TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

Application for Financial Assistance

Town of Islip IDA
40 Nassau Avenue
Islip, New York 11751
Phone 631.224.5512
Fax 631.224.5532

Updated 6-2014
APPLICANT INSTRUCTIONS

- In order for a Town of Islip IDA Application to be reviewed in a timely manner, it must be complete. All questions must be answered and all required attachments must be included.
- Use “None” or “Not Applicable” where necessary.
- Part VI—Bond Information, need only be completed by applicants for Taxable or Tax Exempt Industrial Development Bonds.
- All applicants must submit an original and two (2) copies of all documents to the Agency.
- All applications must be accompanied by a $1,000 non-refundable fee to the Town of Islip Industrial Development Agency, and a $500 non-refundable fee to the Town of Islip for the EAF Review required by the State Environmental Quality Review Act (SEQRA). (If the project has already undergone a SEQRA review during the previous process, then applicant can submit the completed EAF for the one attached to the application).

APPLICANT CHECKLIST

☐ I have completed all sections of the attached application.

☐ I have signed and notarized the Certification Section (Part VII-A).

☐ I have signed Part VII-B regarding the Fee Structure for all IDA transactions.

☐ I have attached all company financial information required by Part VIII-A.

☐ I have completed and signed the Environmental Assessment Form required by SEQRA. (If the project has already undergone a SEQRA review during a previous process, substitute the completed EAF for the one that was attached to this application).

☐ I have completed and signed Form RP485-b as required by Real Property Tax Law.

☐ I have submitted the original and two (2) copies of all application materials to the Agency for review.

☐ I have submitted an application fee check for $1,000 payable to the Town of Islip IDA.

☐ I have submitted a $500 check payable to the Town of Islip for the SEQRA review. (If the project has already undergone a SEQRA review during a previous process, and the applicant substitutes the completed EAF for the one attached to the application, the $500 SEQRA fee is waived).
PART I  Company (Owner/User) Data

PART II  Project Data

PART III  Employment/Sales Data

PART IV  Construction Schedule

PART V  Project Costs/Financing

PART VI  Certifications

PART VII  Required Attachments
  1. Financial Information
  2. EAF
  3. RP 485-b
I. OWNER & USER DATA

A. Owner Data

1. Company Name: Veterans Hwy-Holbrook LLC
   Current Address: 687 Old Willets Path, Hauppauge, NY 11788

2. Company Officer certifying this application
   Name: Gary P. Krupnick
   Mailing Address: 687 Old Willets Path, Hauppauge, NY 11788
   Tel:
   Email:

3. Business Type
   □ Sole Proprietorship
   □ Limited Partnership
   □ Not-for-profit Corporation
   □ Education Corporation
   □ Public Corporation—Listed on __________ Exchange

4. State of Incorporation

5. Principal Officers
   Name: Gary P. Krupnick - Managing Member
   Title:

6. Principal Stockholders
   Name: Gary P. Krupnick - Managing Member
   Title:

7. Owner's Legal Counsel
   Name: Christine Korefai Esq
   Firm Name: Kurzman Eisenberg Corbin & Lever LLP
   Address: 4 North Broadway, White Plains, NY 10601
   Tel:
   Email:

8. Bank References
   Bank: United att: HenryNgai - Sr Vice President, 1333 60th Street, 1st Fl, Brooklyn, NY 11219

9. Major Trade References

10. Nature of Business
    (i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
    Real Estate Holding Company

11. NAICS Code
    For help determining your NAICS code, please visit http://www.naics.com
I. OWNER & USER DATA

B. User Data

For co-applicants, where a tenant/landlord relationship will exist between the owner and the user, the user must occupy at least 50% of the square footage of the facility

1. Company Name: Fashioncraft-Excello, Inc.
   Current Address: 425 Underhill Blvd, Syosset, NY 11791

2. Company Officer certifying this application
   Name: Jeffrey Wells
   Mailing Address: 425 Underhill Blvd, Syosset, NY 11791
   Telephone: [redacted]
   Email: [redacted]

3. Business Type
   □ Sole Proprietorship □ General Partnership
   □ Limited Partnership □ Limited Liability Company
   □ Not-for-profit Corporation □ Privately Held Corporation
   □ Education Corporation □ Other
   □ Public Corporation—Listed on [redacted] Exchange


5. Principal Officers
   Name
   Title
   Richard Wells
   Mark Wells
   Jeffrey Wells

6. Principal Stockholders
   Name
   Title
   Richard Wells
   Mark Wells
   Jeffrey Wells

7. User’s Legal Counsel
   Name: Stanley Amolkin
   Firm: Silverman Acampora
   Address: 100 Jericho Quadrangle, Suite 300, Jericho, NY 11753
   Telephone: [redacted]
   Fax: [redacted]
   Email: [redacted]

