

WCIDA Project Application Summary

Applicant Information:

May 13, 2021

TTI Light Industrial, LLC
86 South Main Street
Perry, New York 14530

Request:

The Company, owned by James Majchrzak, requests abatement of sales tax on construction materials and non-production equipment, mortgage recording tax exemption and a 10-year PILOT agreement for temporary abatement of property tax using the standard UTEP project schedule. Approximate value of these incentives is expected to be more than \$100,000; therefore, a public hearing will be required.

Company History:

TTI Light Industrial, LLC specializes in Millwright Services, Preventive Maintenance (PM), Manpower, Clean Room Services and Light Industrial Fabrication. Millwrights work in factories, power plants and other industrial settings to move, assemble, install or dismantle machinery.

Project Description:

TTI Light Industrial has plans for the construction of a 2-story 100' x 100' steel building, including an over-head crane and other equipment at its location at 3215 Adrian Road, Perry N.Y. The project will allow TTI to expand its fabrication business and provide office space for staff. The capital investment for this \$1,282,060.

Employment Impact:

TTI Light Industrial currently employs 3 Ft and 56 PT people and expects to create 6 FT and 30 PT positions over the next 3 years.

IDA Matrix Criteria:

The project meets the criteria as a Qualified UTEP Project. The project will be funded by private sector investment, create new manufacturing jobs and employ local labor during the construction phase. The expansion to the facility is critical in allowing the business to stay competitive and allow for business growth.

Attached Information:

Application and project costs provided by the project applicant to back up its request for WCIDA assistance.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR LEASE/LEASEBACK ASSISTANCE

Applicant Information

Company Name TTI Light Industrial, LLC
Address 86 S Main St (PO Box 203) Perry, NY 14530
Phone number (585) 245-2123
Fax number N/A
Contact Person James J. Majchrzak (Owner/Member)
E-mail of contact jim@ttimillwrightservices.com
Federal ID 81-4685883
Type of Business: Mechanical Construction
NAICS Code: 238290

Incentives Applying for: Sales Tax Mortgage Recording Real Property
(Check all that apply)

Corporate Structure

- Corporation
- Partnership: general limited

Number of general partners and, if applicable,

Number of limited partners

- Limited Liability Company /Partnership

Number of members/partners 1

- Sole Proprietorship

Date of establishment/incorporation 1/1/2017 Place of organization Perry, NY

Is the applicant authorized to do business in the State of New York? Yes

Names and titles of principal officers and owners:

James J. Majchrzak - 100% Owner (100 units)

Applicant's Counsel

Name Ronald P. Bennett, Esq. of Bennett, DiFilippo & Kurtzhalts, LLP
Address _____
Two North Main (PO Box 345) Holland, NY 14080
Phone number (716) 537-2272 e-mail: lawbdk@aol.com

Project Information

PROJECT TYPE

- New building and/or equipment
- Refinancing
- Transfer
- Additional facility
- Amendment
- Second mortgage
- Other _____

Describe the proposed acquisition, construction or reconstruction, purchase of equipment and other project items. Explain the reason for the project and the benefits for the applicant.

Explain how the project will be used. (Attach an additional page if necessary.)

The parcel of land for the building has been fully secured and is owned by TTI Light Industrial, LLC (deed and deed description available upon request). The construction of this project will include a "ground up" build of a new 100'x100' 2-story building, which will include some equipment (i.e. overhead crane) as part of the project. The reason for the project is to be able to expand our fabrication services, and provide our office staff with proper resources, both intended to continue growth of our Wyoming County-based business.

Project Address: 3215 Adrian Road Perry, NY 14530

Municipalities and school district: Perry, NY & Perry Central School District

Tax map number: In Process Current assessed value: In Process

Present record owner of the site: TTI Light Industrial, LLC

Proposed record owner of the site: TTI Light Industrial, LLC

Site zoning: Current Commercial Proposed Commercial

Necessary variances: _____

Principal use of project upon completion: Fabrication Shop and Office Space

Size of building/addition: Approx. 100' x 100' / 2 Stories w/ Accessible Rooftop

Type of building: Steel

If project site is not presently owned, is it under purchase contract/option? N/A

Explain: N/A

Will the project be subleased? No If so, please attach a copy of such sublease, if available.

