

**City of Utica
Industrial Development Agency
Application**

The information required by this form is necessary to determine the eligibility of your project for IDA benefits. Please answer all questions; insert "NONE", or "NOT APPLICABLE", where necessary. If an estimate is given, put "EST." after the figure. Attach additional sheets if more space is needed for a response than is provided. Return three copies of this application to the City of Utica Industrial Development Agency.

All information contained in this form will be treated confidentially, to the extent permitted by law.

A project financed through this Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project.

PART I

Applicant

Applicant's legal Name: Murson Machinery Company, Inc.

Principal Address: 210 Seward Ave
Utica, NY 13502

Telephone Number: (315) 797-0090

Federal Identification Number: 15-0393660

Company IRS Filing Office Location: Cincinnati, OH

Company Officer completing this application:

Name: Thomas BOWKS

Title: CFO

1. A. **Is the applicant a:**

Corporation: If YES, Public () Private ()
If a PUBLIC Corporation, on which exchange is it listed?

-
- () Sole Proprietorship
 - () Partnership
 - () Subchapter S
 - () DISC
 - () Other (specify) _____

B. State of incorporation, if applicable: New York

2. **Stockholders, Directors, Officers, Partners or Members**

A. Provide the following information in regard to principal stockholders or parties:

<u>Name</u>	<u>Home Address</u>	<u>Social Security No.</u>	<u>Percentage of Ownership</u>
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see Attachment A

B. Provide the following information in regard to officers and directors:

<u>Company Officer</u>	<u>Name and Home Address</u>	<u>Social Security Number</u>	<u>Other Principal Business Affiliation</u>
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See Attachment A

C. Is the applicant or any of the people listed in 2(A) above related, directly or indirectly, to any other entity by more than 50% common ownership? If also, indicate name of such entity and the relationship.

Corporate Structure Privately held do not disclose



D. Is the applicant affiliated with any other entity, directly or indirectly, other than as indicated in response to paragraph C above? If YES, please indicate name and relationship of such other entity and the address thereof:

N/A

3. Applicant's accountant

Name and Title: Scott Miller, CPA
Name of Firm: D'Arcangelo & Co., LLP
Address: 120 Lomond Court
Utica, NY 13502
Telephone Number: (315) 735-5216

4. Applicant's attorney

Name and Title: Francis X Matt, III, Esq.
Name of Firm: The Matt Law Firm, PLLC
Address: 1701 Genesee Street
Utica, NY 13501
Telephone: (315) 624-7362

5. References (Individuals and institutions in this section may be contacted)

A. Banking/Financial Institution:

<u>Name of Institution</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
M&T Bank	233 Genesee Street Utica, NY 13501 (315) 738-4833	Karen Costabile

B. Business suppliers (list three largest accounts)

<u>Name of Supplier</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>	<u>Terms of Sale</u>	<u>Annual Dollar % Volume</u>
Applied Industrial	525 Erie Blvd W Syracuse, NY 13204 (315) 472-0900	Dick Ingersol	N 30	10%
RAAPA Accounting	30 Commerce St Springfield, NJ 07081 (973) 467-3927	Rick Rapp	N 30	7%
Pewo Stainless	190 Kelly R d. 11 Quakertown PA 18951 (888) 222-6244	Jett Warbel	N 30	6%

C. Major customers (list three largest and show percentage of gross business obtained from each):

<u>Name of Customer</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>	<u>Terms of Sale</u>	<u>Annual Dollar % Volume</u>
• Proctor & Gamble	P & G Plaza Chakola Andheri Mumbai India	Sylvia Lietaert (322) 456-4254	Prepay	20%
• Hilti North America	307 Cranes Road Bldg Altamonte Springs, FL 32701	Darlene Gallagher (407) 862-6400	1/3, 1/3, 1/3, N30	8%
• North Mousen	252 Orchard Place Salt Lake City UT 84110	Kent Mousen (801) 322-1516	1/3, 1/3, 1/3, N30	3%

6. Business Description

A. Describe nature of business and principal products and/or services:

Founded in Utica, NY in 1823 Munsow
 continues to manufacture a full line
 of Industrial Mixing, blending
 and size reduction equipment.
 Munsow ships its product worldwide

B. Describe the geographical market(s) served:

Munsow's productions are sold through
 a world wide network of Manufacturer
 Representatives. In 2012 38% of
 Munsow's products were exported.