8. Bank References
   JPMorgan Chase
   Antoinette O’Keefe

9. Major Trade References
   Immediate Custom Service
   Arc International, Clara Baro

10. Nature of Business
    (i.e. “manufacturer of _ for _ industry” or “warehouse distributor of _” or “real estate holding company”)
    Wholesale distributor of wedding and other event favors

11. NAICS Code: [redacted]
    For help determining your NAICS code, please visit http://www.naics.com
II. PROJECT DATA

A. Location

1. Street Address 5050 Veterans Memorial Hwy, Holbrook, NY 11741

2. Tax Map

   500      194      2      68
   District #  Section #  Block #  Lot #

3. Acreage 4 acres

4. Municipal Jurisdictions
   Town  Town of Islip
   Village Holbrook
   School District Sachem

B. Description (Check all that apply)

- New Construction
- Addition to Existing Facility
- Acquisition of Existing Facility
- Acquisition & Renovation of Existing Facility
- Purchase of New Machinery & Equipment
- Other (specify)


C. Related Facilities

1. Are other facilities or related companies located within the state?  □ Yes  ■ No
   Address ____________________________

2. If yes to above (C-1), will any of these facilities close or be subject to reduced activity?  □ Yes  □ No

3. If yes to above (C-2), please describe: ____________________________

D. Real Estate Search

1. Has the company actively sought sites in another state or outside the New York metropolitan region?  □ Yes  ■ No

2. If yes to above (D-1), please list the states/regions considered: ____________________________

E. Present Owner

1. Who is the current legal owner of the site? Veterans Hwy-Holbrook LLC

2. Is there a purchase option or other legal or common control in the project?  □ Yes  □ No

3. Is there an existing or proposed lease for the project?  □ Yes  □ No

4. If yes to either above (E-2 or E-3), please explain (i.e. purchase price, term of lease): ____________________________
II. PROJECT DATA

F. Project Narrative

1. Describe the project in detail, emphasizing the following:
   A. Specific operations of the company to be conducted at the project premises
      (product manufactured/warehoused, services rendered)
   B. Proposed product lines and market demands
   C. Need for the new facility
   D. Square footage of the old facility
   E. Square footage of the new facility
   F. Type of building to be constructed
   G. Major equipment to be purchased

2. For pollution controls, also describe:
   A. Type of pollution to be abated
   B. Method of abatement
   C. Existing orders of environmental agencies
Project Narrative

Part 1.

Fashioncraft is a wholesaler of wedding favors and other event favors. We import and stock favors in our warehouse and then drop ship them for our vendors (mainly web sites) to brides located all over the country. We also do ship to vendors that carry our product on an international basis as well. The majority of the products we carry are imported directly by us from China. The favors can have customized stickers or hang tags added to them. These stickers/tags are produced in our facility and shipped along with the imported favors. We have a department with 4 dedicated computer stations specifically for this operation and the department employs 4-5 part time students as well as 1 full time graphic artist.

We also carry glassware (wine glasses, shot glasses, coffee mugs etc) that we purchase here in the United States. We buy the glasses in bulk and screen print orders for our customers that have a logo (for example a heart or two rings) and the end user’s name and event date printed directly on the glass. This happens to be the fastest growing portion of our line. We now have 1 full time supervisor for the glass department as well as 7 full time printers. As this value added portion of our line grows we will need to add more printers (as well as printing machines) or start a second shift to keep up with the demand.

Overall we have grown 45% over the past 4 years and project the growth to continue at a rate of approximately 5-8% per year. We currently have 40 employees on our payroll and depending on the time of year (since our business is seasonal) we have anywhere from 5 to 20 temporary workers. Our season runs from January thru September and peaks around March.

Our continued growth is predicated on having space to add product lines that we have not been able to since have no available space in our current building. Some of the ideas we are looking into include adding chocolate to our product line (edibles are very popular in the favor industry) as well as large format digital printing. These large printers will allow us to customize items such as wedding aisle runners as well as banners and photo booth back drops. In addition to extra equipment, this line, if successful would require several new full time employees. All of these are products that our customers are currently carrying from other vendors so we know there is a market.

Our current facility is 57,000 square feet, but as it is an older building the ceiling heights are low and we have run out of space. The facility we are looking at is smaller (51,500 square feet) but the ceiling heights are 28’ clear – which will allow us to store a great deal more merchandise while paying less in overall rent. The new facility will require us to purchase racking for a large portion of the warehouse as well as material handling equipment (reach trucks, order pickers etc) to utilize the greater ceiling heights. Our current equipment will not be sufficient as it does not extend high enough. We also plan to change the way we process orders which will require us to purchase even more rack (flow rack etc.) to create a forward picking zone.
As part of our operation, Fashion craft screen prints glassware. The screens are reclaimed by washing them out with a high pressure hose. The waste from this process is safe for sewers, but not for cesspools.