Please explain, including relationship of sublessee to applicant:

N/A

Is there likelihood that the project would not be undertaken but for the financial assistance provided by the Agency? YES or NO

If "No" and project could be undertaken without financial assistance provided by the Agency include a statement indicating why the project should be undertaken by the Agency
N/A

Will the project result in the removal of a plant or facility of the applicant's or another proposed occupant of the project from one area of New York to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the applicant or other occupant of the project located in New York State? No

If the answer to either of the proceeding two questions was "yes", please answer the following two questions:

1. Has the applicant or another proposed occupant of the project considered removing such other plant or facility to a location outside of New York State?

If yes, please explain in detail:

N/A

2. Is the project reasonably necessary to preserve the competitive position of the applicant or another proposed occupant of the project in its respective industry? Yes

If yes, please explain in detail:

Our existing leased building is undersized for the types of fabrication we are capable of producing. The added space will be necessary for us to continue our growth.

Does the project include facilities or property which will be primarily used in making the following sales to customers who personally visit such facilities: (i) sales of personal property which are subject to sales tax or (ii) sales of services? Yes (both)

If the answer is "yes", is the cost of the facilities or property more than one-third (1/3) of the total project cost? Yes

If the answer to both questions was "yes", please answer the following two questions:

1. Is the project a "tourism destination" which is likely to attract a significant number of visitors from outside the region? No

If yes, please explain in detail:

N/A

2. Is the predominate purpose of the project to make available goods or services which would not otherwise be reasonably accessible to residents of the municipality in which the project is located? Yes (Services and Support to Local Manufacturing)

If yes, please explain in detail:

Purpose of the project includes, but is not limited to, supporting manufacturing plants in Perry/Wyoming County (refer to Creative Food Ingredients 2018 expansion for example - equipment install and accessory work).

Employment Information

Estimate the number of jobs to be created by this project, and the annual payroll, over the next three years.

	Jobs	Annual Payroll
A.) Current in County:	<u>59</u>	<u>\$ 564,388</u>
Project: Year 1 in County	<u>71</u>	<u>\$ 679,178</u>
Year 2 in County	<u>83</u>	<u>\$ 793,968</u>
Year 3 in County	<u>95</u>	<u>\$ 908,759</u>

B.) Projected Employment : Applicant or principal user(s) must complete Appendix A: (attached)

Project Costs and Financing and Estimated Exemptions Sought

A. Estimate the costs necessary for the construction. Acquisition, rehabilitation, improvement and/or equipping of the project by the applicant:

Estimated Costs Eligible for Sales Tax Exemption Benefits

Building Construction or Renovation	<u>\$ 857,212</u>
Site-work	<u>\$ 98,650</u>
Non-manufacturing equipment	<u>\$ 37,702</u>
Furniture, Fixtures	<u>\$ 226,000</u>
Other: (Specify) _____	<u>\$ 0</u>
Subtotal:	<u>\$ 1,219,564</u>

Estimated Costs Not Subject to Sales Tax

Land and/or building purchase	<u>\$ 0</u>
Manufacturing Equipment	<u>\$ 0</u>
Soft costs:	
Engineering	<u>\$ 0</u>
Architect	<u>\$ 0</u>
Fees/permits	<u>\$ 0</u>
Other : Specify <u>Total of Abovementioned</u>	<u>\$ 62,436</u>

TOTAL PROJECT COST \$ 1,282,060 (attached budget)

* Total Cost does not include WCIDA Administrative and/or Legal Fees.