7. Present location(s)

A. List present location(s):

1. 210 Seward Ave, Utica, N.Y. 13502

2.

3.

B. For what purpose is each of these used:

1. Manufacturing, sales + office

2.

3.

C. For each of your present locations which are RENTED, provide the following information:

N/A

Name of Landlord Landlord's Address Landlord's Telephone Number

1.

2.

3.

Amount of Space Annual Rental Lease Termination Date

1.

2.

3.

D. For each of your present locations which you OWN, provide the following information for those which are mortgaged:

Annual Mortgage Payment

30,000

Termination Date

July 2015

E. List which of your present locations, if any, will be vacated if IDA approval for your project is given:

None

If any of these locations will be sublet or sold, provide information concerning your ability to do so:

PART II

Reasons for Project

Please explain in detail why you want to undertake this project:

MUNSON Machinery, needs addition specialized manufacturing + shipping space to meet customer demands. The addition will enable Munson to remain competitive in the market. Without the expansion MUNSONS competitiveness would be at risk.

Why are you requesting the involvement of the IDA in your project?

Sales tax abatement on Project and property tax reduction. These will make it competitive for Munson to build in Overda County versus other sites outside of the County.

How will the applicant's plans be affected if IDA approval is not granted?

MUNSON will consider sites outside of Nevada not only for the addition but for potential move of the whole company.

A. Type of Project

Check category or categories best describing your project:

- Manufacturing
- Industrial Assembly or Service
- Research and Development
- Warehousing
- Commercial or Recreational
- Pollution Control (specify) _____
- Other (specify) _____

B. Description of Proposed Project

Check all appropriate categories which apply to the proposed project:

- | | | |
|--------------------------------------------------|--------------------------------------------|-------|
| 1. Acquisition of land | YES() | NO() |
| 2. Acquisition of existing building | YES() | NO() |
| 3. Renovations to existing building | YES() | NO() |
| 4. Construction of addition to existing building | YES(<input checked="" type="checkbox"/>) | NO() |
| 5. Demolition | YES() | NO() |
| 6. Construction of a new building | YES() | NO() |
| 7. Acquisition of machinery and/or equipment | YES() | NO() |
| 8. Installation of machinery and/or equipment | YES() | NO() |
| 9. Other (specify) | YES() | NO() |

C. What is the zoning classification of the proposed site?

Industrial

D. For what purpose was the site most recently used (e.g. light manufacturing, heavy manufacturing, assembly, etc.)?

heavy Manufacturing

<u>Location(s)</u>	<u>Street Address</u>	<u>Number of Floors</u>	<u>Square Footage per Floor</u>
	<u>210 Seward Ave</u>	<u>1</u>	<u>12,000</u>

F. Is the site in an Empire Zone? () Yes No

Is the business Empire Zone certified at this location: () Yes No

Attach a copy of the last Business Annual Report filed. If not certified, explain why not:

- G. 1. Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings and other existing structures or facilities) and attach plot plans, photos or renderings, if available.

12,000 square foot high bay
addition, with crane accessible
loading dock

2. If construction or renovation work on this project has already begun, please describe the work in detail.

3. What is the estimated useful life of the:

- a. Facility: 40+ yrs
- b. Equipment: 10 to 15 yrs.

- H. List the principal items or categories of equipment to be acquired as part of the project.

water jet table, rolls, High Capacity
overhead cranes

- I. If any of this equipment has already been purchased or ordered, please attach all invoices and purchase orders and list amounts paid and dates of expected delivery as well as a brief description:

water jet table Mid January 2014

- J. If the construction or operation of the proposed project will require any local ordinance or variance to be obtained or requires a permit or prior approval of any state or federal agency or body (other than normal occupancy/construction permits), please specify:

N/A

- K. Will the project have a significant effect on the environment, YES () NO . If so, please describe the effect. **Important: please attach Environmental Assessment Form to this Application**

- L. Will a related real estate holding company, partnership or other entity be involved in the ownership structure of the Transaction? YES () NO If YES, please explain:

M. 1. With regard to the present owner of the project site, please give:

Name: Murson Machinery Company

Address: 210 Seward Ave
Utica, N.Y. 13502

Telephone Number: (315) 797-0090

2. If the applicant already owns the project site, indicate:

a. date of purchase: 1930's

b. purchase price: ?

