NYAB

NAICS 336510

AVG SALARY (NOW) 67,805.

# Application to

# Jefferson County Industrial Development Agency (JCIDA)

# For

APR 2 2 2015

# Tax Exempt Bond Financing

# and/or

# Sale Leaseback Transaction

# And

# Fee Schedule

Please contact the agency for more information regarding project eligibility and application process.

**Jefferson County Industrial Development Agency (JCIDA)**
800 Starbuck Avenue, Suite 800
Watertown, New York 13601
www.jcida.com

## Taxable and Tax Exempt Industrial Development Revenue Bonds

**Application Fee:** A non-refundable fee of $2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.

**Fee:** 2% of the principal amount of the bond series.

**Point of Contact:** Donald Alexander, 315-782-5865

## Tax Exempt Civic Facility Bonds

**Application Fee:** A non-refundable fee of $2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.

**Fee:** First $10 million - 2% of the bond series.
Over $10 million- .5% of the bond series.

**Point of Contact:** Donald Alexander, 315-782-5865

## Sale Leaseback Transactions

**Application Fee:** A non-refundable fee of $2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.

**Fee:** With a PILOT:
First $10 million – 2%
Second $10-$20 million - .5%
Anything greater than $20 million - .25%

No PILOT – 25% of the abatement value (based on savings from mortgage tax and sales tax).

**Point of Contact:** Donald Alexander, 315-782-5865

## INSTRUCTIONS

1. The Agency will not approve any applications unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.

2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").

3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer, which is estimated.

4. If more space is needed to answer any specific question, attach a separate sheet.

5. When completed, return this application to the Agency at the address indicated on the first page of this application.

6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project.

7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.

8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project. The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered a part of the project and included as a part of the resultant bond issue.

9. The Agency has established an application fee of $2,500 to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.

10. The Agency has established a project fee for each project in which the Agency participates. UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.

**This application should be submitted to the Jefferson County Industrial Development Agency, 800 Starbuck Avenue, Suite 800, Watertown, New York 13601 (Attn: Chief Executive Officer).**

**STAFF USE ONLY**

| | | | Staff Initials |
|---|---|---|---|
| 1. | OSC Project Number Assigned | 2201-1503 | |
| 2. | Retail Determination (Y/N) Retail Exception used: | _____, 20____ | |
| 3. | Date Application Assigned to Agency Counsel | April 28, 2015 | |
| 4. | UTEP Deviation (Y/N) | April 28, 2015 | |
| 5. | IRB – Volume Cap Needed (Y/N) | " ", 20____ | |
| 6. | IRB/501c3 – TEFRA Required (Y/N) | " ", 20____ | |
| 7. | Date of Agency adoption of Initial Resolution | May 7, 2015 | |
| 8. | Date set for Public Hearing: | May 19, 2015 | |
| 9. | Public Hearing Notice - Publication Date/ATJ Mailings | WDT May 6 2015 correction WDT May 7, 2015 | |
| 10. | Date of Agency adoption of Inducement Resolution | June 4 2015 Auth. July 2, 2015 Rose. | |
| 11. | Date of Agency adoption of Closing Resolution | _____, 20____ | |
| 12. | Date of final approval of application | _____, 20____ | |

# Jefferson County Industrial Development Agency (JCIDA) Application for Tax Exempt Bond Financing and/or Sale Leaseback Transactions

## I. APPLICANT INFORMATION

Company Name: New York Air Brake LLC

Address: 748 Starbuck Avenue
Watertown, NY 13601

Phone No.: 315-786-5200

Fax No.: 315-786-5676

Federal Tax ID: [redacted]

Contact Person: Mike Hawthorne

E-Mail: [redacted]

Date: 4-16-2015

a. Form of Entity:

_____ Corporation

_____ Partnership (General ___or Limited ___; Number of General Partners ___ and, if applicable, Number of Limited Partners ___, List Partners in section below.

__X__ Limited Liability Company, Number of Members 1

_____ Sole Proprietorship

b. Principal Owners/Officers/Directors: (List owners with 5% or more in equity holdings with percentage of ownership)

| Name | Address | Percentage Ownership/Office |
|---|---|---|
| Knorr Brake Holding Corporation | 748 Starbuck Ave. Watertown NY 13601 | 100% |
| | | |
| | | |
| | | |
| | | |

(Use attachments if necessary)

c. If a corporation, partnership, limited liability company:
What is the date of establishment? Corporation Dec 4 1990 Converted to LLC May 31 2012 Place of organization Delaware

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

*(Attach organizational chart or other description if applicant is a subsidiary or otherwise affiliated with another entity)*

d. Attach certified financial statements for the company's last three complete fiscal years. If the company is publicly held, attach the latest Form 10K as well.