Therefore we will install a collection tank to isolate the waste water from this process. The waste water will then be emptied on a weekly basis by a licensed septic service company. None of this water will go into the septic system.
III. EMPLOYMENT/SALES DATA

A. Employees

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>36</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Part time</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Seasonal</td>
<td>13</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>60</td>
<td>63</td>
</tr>
</tbody>
</table>

B. Payroll

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$4,200,000.</td>
<td>$4,400,000.</td>
<td>$4,600,000.</td>
</tr>
</tbody>
</table>

C. Average Annual Wages

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$42,000</td>
<td>$42,800</td>
<td>$44,000.00</td>
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</table>

D. Sales

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$14,000,000.</td>
<td>$15,000,000.</td>
<td>$16,000,000.</td>
</tr>
</tbody>
</table>

IV. PROJECT CONSTRUCTION SCHEDULE

A. Key Dates (proposed)

1. Construction commencement

2. Construction completion

3. Building Occupancy

Month & Year

November 2014

B. Please check if any of the following applications/permits have been filed for the project:

(Check all that apply)

- Change of Zone
- Special Use
- Variance
- Interior Alterations
- Building
- Site plan
V. PROJECT COSTS/FINANCING

A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land</td>
<td>$</td>
</tr>
<tr>
<td>2. Site Work</td>
<td>$</td>
</tr>
<tr>
<td>3. Building (new construction)</td>
<td>$</td>
</tr>
<tr>
<td>4. Building (rehabilitation)</td>
<td>$</td>
</tr>
<tr>
<td>5. Engineering &amp; Architectural Fees</td>
<td>$300,000.</td>
</tr>
<tr>
<td>6. Machinery &amp; Equipment</td>
<td>$</td>
</tr>
<tr>
<td>7. Other (specify)</td>
<td>$</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT COST**

$300,000.

B. Please provide the amount of sales tax exemptions that your project requires

$24,750.

B1. If your project has a landlord/tenant arrangement, please provide the breakdown of the number above.

C. How does the company propose to finance the project?

<table>
<thead>
<tr>
<th>Amount</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

1. Tax Exempt IDB*

2. Taxable IDB*

3. Conventional Mortgage
   (with IDA sale/leaseback)

4. Owner/User Self-Financing
   (with IDA sale/leaseback)
   $300,000.

5. JDA/SBA

6. Other loans

7. Company/Owner
   Equity contribution

**TOTAL AMOUNT FINANCED**

$300,000.

D. Please estimate when the above amounts will be required

November 2014

Month & Year

* The Agency Fee of one-half of a basis point (.006) will be applied against the total project cost or, where applicable, against the amount of the IDB issuance.
VI. CERTIFICATIONS

A. Applicant Responsibilities

Jeffrey Wells (name of representative of entity submitting application or name of individual submitting application) deposed and says that s/he (choose and complete one of the following two options) (a) is a/the Vice President (title) of Fashioncraft-Excello, Inc. (company name), the entity named in the attached application, or (b) is the individual named in the attached application; that s/he has read the foregoing application and knows the contents thereof; and that the same is true of his/her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of her/himself or on behalf of the entity named in the attached application. The grounds of deponent’s belief relative to all matters in said application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as, if deponent is not an individual applicant, information acquired by deponent in the course of his/her duties in connection with said entity and from the books and papers of said entity.

As (a) the representative of said entity, or (b) the individual applicant (such entity or individual applicant hereinafter referred to as the “Applicant”), deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Town of Islip Industrial Development Agency (hereinafter referred to as the “Agency”), acting on behalf of the Applicant in connection with this application and all matters relating to the provision of financial assistance to which this application and all matters relating to the provision of financial assistance to which this application relates. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels or neglects the application, then upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application up to that date and time, including fees to transaction counsel for the Agency and fees of general counsel for the Agency. Upon the successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency, in accordance with its fee schedule in effect on the date of the foregoing application, which amount is payable at closing.

__________________________
Print Name

__________________________
Title

NOTARY
Sworn to before me this ____ day of _____________, 2014

__________________________
William E. Brown
Notary Public, State of New York
No. 01B6664075
Qualified in Nassau County
Commission Expires August 31, 2014
VI. CERTIFICATIONS

B. Fee Structure

1. Application Fee—$1,000.00
   An application for IDA assistance must be accompanied by a non-refundable fee of $1,000 plus a $500 fee for the Town of Islip review of Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQRA). (The $500 fee will be waived if the applicant’s project has already undergone a SEQRA review during a previous process, i.e. site plan, building permit, change of zone, etc.)