3. If the project site is mortgaged, please indicate:

a. balance of mortgage: \$59,000

b. holder of mortgage: [REDACTED]

related party mortgage

N. Is there a relationship, legally, by virtue of common control, or through related persons, directly or indirectly, between the applicant and the present owner of the project site? YES
 NO () If YES, please explain:

O. Is the company currently a tenant in the building to be occupied?

YES () NO

P. Are you planning to use/develop the entire proposed facility?

YES NO ()

If NO, give the following information with respect to present tenants:

1. Present Tenant Information

a. Name of Business Floors Occupied Square Feet Occupied Nature of Tenant's Business

b. Which of the above tenants will be vacating upon your initial use of the facility? How many jobs will be affected?

Name of Firm Jobs Square Footage Now Occupied

c. For those tenants who will remain after your initial occupancy of the site, provide the following transaction:

Name of Tenant Term of Lease Renewal Options Square Footage Now Occupied

Are any of the above tenants related to the owner of the facility? YES () NO ()

d. If the applicant will be occupying the premises of any of the tenants listed in (c) when their lease expires, please list.

e. Please provide copies of all present leases at the proposed project site.

- f. Do you propose to lease part of the project facility to firms not presently tenants?
YES () NO (X)

If YES, provide details of your proposals:

- g. Will financing by the Agency for the Project result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area in the State of New York? YES () NO (X)

If the answer is yes, please explain briefly the reasons for the move.

Is the proposed project reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the State of New York?

YES (X) NO ()

Is the proposed project reasonably necessary to preserve the competitive position of the project occupant in its respective industry? YES (X) NO ()

- h. If any of the parties who will be tenants in this project are related to or affiliated with the applicant, please identify them:

N/A

1. Please attach any written agreements (e.g., options, purchase contracts, invoices, etc.) concerning the acquisition of the real property or equipment for this proposed facility.

2. Employment *

Competative information on size.

- a. List your present employment in Oneida County, if any, and an estimate of the employment at the proposed facility at the end of one and two years.

Employment	Present	At End of First Year	At End of Second Year
Full Time	[REDACTED]	[REDACTED]	[REDACTED]
Part Time	[REDACTED]	[REDACTED]	[REDACTED]
Seasonal	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]

Estimate percent that total part time or seasonal working time bears to total annual full working time. 0 %

- b. Characterize the labor force to be associated with this project location according to the following categories:

Category	Present	At End of First Year	At End of Second Year
Officers	[REDACTED]	[REDACTED]	[REDACTED]
Sales/Supervisory	[REDACTED]	[REDACTED]	[REDACTED]
Clerical	[REDACTED]	[REDACTED]	[REDACTED]
Plant/Production	[REDACTED]	[REDACTED]	[REDACTED]
Other (specify)	[REDACTED]	[REDACTED]	[REDACTED]

- c. Estimate the Annual Payroll for the employees associated with the project location.

At present: \$ [REDACTED]

At end of one year: \$ [REDACTED]

At end of two years: \$ [REDACTED]

* Company will be required to submit Annual Job Monitoring Report for each year of benefit period (attached). Annual Job Monitoring Reports will be compared to employment counts as stated above and companies whose reported counts fall below those levels above will be subject to the Agency's Recapture Provisions Policy.

3. Estimated Project Cost

Listed the costs necessary for the construction, acquisition or renovation of the project (this should NOT include working capital needs, moving expenses, work in progress, stock in trade, applicant's debt repayment, real estate broker fees or your legal fees):

Acquisition of Land	\$	<u>0</u>
Acquisition of Building(s)	\$	<u>0</u>
Renovation Costs	\$	<u>0</u>
New Construction of Buildings	\$	<u>1,100,000</u>
Machinery and Equipment (other than furniture costs)	\$	<u>250,000</u>
Fixtures	\$	<u>50,000</u>
Installation Costs	\$	<u> </u>
Fees (other than your own counsel and brokerage fees)	\$	<u> </u>
Architectural/Engineering Fees	\$	<u>90,000</u>
Interest on Interim Financings	\$	<u> </u>
Other (specify)	\$	<u> </u>
Subtotal	\$	<u> </u>
Agency Fee	\$	<u>20,000</u>
Total Project Cost	\$	<u>1,510,000</u>

What is the amount of funding requested for financing through the agency?