## II. APPLICANT'S COUNSEL

Name/Firm: Bond, Schoeneck & King, PLLC (David Ferrara)

Address: One Lincoln Center
Syracuse, NY 13202-1355

Phone No.: 315-218-8323

Fax No.: 315-218-8100 or 315-476-6024

E-Mail: [redacted]

## III. PROJECT INFORMATION:

a. Please provide a brief narrative description of the Project (attach additional sheets or documentation as necessary).

See Attached Sheet

b. Location of Project

Project Address: 748 Starbuck Ave Watertown, NY 13601

Town/Village of: City of Watertown

Name of School District: Watertown

Tax Map No.: 221805-004-000-009-102-000-0000

c. Are Utilities on Site? Water: X Electric: X Gas: X Sanitary/Storm Sewer: X Telecom: X

d. Present legal owner of the site if other than Applicant and by what means will the site be acquired for this Project:

NA

e. Zoning of Project Site:

Current: Industrial-Commercial Proposed: Same

f. Are any zoning approvals needed? Identify: no

g. Local Permitting and Approvals – Does the project require local planning or permitting approvals? If so, please explain. Yes Will a site plan application need to be filed? Yes If so, please include copy if prepared.

h. Has another entity been designated lead agent under the State Environmental Quality Review Act ("SEQRA")? no ; If yes, please explain:

i. Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? NO; If yes, please explain:

j. Will the Project result in the abandonment of one or more plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? NO; If yes, explain:

k. If the answer to either question i. or j. is yes, indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes_____; No_____. If yes, please provide detail:

NA

2. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes_____; No_____. If yes, please provide detail:

NA

l. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? NO; If yes, please explain:

NA

m. If the answer to l. is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? _____%

n. If more than 33.33%, indicate whether any of the following apply to the Project:

1. Will the Project be operated by a not-for-profit corporation? Yes ___; No____. If yes, please explain:

NA

2. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes_____; No _____. If yes, please explain:

NA

3. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the Project and related jobs outside of New York State? Yes _____; No _____. If yes, please explain:

NA

4. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City, Town or Village within which the Project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes____; No____. If yes, please explain:

NA

5. Will the Project be located in one of the following: (i) an area designated as an Empire Zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes_____; No_____. If yes, please explain:

o. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes____; No YES If yes, please complete the following for EACH existing or proposed tenant or subtenant:

Sub lessee name:_____

Present Address:_____

City:_____ State:_____ Zip:_____

Employer's ID No.:_____

Sub lessee is a: _____ (Corporation, LLC, Partnership, Sole Proprietorship)

Relationship to Company:_____

Percentage of Project to be leased or subleased:_____

Use of Project intended by Sub lessee:_____

Date and Term of lease or sublease to Sub lessee: _____

Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions I. 1-5 with respect to such sub lessee.

p. Project Costs (Estimates):

| Category | Amount |
|---|---|
| Land-acquisition | NA |
| Buildings-Construction/Renovation | ~~$985,000.00~~ 2,080,480 |
| Utilities, roads and appurtenant costs | ~~$330,000.00~~ |
| Machinery and Equipment | ~~$1,912,000.00~~ 721,000 |
| Soft Costs (Architect and Engineering Fees) | ~~$60,000.00~~ 60,000 |
| Costs of Bond issue | NA |
| Construction Loan Fees and interest | NA |
| Other (specify) Site Prep DESIGN CONTINGENCY | ~~$90,000.00~~ 280,148 |
| Total Project Costs | ~~$3,877,000.00~~ 3,141,628. 2% = 62,832.56 |

q. Job Creation:

Construction jobs created by the Project: 10 Anticipated Dates of Construction: July 2015 - Dec 2015

Permanent jobs created by the Project

**Column A:** Insert the job titles that exist within the company at the time of application, as well as any job titles that will be established as a result of the Project.
**Column B:** Indicate the entry level wage for each listed job title either in terms of hourly pay or annual salary.
**Column C:** For each listed job title insert the number of positions that exist at the time of application.
**Column D:** Insert the number of jobs to be created during year one of the Project for each listed job title.
**Column E:** Insert the number of jobs to be created during year two of the Project for each listed job title.
**Column F:** Insert the number of jobs to be created during year three of the Project for each listed job title.
**Column G:** Indicate the total number of jobs to be created for each listed title as a result of the Project. (Column D + Column E + Column F = Column G)

1. Is there is a warrantee issue involved.
2. The work is so highly specialized that local labor cannot be found.
3. You identified a significant cost differential when using local labor.
4. No local labor is available.

