site and or drill a well and use a private water source. A site plan has been developed with a certified civil engineer addressing storm water runoff and all environmental compliance issues.

Precisionmatics Co. is a leading CNC machining facility that currently services both the Aerospace and firearms industries and is slowly expanding its operations to meet the growing demand for services from our customers. Precisionmatics Company is celebrating its 45th year in business as a family owned and operated business. Precision Realty LLC (waiting for confirm from NYS) has been created for the purpose of liability protection and for the building and property to be owned by the LLC and leased to Precisionmatics Co. The current facility located in the village of West Winfield has no potential for expansion and the 30,000 square feet building will be eventually abandoned. Once the new building is complete all equipment and operations will be relocated to the new proposed site which is approximately 1.5 miles away. Highlights of the new building will include expanded offices, larger material handling area with crane, employee training and classroom along with an expanded employee cafeteria and reorganization of manufacturing cells.

With the construction of this new building we expect to further develop more business with our existing customers and attract new customers. With the look and feel of a high technology facility we also expect to create more interest in the area and therefore generate a regular stream of potential employees to sustain our business for the future. To further develop this pool of next generation trades persons we are intending to offer a full machinists training program and hope to work with the local school and colleges to promote interested young persons in this exciting field of work.

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

1. Land	\$	<u>owned</u>
2. Building	\$	<u>4.3 million</u>
3. Renovation Costs	\$	<u></u>
4. Machinery and Equipment	\$	<u></u>
5. Soft Costs	\$	<u></u>
6. Legal Costs	\$	<u>30,000</u>
7. Other (specify)	\$	<u>70,000 water project</u>
Total Estimated Project Amount	\$	<u>4.4 million</u>

B) FINANCING (Source of funds where applicable)

Bank	\$	<u>750,000</u>
Private Funds Invested	\$	<u>3,650,000</u>
Industrial Revenue Bond	\$	<u>—</u>
Other	\$	<u>—</u>
Total (should equal III. A)	\$	<u>4,400,000</u>

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: \$ —

Amount of New Mortgage (s) required for project: \$ —

Project-Related Costs Subject to Sales Tax: \$ 4,370,000

Estimated Value of Tax Exemptions:

1. NYS Sales and Compensating Use Tax
(State 4% - Local 4.25% = Total 8.25%) \$ 360,525

2. Mortgage Recording Taxes
(1% of total proposed mortgage amount) \$ NA

3. Real Property Tax Exemptions
(the Agency will assist with this estimation at your request) \$ TBD

4. Estimated interest savings on Issuance by the
Agency of Industrial Revenue Bonds \$ NA

Total Estimated Value of Tax Exemptions \$ 360525 + TBD RPTE

D) Employment Information/Job Creation

Please provide the current number of existing full time and part time jobs.

F/T 62 P/T 7

(please attach a list of current employees)

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

F/T 62 P/T 7

Please provide an estimated number of full time and part time jobs that will be created as a result of this project.

F/T 10 P/T 2 3yr proj. 10-15 FT

Please provide the total number of full time and part time jobs you anticipate to be employed upon completion of this project.

F/T 67 P/T 8

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

\$ 33,000

Please provide the annualized salary range of jobs to be created. From \$ 32,000 To \$ 45,000

Please provide the average annual salary of jobs to be retained. _____

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

- All employees. - Major medical Coverage (employer participation)
 - Long term dis. ins No charge
 - Life Ins.
 - Weekly Bonus program
 - Employer 401k profit share contrib. only last 10 yrs 6%

E) Estimate how many construction jobs will be created as a result of this Project: _____

- pd holiday/vacation

V. PROJECT LOCATION/UTILITIES/IMPACT

- A) Project Address: 649 US RT 20
West Winfield NY 13491
- B) Are Utilities on Site
Water Drilled Well or public Electric 3 phase RT 20
Gas NA Sanitary/Storm Sewer private
- C) Present legal owner of the site Laslo, Steve, John Rustay
- D) Zoning of Project Site: Current: Commercial Hwy Proposed: _____
- E) Are any variances needed: No
- F) Principal use of Project upon completion: Manufacturing
- 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? _____
- 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? _____
- I) Will the Project result in the abandonment of one or more plants or facilities located in the State of New York? Yes
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.

Current facility located at 100 Helmer Ave WW
cannot be expanded any further therefore restricting
our operations. To respond to our customers needs we
must have reserve space at all times so that we may
add equipment as projects require them. With a new
correctly sized and layed out building we expect many manufacturing
efficiencies and we will be creating a excellent working
environment for our employees.

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 and part time employees at the Project location as of the last date of the prior year
 - b. Number of construction jobs created 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:
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VII. FINANCIAL INFORMATION (attach the following):

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

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: Precisionmatics / Precision Realty LLC
 Date: 4/20/15
 By: John Puskey
 Name: John Puskey
 Title: Mgr. / SEC-Treas

This Application should be submitted with a \$250.00 Application Fee to Herkimer County Industrial Development Agency, 420 E. German Street, Suite 101A, 320 N. Prospect Street, Herkimer, New York 13350, to the attention of Mark D. Feane, 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.

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.

"This institution is an equal opportunity provider and employer"

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.

Precisionmatics Co./Precision Realty LLC
(Applicant)

4/20/15
(Date)

(By)

John Pustay
(Name)

MGR/SEC.-TREASURER
(Title)

STATE OF NEW YORK)

)ss.:

COUNTY OF HERKIMER)

On the 20th day of April, in the year 2015, before me, the undersigned a Notary Public in and for said State, personally appeared John Pustay, 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.

Elizabeth M. Quinn
Notary Public

ELIZABETH M. QUINN
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN HERKIMER COUNTY
REG. # 01QU4730290
MY COMM. EXP. MAY 31, 2018

2014 BOARD MEMBERS
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
P.O. BOX 390, 420 E. German Street, Suite 101A
HERKIMER, NY 13350
(315) 866-3000

CHAIRMAN (member revolving loan committee)

Richard Collins

VICE CHAIRMAN

Vincent J. Bono

SECRETARY

John Scarano

TREASURER

Michael Werenczak

DIRECTOR

Robert Payne

DIRECTOR (member revolving loan committee)

David M. Chlus

DIRECTOR

Dominic Frank

ASSISTANT SECRETARY/TREASURER

Lillian A. Oram

IDA ATTORNEY

Michael Stephens, Esq.

COMMITTEES

Revolving Loan Committee – 1997 – Richard Collins and David Chlus

Audit and Governance Committees – 1/25/2007 – Board as a Whole

Marketing Committee – 9/27/2013 – Dave Chlus, Dominic Frank, John Scarano

Finance Committee – 3/24/2011 – Members, Board as a Whole

STAFF

Mark D. Feane, Executive Director

Lillian A. Oram, Financial Manager

Board Meetings held the last Wednesday of every month at 8:30 am.
At the Herkimer County Chamber of Commerce, Conference Room
420 E. German St., Herkimer, NY

Revised November 2014