0

4. Real Estate Taxes

List separately the proposed project's Real Estate Taxes and/or Assessed Value as it applies to land and building:

Project's	Real Estate Taxes	Assessed Value
Land(s)	\$	\$
Building(s)	\$	\$
Total	\$ 21,570 ⁶⁶	\$ 354,000

5. Project Schedule

Indicate the estimated dates for the following:

- a. Construction commencement: 12/1/2013
- b. Construction completion: 4/1/2014
- c. Project financing: List the dates and in what amounts the estimated funds will be required:
April 1, 2014 - \$500,000⁰⁰

- d. Indicate the name of the incorporated municipality in which the facility will be located and the applicant's (or any related entity's) estimated capital expenditures in such municipality during the past three years:

City of Utica

- e. What do you expect the applicant's (or any related entity's) capital expenditures to be in the above municipality during the next three years (including this project):

\$ 2,000,000

- f. If the applicant or any related entity has previously secured the benefit of tax exempt financing in the City of Utica, whether through IDA, the New York Job Development Authority or any other entity, please explain (indicate date, location of financed facility, and outstanding balance):

N/A

- g. Has the applicant or any related entity received the benefit of tax exempt financing anywhere within the United States within the past 90 days or is the applicant or any related entity contemplating the receipt of such financing assistance within the next 90 days? YES () NO (X) if yes, please explain.

6. Project Financing Efforts

IT IS THE APPLICANT'S RESPONSIBILITY TO SECURE A PURCHASER FOR IDA BONDS ISSUED IN CONJUNCTION WITH THIS PROJECT. Below are a series of questions relating to your efforts to secure financing for your project if IDA approval is granted.

- A. Has the applicant contacted any bank, financial/lending institution or private investor in regard to the financing for this project? YES () NO (X) If YES, please give details:

B. Have you obtained a financial commitment for this project? YES NO ()

1. If Yes, please briefly describe this commitment and attach related correspondence:

Two options i) 1,750,000 working cap
line of credit @ outstanding or 2) Verbal
commitment from MET for term loan to
fund estimated gap of \$500,000

2. If No, please explain how you will be able to finance this project:

C. Are there any other governmental agencies that you have contacted concerning financial assistance in regard to your proposed project? YES NO () If YES, please explain:

Empire State Development

D. 1. Will the applicant's obligations be guaranteed, and if so, by whom?

N/A

2. Is the guarantor related to or affiliated with the applicant?

E. Financial Information (Attach the Following).

1. Financial Statements for the last three fiscal years.
2. Pro forma 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.

Not required Jack Spaeth

Certification

The undersigned requests that this application be submitted for review to the City of Utica Industrial Development Agency's Board of Directors. It is hereby certified by the undersigned that the information contained in this application and the attachments thereto is, to the best of my knowledge and belief accurate and it is truly descriptive of the project which is intended as the security for the financing. Intentional misstatements or misleading information contained herein could be cause for disapproval or could lead to voiding IDA benefits.

APPROVAL OF THE APPLICATION CAN BE GRANTED SOLELY BY THIS AGENCY'S BOARD OF DIRECTORS. IT IS ACKNOWLEDGED THAT APPLICANT SHALL BE RESPONSIBLE FOR ALL COSTS INCURRED BY THE AGENCY AND ITS COUNSELS IN CONNECTION WITH THE ATTENDANT NEGOTIATIONS AND ISSUANCE OF BONDS WHETHER OR NOT CARRIED TO A SUCCESSFUL CONCLUSION.

Signature: Thomas Banks

Print or Type Name: Thomas Banks

Title: CFO

Date: 11/7/2013

Return the original application and six copies with a check in the amount of \$250.00 made payable to: Utica Industrial Development Agency, 1 Kennedy Plaza, Utica, New York, Attn.: Jack N. Spaeth, Executive Director.