It is the intention of JCIDA to randomly verify the use of the local workforce, using whatever method it determines is most effective. This verification may occur throughout the term of any incentive programs or loans granted.

**Potential JCIDA Financial Assistance**

A. Estimated Project Costs eligible for Industrial Development Agency Financial Assistance

1. Sales and Use Tax
   - A. Amount of Project Cost Subject to Sales and Use Tax: $ 492,500
     Sales and Use Tax Rate: 7.75 %
   - B. Estimated Sales Tax (A X .0775): $ 38168.75
2. Mortgage Recording Tax Exemption
   - A. Projected Amount of Mortgage: $ NA
     Mortgage Recording Tax Rate: .075 %
   - B. Estimated Mortgage Recording Tax (A X .0075): $ NA
3. Real Property Tax Exemption
   - A. Projected Increase in Assessed Value on Project: $ 2,984,700
   - B. Total Applicable Tax Rates Per $1000: $ ~~218,411~~ 436,822
   - C. Estimated Annual Taxes without PILOT (A X B)/1,000: $ 218,411
4. Interest Exemption (Bond transactions only)
   - a. Total Estimated Interest Expense Assuming Taxable Interest: $ NA
   - b. Total Estimated Interest Expense Assuming Tax-exempt Interest Rate: $ NA

B. Estimated Benefits of Industrial Development Agency Financial Assistance

1. Current Company employment in Jefferson County: 548
2. Current Company payroll in Jefferson County: $ 33,522,033
3. Project Jobs to be Created over 3 years: 10

r. **For Industrial Revenue Bonds ONLY, including this project,** list capital expenditures of the company at Project location:

| Category | Last Three Years | Next Three Years |
|---|---|---|
| Land | NA | |
| Building | | |
| Equipment | | |
| Soft Costs | | |
| Other | | |
| | | |
| Total | | |

s. List any other positive impacts that the Project may have on Jefferson County:

| (A) Job Title | (B) Annual or Hourly Wages | (C) Current Number of Positions | (D) Jobs Created: Year One | (E) Jobs Created: Year Two | (F) Jobs Created: Year Three | (G) Total Jobs Created |
|---|---|---|---|---|---|---|
| Machinist | 39,520 | 260 | | | | |
| Design Engineer (Mechanical) | 101,600 | 23 | | | | |
| Software Engineer | 102,616.00 | 20 | | | | |
| Process Engineer | 85,344 | 5 | | | | |
| Quality Engineer | 85,344 | 27 | | | | |
| Advanced MFG Engineer | 85,344 | 5 | | | | |
| Test Engineer | 83,312 | 4 | 2 | 2 | 1 | 5 |
| Mechanic Technician | 50,698 | 3 | 2 | 2 | 1 | 5 |
| Misc. Additional Titles | 60000 | 201 | | | | |
| | | | | | | |
| TOTALS: | | 548 | 4 | 4 | 2 | 10 |

Use of Local Workforce Policy

The use of 'local labor' will be a factor in evaluating this application. Answers to the following questions will assist us in that evaluation.

'Local labor' for the purpose of this application is defined as residents from Jefferson, St. Lawrence, Lewis and Oswego Counties. If a 'labor workforce plan' has been designed, please include that plan as an addendum to this application. Questions below are applicable for both a construction project and for the operations of a sustaining project.

Please check which best describes your project scope:
( ) Construction Project ( ) Long-term Operations Project (X) Both

1. How will the project developer seek out and use the local workforce. (If your workforce is already 'local' by definition, please explain)

2. What is your total expected workforce during the construction phase of the project? What percentage of those are expected to be local? What is the total expected workforce during the operations phase of the project? What percentage of these do you estimate will be local:
   Total construction workforce _____
   Percentage of total construction workforce will be 'local' _____
   Total workforce once project is in 'operation' _____
   Percentage of the total 'operational' workforce will be local _____

3. What specific approaches are to be used in your efforts to identify local workforce candidates if additional project workers are necessary?

4. If additional contractors or subcontractors are to be hired, will you request their use of local labor? If so, give examples of how that request is to be made.

The Agency acknowledges that the extensive use of local labor is not always possible. Are there circumstances such as those used in the examples below that will affect the percentage of local labor