B. Indicate how the project will be financed

Bank Financing (Name of Bank) <u>M&T Bank</u>	<u>\$ 50% (SBA 504)</u>
Equity	<u>\$ 10% (SBA 504)</u>
Public Financing	<u>\$ 40% (SBA 504)</u>
Tax Exempt Bond	<u>\$ _____</u>
TOTAL SOURCES	<u>\$ 100% (SBA 504)</u>

Expected mortgage, if any, necessary to finance this project: \$ 100% of Project

C. Estimated Value of Exemptions Sought

Sales and Use Tax	\$ _____
Real Property Tax (to be provided by the Agency)	\$ _____
Mortgage Tax	\$ _____

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, then 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 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) (or any successor legislation) in which the project is located.

B) First Consideration for Employment. In accordance with Section 858-b(2) of the New York State General Municipal Law, the Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, then except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in Workforce Investment Board (WIB) programs who shall be referred by the WIB entities for new employment opportunities created as a result of the Project.

C) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York State 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, the Applicant will 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 the sales tax exemptions claimed by the Applicant and all consultants or sub contractors retained by the Applicant. In addition, the Applicant shall be required to report to the Agency, at such times as the Agency may require (or as otherwise prescribed by the Department of Taxation and Finance), the value of all sales tax exemptions claimed by the Applicant and all consultants and subcontractors retained by the Applicant. If the Applicant claims an exemption from sales taxes for property or services not approved by the Agency, or for Project Costs in excess of the costs approved by the Agency, or fails to comply with the terms of any agreements entered into with the Agency, the Applicant will be required to pay the Agency the New York State portion of any sales tax for which an exemption was improperly claimed.

D) New York State Department of Taxation and Finance Form ST-60. In accordance with Section 874(9) of the New York General Municipal Law, the Applicant understands that the Applicant and each agent, subagent, contractor and/or sub contractor appointed by the Applicant and claiming a sales tax exemption in connection with the Project must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each completed Form St-60 must be delivered to the Agency within five (5) days of the appointment of the Applicant or any such agent, subagent, contractor and/or subcontractor as agent of the Agency for purposes of completing the Project. Failure to comply with these requirements may result in loss of sales tax exemptions for the Project.

E) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant will file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including job categories and average annual salaries with benefits.

F) Absence of Conflicts of Interest. The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No members, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction completed by the Applicant, except as hereinafter described:

N/A

G) State Environmental Quality Review Act Compliance. The Agency, in granting financial assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act ("SEQR") and must complete necessary determinations required thereunder. Consequently, the Applicant has completed and attached hereto appropriate Environmental Assessment Forms, with respect to the Project. The Applicant understands that, at its sole expense, it is required to take all necessary action in order for the Agency to comply with the requirements of SEQR, and including through a lead agency other than the Agency in the case of a coordinated review.

The Applicant and, if applicable, the individual executing this Application on behalf of the Applicant, acknowledges 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 material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading. The Applicant 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 any part of any tax exemptions claimed by reason of involvement of the Agency in the Project.

The Applicant certifies that the Applicant and any proposed occupant of the Project or other party receiving financial assistance in connection with the Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental law, rules and regulations.

This Application is subscribed and affirmed by the Applicant under penalties of perjury.

TTI Light Industrial, LLC

By: James J. Majchrzak
James J. Majchrzak (Mar 25, 2021 13:14 EDT)

(Applicant) Name: James J. Majchrzak

Title: Owner/Member

This application should be submitted to the Wyoming County Industrial Development Agency, 36 Center Street, Suite D, Warsaw, New York 14569.

Proposed Investment

TTI Light Industrial, LLC proposes to invest \$1.3 million at 3215 Adrian Rd. Perry, New York 14530 over 10 years. Wyoming County IDA staff summarize the proposed with the following: Construction of a new 10,000 sq. ft., 2-story building, and equipment, including crane, to expand fabrication services business.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Building Construction	\$1,282,000
Total Investments	\$1,282,000
Discounted Total (2%)	\$1,282,000

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Wyoming County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Wyoming County IDA is considering the following incentive package for TTI Light Industrial, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$240,000	\$225,000
Sales Tax Exemption	\$38,000	\$38,000
Mortgage Recording Tax Exemption	\$16,000	\$16,000
Total Costs	\$294,000	\$279,000

May not sum to total due to rounding.

* Discounted at 2%