2. Agency Fee—.006
   Upon closing of any IDA project, the Agency will assess an administrative fee of one-half of a basis point (.006) against the size of the project. For IDB projects, the .006 will be measured against the final bond amount. For straight-lease transactions, the .006 will be measured against the projected total costs.

3. Agency Counsel—$250 per hour
   The Town of Islip Town Attorney’s Office acts as counsel to the Town of Islip IDA and must be reimbursed for time spent on IDA-related transactions. The Agency counsel bills all time spend on IDA matters at $250 per hour. For IDA closings up to $5 million, the Agency counsel bills a minimum of $3,500. For projects greater than $5 million, the Agency counsel bills a minimum of $5,000. For all other activities, i.e. terminations, simple consents and waivers, transfer of assets, etc., the Agency counsel will bill at the aforementioned $250 per hour.

4. Processing Fee—$500
   During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second mortgages, additional secured financing, etc. The Agency will charge a $500 processing fee for each of these requests.

5. Assignments & Assumptions—$1,500
   Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon a sale of the IDA property. The new company often wishes to continue IDA involvement with the property in order to retain the IDA incentives. The Agency will charge a $1,500 fee for each of these transactions.

6. PILOT Extensions/Modifications—.006
   Occasionally, the Agency is asked to extend or modify an existing Payment in Lieu of Taxes Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT benefit
VI. CERTIFICATIONS

B. Fee Structure

7. Annual Administrative Fee—$1,000
   An Annual Administrative Fee of $1,000 will be charged to all projects to cover the cost of all the reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

8. Bond/Transaction Counsel—fee negotiated separately
   While the Town of Islip IDA is represented locally by the Town of Islip Town Attorney’s Office, a separate Bond/Transaction Counsel is also necessary on any IDA project. Bond/Transaction counsels render “third party” opinions that the bond or straight lease transaction is authorized under all federal, state and local statutes. Bond/Transaction counsels also prepare all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designed the firm of Nixon Peabody, LLP as its Bond/Transaction counsel and all fees are separately negotiated with them.

I have read and understand the aforementioned explanation of the fees associated with all the Town of Islip Industrial Agency Transaction.

Signature __________________________
**FOR TOWN OF ISLIP IDA OFFICE USE ONLY**

IDA Project Summary

A. General
   Name of Project: FashionCraft / Veteran's Hwy, Holbrook LLC
   Project Location: 5050 Veteran's Hwy, Holbrook
   Contact Person & Phone Number: Jeffrey Wells 516-496-8711

B. Key Dates
   Application Submitted: 8/17/14
   Projected Inducement: 8/26/14
   Agenda Closing: 8/14/14

C. Project Type
   Industry: X
   Not-for-profit: □
   Commercial: □
   Office: □
   Housing: □
   Other: □

D. Project Size
   Acreage: 4
   New construction: □
   Rehabed: 51,400
   Total Project Cost: 300,000

E. Type of Assistance
   Leaseback: X
   Tax Exempt Bonds: □
   Taxable Bonds: □

F. PILOT
   □ 485-b
   Double 485-b: □
   Affordable Housing: □
   Empire Zone: □
   10 Year Existing: x
   12 Year Existing: □
   Not-for-profit: □
   Other: □

G. Jobs/Payroll
   Retained Jobs: 4.6 FTE
   New Jobs: 7.02 FTE
   Current Payroll: $4.2 M
   New Payroll: $4.6 M
   Average Annual Wage: $42,000
   New Average Annual Wage: $44,000

H. Projected Agency Fee
   $1,800

I. Additional Notes
   □
VII. REQUIRED ATTACHMENTS

A. Financial Information
   (Attach the following financial information of the owner and user)

   1. Financial statements for the last two fiscal years (unless included in the Owner's or User's Annual Report)

   2. Owner's or User's Annual Reports (or Form 10-K's) for the two most recent fiscal years

   3. Quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent annual report, if any

   4. In addition, if applicable, please attach the financial information described above in items A, B and C, of any expected guarantor of the proposed bond issue other that the Owner or the User

   5. Upon request of the Applicant, the Agency will review the information submitted pursuant to this Section VIII and return all copies to the Applicant within two weeks after the inducement date. Please indicate whether you require the information to be returned.

     □ Yes  □ No

B. Environmental Assessment Form

   Please complete the attached EAF as required by the State Environmental Quality Review Act (SEQRA).

C. Form RP 485-b

   Please complete the attached Form RP 485-b as required by Section 485-b of the Real Property Tax Law